حديد الاردن
JORDAN STEEL

Date: ....

Ref. ....

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الاشارة 2018/08/06

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السيجبالس

السادة هيئة الأوراق المالية المحترمين

تحيــة واحترام وبعـــد،

مرفق طيه نتائج اعمال الربع الثاني لمجموعه حديد الاردن باللغه الانجليزية.

وتفضلوا بقبول فائق الأحترام

رأفت غباين
نائب الرئيس التنفيذي

شركة حديد الأردن م.ع.م
JORDAN STEEL P.L.C

هيئة الأوراق المالية
الدائرة الادارية / الديوان
٧ - آب ٢٠١٨
الرقم المتسلسل ٤٨٠٠٨
الجهة المختصة ....

شركة حديد الأردن المساهمة العامة المحدودة هاتف : ٤٦١٩٣٨٠ فاكس : ٤٦١٩٣٨٤ ص.ب ٣٥١٦٥ عمان ١١١٨٠ الأردن
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BEL CERT SGS

JORDAN STEEL COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIMCONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT FOR THE PERIOD ENDED JUNE 30, 2018

JORDAN STEEL COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT FOR THE PERIOD ENDED JUNE 30, 2018

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REPORT ON REVIEWING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the president and members of the board of directors

Jordan Steel Company

Introduction

We have reviewed the accompanying Interim Consolidated Statement of Financial Position for Jordan Steel Company (P.L.C) as of June 30, 2018, and the related statementsof InterimConsolidatedComprehensive income, Owners' equity and cash flows for the period then ended. The management is responsible of preparing and presenting company's consolidatedfinancial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to make inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures to financial data .The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, Getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, Hence, We don't express an opinion regarding in this regard.

Conclusion

Based on our review, nothing has come to our attention that causes us to be believe that the accompanying interim consolidated financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

Other Matter

1- The Consolidated Financial Statements as of December 31, 2017have been audited by another auditor,who issued his qualified reporton March12, 2018, also the Interim Consolidated Financial Statements for the period ended on June 30, 2017 have been reviewed by another auditor, which who issued his qualified report on July 27, 2017

2- On the basis of the unusual General Assembly Meeting No. (2/2014) on March 2014, a decision was taken to liquidate Jordan Steel Industries Engineering Company as an optional liquidation. The legal procedures for liquidation were not completed by the Ministry of Industry, trade, supply and the relevant official bodies until the date of issuing the interim financial statements.

Ghosheh & Co.

Abdul Kareem Qunais
License No.(496)

Ghosheh & Co. (CPA's)
A member of Nexia International
غوشه و شركاه (محاسبون قانونيون)

Amman-Jordan
July 30, 2018

JORDAN STEEL COMPANY
(PUBLIC SHAREHOLDING COMAPNY)

THE STATEMENT OF INTERIM CONSOLIDATED FINANCIAL POSITION (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2018 AND DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINARS)

	Note	2018	2017
ASSETS			
Non-current assets			
Property and equipments	4	**39,969,335**	40,430,915
Investments in land	5	**934,131**	934,131
Total non-current assets		**40,903,466**	41,365,046
Current assets			
Other receivables		**4,627,992**	4,232,638
Inventory and spare parts		**10,345,665**	11,442,892
Accounts receivable		**5,190,583**	7,886,409
Cash and cash equivalents		**373,090**	184,131
Total current assets		**20,537,330**	23,746,070
TOTAL ASSETS		**61,440,796**	65,111,116
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share capital	1	**35,000,000**	35,000,000
Issuance premium	6	**1,509,320**	1,509,320
Statutory reserve	6	**6,113,139**	6,113,139
Accumulated losses		**(6,058,386)**	(3,672,886)
Total owners' equity		**36,564,073**	38,949,573
Current liabilities			
Accrued expenses and other liabilities		**2,506,973**	2,326,018
Notes payable		**-**	2,048,192
Accounts payableand deferred checks		**5,289,501**	4,910,971
Due to related parties		**182,936**	365,962
Banks overdraft		**16,897,313**	16,510,400
Total current liabilities		**24,876,723**	26,161,543
TOTAL LIABILITIES AND OWNERS' EQUITY		**61,440,796**	65,111,116

The accompanying notes are an integral part of theseInterimconsolidatedfinancial statements

JORDAN STEEL COMPANY
(PUBLIC SHAREHOLDING COMAPNY)

INTERIM STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME(UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2018
(EXPRESSED IN JORDANIAN DINAR)

