



بورصة عمان  
الدائرة الإدارية والمالية  
الذيوان

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الشركة العربية للصناعات الكهربائية م.ع.م

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Ref: 2017/36 / ص ع ك Date: May 15 <sup>TH</sup> 2017	الرقم: ص ع ك / 2017/36 التاريخ: 2017/05/15
To: Jordan Securities Commission Amman Stock Exchange Securities Depository Center	السادة هيئة الأوراق المالية السادة بورصة عمان السادة مركز ايداع الأوراق المالية
Subject: Quarterly Report as of 31/03/2017	الموضوع: التقرير ربع السنوي كما هي في 2017/03/31
Attached the Quarterly Report in English of Arab Electrical Industries company PLC as of 31/03/2017	مرفق طيه البيانات المالية ربع السنوية باللغة الانجليزية للشركة العربية للصناعات الكهربائية م ع م كما هي بتاريخ 2017/03/31
Kindly accept our highly appreciation and respect  Arab Electrical Industries company PLC Manager's Signature MOHAMMED MAHMUOD ELQAISI	وتفضلوا بقبول فائق الاحترام...  الشركة العربية للصناعات الكهربائية م ع م توقيع المدير العام محمد محمود القيسي  العربية للصناعات الكهربائية م ع م

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تلفون المكتب : ٥٨٥٩١٢٤ / ٥٨٥٩١٢٥ (٠٠٩٦٢٦) -- فاكس : ٥٨٢٦١٢٤ (٠٠٩٦٢٦) - تلفون المصنع ٤٠٥٠٥٥١ / ٤٠٥٠٥٥٠ (٠٠٩٦٢٦) - فاكس ٤٠٥٠٤٩٢ (٠٠٩٦٢٦)

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(مسجل تحت الرقم ٢٢٨ ستة ملايين دينار أردني)

**Arab Electrical Industries Co  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan**

**Condensed Interim Financial Statements  
and Report on Review as of March 31, 2017  
(Reviewd Not Audited)**

**Arab Electrical Industries Co**  
**Public Shareholding Co., Ltd.**  
**Amman - The Hashemite Kingdom of Jordan**

**Index**

	<u>Page</u>
Independent auditors' Report on review of condensed interim financial statements	i
Condensed Interim Financial Position as of March 31, 2017	2
Condensed Interim Statement of Comprehensive Income	3
Condensed Interim Statement of Change in Owners' Equity	4
Condensed Interim Statement of Cash Flows	5
Notes to Condensed Interim Financial Statements	6_9

## Report on the review of the condensed interim financial statements

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To the Board of Directors of  
Arab Electrical Industries Co (P.S.C)  
Amman - The Hashemite Kingdom of Jordan

### Introduction:

We have reviewed the accompanying condensed interim financial statements of **Arab Electrical Industries Co (P.S.C)** comprising of condensed interim statement of financial position as at 31 March 2017, and the related condensed interim statements of comprehensive income, changes in owners' equity and cash flows for three months ended 31 March 2017 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with *IAS 34 –interim Financial Reporting ("IAS 34")*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed interim financial information consists of making inquiries primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects in accordance with IAS 34.

### Basic uncertainty about continuity:

Without modification in our opinion, we would like to draw your attention to the fact that the Company recognized total loss from its sales due to the decrease in foreign sales. This resulted in a net loss as at 31 March 2016. These events or circumstances indicated to material uncertainty exists that may cast significant doubt on the Company's ability to continue, that the Company's ability to continue as a going concern depends on the extent of implementation of the future plan (note 13).

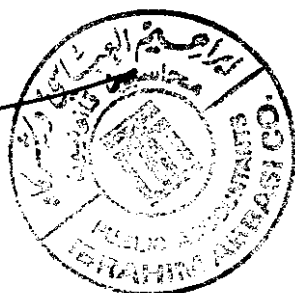
### Other matters:

Condensed interim financial statements were prepared for Instructions for listing the securities in the Amman Stock Exchange & for management's purposes.

Ibrahim Abbasi & Co.

Ahmed Moh'd Abbasi

License No. 710



Amman in

27 April 2017

**Arab Electrical Industries Co  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan**

**Condensed Interim Financial Position as of March 31, 2017**

**Reviewed Not Audited**

	<u>Note</u>	<u>31-Mar-2017</u> JD (Reviewed)	<u>31-Dec-2016</u> JD (Audited)
<b><u>Assets</u></b>			
<b><u>Non-current assets</u></b>			
Properties , plant & equipment - Net	5	2,943,624	2,973,490
Intangible assets - Net		5,868	6,304
Investment in associate company		239,210	239,210
<b>Total Non-current assets</b>		<b>3,188,702</b>	<b>3,219,004</b>
<b><u>Current Assets</u></b>			
Trade receivables - Net	6	506,848	1,452,756
Associate receivable		193,682	193,682
Cheques under collection - Short Term		154,000	250,000
Inventory - Net		2,074,258	2,157,704
Margins & expenses on letters of credit		107,917	-
Financial assets at fair value through income statement		413	510
Other debit balances		180,688	170,865
Cash and Cash equivalent		58,709	7,292
<b>Total Current Assets</b>		<b>3,276,515</b>	<b>4,232,809</b>
<b>Total Assets</b>		<b>6,465,217</b>	<b>7,451,813</b>
<b><u>Owners' Equity and Rights of non-controlling</u></b>			
Paid up Capital		6,000,000	6,000,000
Statutory reserve		288,966	288,966
Accumulated Loss		(2,156,827)	(2,156,827)
( Loss ) for the period		(260,015)	0
<b>Total Owners' equity</b>		<b>3,872,124</b>	<b>4,132,139</b>
<b><u>Non-current liabilities</u></b>			
Loan - Long Term	7	1,468,158	2,066,455
<b>Total Non-current liabilities</b>		<b>1,468,158</b>	<b>2,066,455</b>
<b><u>Current Liabilities</u></b>			
Loan - Short Term	7	272,640	403,140
Accounts payable		549,336	596,890
Other credit balances		302,959	253,189
<b>Total Current Liabilities</b>		<b>1,124,935</b>	<b>1,253,219</b>
<b>Total Liabilities and Owners' Equity</b>		<b>6,465,217</b>	<b>7,451,813</b>

The accompanying notes form an integral part of this statement .

**Arab Electrical Industries Co**  
**Public Shareholding Co., Ltd.**  
**Amman - The Hashemite Kingdom of Jordan**

**Condensed Interim Statement of Comprehensive Income**  
**For the Three Months Ended March 31, 2017**

**Reviewed Not Audited**

	<u>Note</u>	<u>31-Mar-2017</u> JD (Reviewed)	<u>31-Mar-2016</u> JD (Reviewed)
Net sales		217,690	250,837
Cost of goods sold		(384,236)	(384,431)
<b>Gross ( Loss)</b>		<b>(166,546)</b>	<b>(133,594)</b>
General & administrative expenses		(62,516)	(57,810)
Selling and distribution expenses		(9,656)	(13,535)
Financing Expenses		(31,466)	(58,612)
Depreciation & Amortizations		(2,063)	(2,195)
Other revenues		12,232	13,046
<b>( Loss) for the Period</b>		<b>(260,015)</b>	<b>(252,700)</b>
<b>Total comprehensive income</b>		<b>(260,015)</b>	<b>(252,700)</b>
		<u><b>JD / Share</b></u>	<u><b>JD / Share</b></u>
<b>Basic and diluted earningig per share</b>	8	<b>(0.043)</b>	<b>(0.042)</b>

The accompanying notes form an integral part of this statement .

**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Condensed Interim Statement Of Changes In Owners' Equity For the Three Months Ended March 31, 2017**

Reviewed Not Audited

Description	Capital	Statutory Reserve	Accumulated (Loss)	(Loss) Of The Period	Total
	JD				JD
Balance as of January 1, 2017 ( Audited)	6,000,000	288,966	(2,156,827)	-	4,132,139
(Loss) of the period	-	-	-	(260,015)	(260,015)
Total Comprehensive income for the period	-	-	-	(260,015)	(260,015)
Balance as of March 31, 2017 (Exhibit A) - Reviewed	6,000,000	288,966	(2,156,827)	(260,015)	3,872,124
Balance as of January 1, 2016 ( Audited)	6,000,000	288,966	(1,108,774)	-	5,180,192
Prior Years Adjustments	-	-	101	-	101
Adjusted Balances	6,000,000	288,966	(1,108,673)	-	5,180,293
(Loss) of the period	-	-	-	(252,700)	(252,700)
Total Comprehensive income for the period	-	-	-	(252,700)	(252,700)
Balance as of March 31, 2016 (Exhibit A) - Reviewed	6,000,000	288,966	(1,108,673)	(252,700)	4,927,593

The accompanying notes form is an integral part of these statements

**Arab Electrical Industries Co**  
**Public Shareholding Co., Ltd.**  
**Amman - The Hashemite Kingdom of Jordan**

**Condensed Interim Statement of Cash Flows For the Three Months Ended March 31, 2017**

**Reviewed Not Audited**

	<u>31-Mar-2017</u> JD (Reviewed)	<u>31-Mar-2016</u> JD (Reviewed)
<b><u>Cash Flows From Operating Activities</u></b>		
( Loss) for the Period	(260,015)	(252,700)
Adjustments :		
Financing Expenses	31,466	58,612
prior years expenses	-	101
Adjustments to the fair value	97	(17)
Depreciation & Amortizations	30,302	31,035
<b>Operating profit before changes in working capital</b>	<b>(198,150)</b>	<b>(162,969)</b>
Inventory	83,446	58,088
Margins & expenses on letters of credit	(107,917)	(92,079)
Accounts receivable	945,908	(281,982)
Cheques under collection	96,000	596,038
Other receivables	(9,823)	89,307
Accounts payable	(47,554)	(70,415)
Other payables and provisions	49,770	(13,310)
<b>Net Cash from Operating Activities</b>	<b>811,680</b>	<b>122,678</b>
Finance Expenses	(31,466)	(58,612)
<b>Net Cash from Operating Activities</b>	<b>780,214</b>	<b>64,066</b>
<b><u>Cash Flows From Financing Activities</u></b>		
Banks overdrafts	-	(492,020)
Note payable	-	(1,408,258)
Loan	(728,797)	1,874,937
<b>Net Cash ( used in )Financing Activities</b>	<b>(728,797)</b>	<b>(25,341)</b>
<b>Net Increase in Cash and cash equivalent</b>	<b>51,417</b>	<b>38,725</b>
Cash on hand and at banks at beginning of Period	7,292	16,283
<b>Cash on hand and at banks at the end of the period</b>	<b>58,709</b>	<b>55,008</b>

The accompanying notes form an integral part of this statement .



**Arab Electrical Industries Co  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan**

**Notes to The Condensed Interim Financial Statements - Reviewed Not Audited**

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**Company's Registration and Objectives**

Arab Electrical Industries Co was established under the Companies Law No. 12 of 1964 a private joint stock company It has been registered with the Ministry of Industry and Trade in the register of private shareholding companies under No.(1167) at May 11,1983 , The company got the right to commence work on Jun 4,1989 The company was re-registered in accordance with the Temporary Companies Law No 1 of 1989 under No (1167) on Jun 4,1989 Until it was converted into a public joint stock company According to the Companies Act Where it was registered in the register of public shareholding companies under the No (228) on May 18,1993 got the right to commence work on September 8,1993

The company aims to manufacture and import electrical installation supplies in addition to the goals stipulated in the Memorandum of Association

**2- Basis of Preparation of Interim Financial Statements**

**General**

These condensed interim financial statement have been prepared in accordance with international accounting standards ((IFRS) IAS 34))(Interim Financial Reporting).

The condensed interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

The condensed interim financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

These condensed interim financial statements do not include all the information required for a complete set of IFRS financial statements, However , selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31,2016** , in addition, The results for the three months period ended **March 31,2017** are not necessarily indicative of the results that may be expected for the financial year ending **December 31,2017** .

**3- Significant accounting policies**

The preparation of interim condensed financial information requires to use of significant and specific accounting estimates It also requires management to use its own judgment in the process of applying accounting policies, The significant estimates and assumptions used in the preparation of the financial statements have been disclosed in note No. (4)

Accounting policies followed in condensed interim financial statements' preparation for this period are consistent with the policies followed the last year .

**4- Significant accounting estimates and assumptions**

There are no material changes to the nature and amount of the changes in the estimate of amounts recognized in the interim financial statements as compared to the financial statements for 2016

**Arab Electrical Industries Co**  
**Public Shareholding Co., Ltd.**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to The Condensed Interim Financial Statements - Reviewed Not Audited**

**5- Properties, plant & equipment - Net**

This item consists of :

	31-Mar-2017 JD (Reviewed)	31-Dec-2016 JD (Audited)
<b><u>Cost</u></b>		
Balance beginning of the period / year	6,814,902	6,814,902
Additions	-	-
Disposals	-	-
<b>Balance ending of the period</b>	<b>6,814,902</b>	<b>6,814,902</b>
<b><u>Accumulated Depreciations</u></b>		
Balance beginning of the period / year	3,841,412	3,713,539
Additions	29,866	127,873
<b>Balance ending of the period</b>	<b>3,871,278</b>	<b>3,841,412</b>
<b>Net book value</b>	<b>2,943,624</b>	<b>2,973,490</b>

**6- Trade receivables - Net**

This item consists of :

	31-Mar-2017 JD (Reviewed)	31-Dec-2016 JD (Audited)
Export receivables	226,548	1,213,792
Other trade receivables	300,772	259,436
<b>Total</b>	<b>527,320</b>	<b>1,473,228</b>
Less : Provision for doubtful debts	(20,472)	(20,472)
<b>Net</b>	<b>506,848</b>	<b>1,452,756</b>

**Arab Electrical Industries Co**  
**Public Shareholding Co., Ltd.**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to The Condensed Interim Financial Statements - Reviewed Not Audited**

**-7 Loans**

A- This item consists of :

	31-Mar-2017	
	long-term	short term
	JD	JD
cabital bank ( 7 B)	1,468,158	272,640
<b>Total</b>	<b>1,468,158</b>	<b>272,640</b>

	31-Dec-2016	
	long-term	short term
	JD	JD
cabital bank ( 7 B)	1,536,318	272,640
Commercial Jordanian Bank ( 7 C)	530,137	130,500
<b>Total</b>	<b>2,066,455</b>	<b>403,140</b>

B- The company received a loan from Capital Bank of US \$ 2,700,000 which is used to schedule the full Balances of the facilities granted to the Company for one time with interest rate (3% + Liabor 6 Months) The loan is repayable for a period of (84) monthly installments With a grace period of 6 months By guaranteeing mortgages based on bank facilities granted to the company

C- The company received a loan from Commercial Jordanian Bank amounting to JD 730,941 wich is Used to merge accounts from the balances of facilities and loans and withdrawals of credits granted to the company at an interest rate (8%) A payment of 36,265 was made and the rest of the loan is repaid over 84 monthly installments Where the first installment is due on 31/7/2016 By guaranteeing mortgages based on bank facilities granted to the company The loan was repaid in full on March 23, 2017

**Arab Electrical Industries Co  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan**

**Notes to The Condensed Interim Financial Statements - Reviewed Not Audited**

**8- (loss) Per Share**

	31-Mar-2017	31-Mar-2016
	JD	JD
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
(Loss ) for the Period	(260,015)	(252,700)
Weighted average number of shares	6,000,000	6,000,000
<b>Basic and diluted, earnings per share</b>	<b><u>(0.043)</u></b>	<b><u>(0.042)</u></b>

**9- income tax Position**

- The annual estimate of 2015 & 2016 was presented within the legal period of the Income and Sales Tax Department and has not yet been reviewed
- No tax provision has been made for the results of the Company for the period ended 31 March 2017 due to losses arising from the increase in expenses on revenues, according to the opinion of the tax advisor

**10- Related Party Transactions**

Related party transactions include transactions with associate companies and subsidiaries and the member of the board of directors and main owners.

	31-Mar-2017	31-Mar-2016
	JD	JD
	<b>(Reviewed)</b>	<b>(Reviewed)</b>
Benefits ,Salaries and wages	34,300	35,500

the following is summary of the balnces with related party shown in the financial positions.

		31-Mar-2017	31-Dec-2016
		JD	JD
		<b>(Reviewed)</b>	<b>(Audited)</b>
Philadelphia for General Supplies Co.	Debit	235,031	244,026
Al-Entima'a Co	Credit	89,898	160,777
United for Metal Industreis LTD	Credit	11,272	13,170
Albetraa For General Importations LTD \ Sudan	Debit	56,696	56,696
Arab Electrical Industries Co / Egypt	Debit	136,986	136,986
		<b><u>529,883</u></b>	<b><u>611,655</u></b>

**Arab Electrical Industries Co**  
**Public Shareholding Co., Ltd.**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to The Condensed Interim Financial Statements - Reviewed Not Audited**

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**1- Segment Information**

The sector is a group of elements in a company that is unique in that it is subject to risks and returns that distinguish it from others and participate in the provision of products or services and this is known as the business sector. It also engages in providing products or services within a specific economic environment that is distinguished from other sectors in other economic environments. This is known as the geographical sector.

Sectors Information: Appear in company of its two Main sectors, company's businesses represent of Manufacturing activity that the company produce electric cables and electric fitting needs, the company Exercise its activity inside Jordan.

**12- Contingent Liabilities**

At the date of financial statements there was contingent liabilities represented of Banks Guarantees 100,000 JD.

**13- Future Plan**

- Follow up the international markets for raw materials and choose the best suppliers to obtain the raw materials of high quality and lowest prices and best offers.
- Make all efforts and exploit all opportunities to strengthen and strengthen the local market and Increase the market share and meet the needs of new products and commensurate with the economic situation of Jordan.
- Follow-up to the Iraqi private and public market and work on signing new contracts with public and private government agencies as well as follow up the foreign markets, especially Libya, Yemen and Saudi Arabia.
- To continue to study and update the internal systems of the company to cope with the various legal and legislative changes.
- Update and develop production lines to increase the production capacity of all varieties and produce new varieties to meet the needs of the markets and increase sales.
- The Management's commitment to cost reduction policies and scaled some activities inside the factory.
- Increase the collectible capacity of customers' receivables and establish credit limits for them and continue to increase the Company's solvency.

**14- Comparative Figures**

Certain comparative figures were reclassified to conform with the presentation of the current period.