	For the period		From the beginning of the year	
	April 1,2018 till June 30,2018	April 1,2017 till June 30,2017	**June 30, 2018**	June 30, 2017
Sales	**10,299,536**	4,013,840	**21,570,187**	11,933,220
Cost of Sales	**(10,927,603)**	(4,411,424)	**(22,511,239)**	(11,645,815)
Gross (loss)/profit	**(628,067)**	(397,584)	**(941,052)**	287,405
Selling and Marketing expenses	**(48,236)**	(9,952)	**(77,936)**	(19,932)
General and Administrative expenses	**(201,483)**	(277,084)	**(433,025)**	(619,720)
FinancialCharges	**(352,799)**	(244,530)	**(591,983)**	(427,830)
legal cases provision	-	-	**(800,000)**	-
Losses from disposal property, plant and equipment	**(3,168)**	-	**(3,168)**	-
Loss from impairment of inventory	-	250,000	-	-
Other Revenues and expenses	**450,254**	253,903	**464,838**	409,573
LOSS FOR THE PERIOD BEFORE TAX	**(783,499)**	(425,247)	**(2,382,326)**	(370,504)
Prior years income tax	-	-	-	(299)
Income tax	**(250)**	(10,569)	**(3,174)**	(17,155)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**(783,749)**	(435,816)	**(2,385,500)**	(387,958)
loss per Share:				
loss per Share JD/Share	**(0,022)**	(0,012)	**(0,07)**	(0,011)
Weighted Average of Outstanding Shares	**35,000,000**	35,000,000	**35,000,000**	35,000,000

The accompanying notes are an integral part of theseInterimconsolidatedfinancial statements

1. ORGANIZATION AND ACTIVITY

The Jordan Steel Company is a Public ShareholdingCompany (the "Company") registered asPublic Shareholding Company on March 29, 1993 under No. (226). The Company's authorized and paid up capital is JD 35,000,000 divided into 35,000,000 shares each for of JD 1.

The principal activity of the Company is to produce reinforcing steel and pull through steel without heating to produce steel bars contributing to other companies, importing, exporting, marketing, concluding contracts and trade agreements and borrowing the necessary funds from banks.

The Company's headquarter is in Amman.

The consolidated financial statements as of March 31, 2018include the financial statements of the following subsidiary company (Al-Majal Modern for Scrap Iron L.T.D):

Subsidiary Company	Legal title	Registration years	Ownership and dates interest (%)	Principal activity
Jordan Iron Industries Co. - under liquidation	Limited liability	2003	100%	Production of iron and steel in all its forms and types
Al - Etlaf Company for Iron and Steel Industry	Limited liability	2005	100%	Production of iron and steel in all its forms and types
Modern Wire Mesh Co	Limited liability	2005	100%	Production of iron and steel in all its forms and types
Ammon Company for Iron and Metal Trading	Limited liability	2011	100%	Production of iron and steel in all its forms and types

2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt thesestandards, where applicable, when they become effective.

New Standards	Effective Date
(IFRS) No.16 – Leases	January 1,2019

Board of directors of the company is expecting that the application of these standards and interpretations will not have a substantial impact on the Company's intreim financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting".

The interim consolidated financial statements have been presented in Jordanian Dinars because the majority of the Company's transactions are recorded in Jordanian Dinars.

The interim consolidated financial statements have been prepared on the historical cost basis.

The consolidated interim financial statements do not include all the information and clarifications required in the annual financial statements and should be read in conjunction with the annual financial statements ended December 31, 2017. In addition, the results for the six months ended June 30, 2018 are not necessarily indicative of the results to be expected for the financial year ended on December 31, 2018.

Significant accounting policies
The accounting policies used in the preparation of the interim financial information are consistent with those used in the audited financial statements for the year ended 31 December 2017.

The Basics of Preparation
The consolidated financial statements have been prepared on the historical cost basis , However financial assets and financial liabilities are stated at fair value. The following is asummary of significant accounting policies applied by the company as follows :

Equity instruments at FVTOCI
Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently. They are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the cumulative changes in fair value of securities reserve: The cumulative changes or loss will not be reclassified investments. But reclassified to retained earnings. The Company has designated all instruments that are not held for trading as at FVTOCI

Dividends on these investments in equity instruments arc recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of a part of the cost of the investments. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt instruments at amortized cost or at FVTOCI
The Company assesses the classification and measurement of the cash flow characteristics of the contractual asset and the Company 's business model for managing the asset
For an asset to classified and measured at amortized cost or at FVTOCI, is contractual terms should give rise to cash flows that solely represent payments of principal and interest on the principal outstanding (SPPI)
At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI , the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred within equity
Debt instruments that are subsequently measured at amortized costor FVTOCI are subject to impairment.

ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from weighting of multiple future economic scenarios. Discounted at the asset's EIR.

Loss allowance for financial investments measured at amortized costs are deducted from gross carrying amount of assets. For debt securities a FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are. in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company 's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate withdefault on receivables.

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the interim condensed statement of income and other comprehensiveincome
The Company considers a debtsecurity to have low credit risk when its credit risk rating is equivalent to the globally understooddefinition of the grade of the investment
Measurement of ECL
The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the termstructure of the following variables.

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters will be derived from our internally developed statistical models and other historical data.They will be adjusted to reflect forward – looking information.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to stage 3 assets. At each reporting date, the Company assesses Whether financial assets carried at amortized costs and debt securities at FVTOCI at credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact in the estimated future cashflows of the financial asset have occurred.

DE-recognition of financial assets
The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity .If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it

may have to pay. if the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On DE recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On DE recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but Is reclassified to retained earnings.

Presentation of allowance for ECL are presented in the condensed interim financial information

Loss allowances for ECL are presented in the in the condensed interim financial information as follows:

For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets
for debt instruments measured at FVTOCI no loss allowance is recognized in the interim condensed statement of financial position as the carrying amount is atfair value. However, the less allowance is included as part of the revaluation amount in re-evaluation reserve and recognized in other comprehensive income.

Revenue recognition
IFRS 15 "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several standards and Interpretation within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step1: identify the contract with customer : A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract : performance obligation in a contract is a promise to transfer a good or service to the customer

Step 3 :Determine the transaction price Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the goods and services to a customer excluding amount collected on behalf of third parties.

Step 4 : Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenues as and when the entity satisfies the performance obligation
The Company recognizes revenue over time if any one of the following criteria is met:

The customer simultaneously receives and consumes the benefits provided by the Company performance as The Company performs.

The Company performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
The Company performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance obligation completed to date
the Company allocates the transaction price to the performance obligations in a contract based on the input method which requires the revenue recognition on the basis of the Company's efforts or inputs to the satisfaction of the performance obligations. The Company estimates the total costs to complete the projects in order to determine amount of revenue to be recognized.

Impact of changes in accounting policies due to adoption of new standards (continued)

Revenue recognition (continued)
When he Company satisfies A performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. where the amount of consideration received from the customer exceeds the amount of revenue recognized this gives rise to a contract liability
Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment. the Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent and has concluded that it is acting as a principal all of its revenue arrangements
-Revenue is recognized in the interim condensed consolidated financial statements to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if and when applicable, can be measured reliably .

Critical accounting judgments and key sources of estimation uncertainty
The preparation of condensed consolidated financial statements requires management to make judgments estimates and assumptions that affect the application of accountingpolicies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated financial statements, the significant Judgmentsmade by management in applying the Company's accounting policies and the key sources of estimationuncertaintywere the same as those that applied to the audited annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of IFRS 9 which has resulted in changes in accounting judgments for recognition of financial assets and Liabilities and impairment of financial assets, as set out below.

Critical judgments in applying the Company 's accounting policies in respect of IFRS 9

Business model assessment: Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how theCompany's of financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers ofthe assets are compensated. Monitoring is part of the Company's continuoes assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase of credit risk

ECLs are measured as an allowance equal to 12-month ECL for stage1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes as a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

Establishing Company s of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are Company collected on the basis of shared risk characteristics (e g, instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. this is required in order to ensure that should credit risk characteristics change there is an appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant Increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

Models and assumptions used

The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key sources of estimation uncertainty in respect of IFRS 9

The following are key estimations that the management has used in the process of applying the Company 's accounting policies and that have the most significant effect on the amounts recognized in condensed consolidated interim financial statements

Establishing the number and relative weightings of forward-looking scenarios for each type of product /market determining the forward looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward looking information, which s based on assumptions for the future movement of different economic drivers and how these drivers will affect each other

Probability of Default
PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of Default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given to Default
LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Cash and cash equivalents
Cash and cash equivalent include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts receivable
Accounts receivable are recorded at the original amount less a provision for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable

Accounts payable and accruals
Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

Inventory
Inventories are valued at cost or net realizable value, whichever is lower, which includes the cost of purchase, costs of conversion and other costs expended in order to bring it to warehouses, and cost is determined on the basis of the weighted average method.

Property and Equipments
Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis except power plant and equipment and machinary (melting furnace) depreciation is calculated on production capacity basis, the depreciation percentage for the assets as follows:

	Annual depreciation rate
Buildings and constructions	2%-10%
Equipments and machinary	5%-15%
Electricity and communication network	5%-12%
Transportation	15%
Tools	15%
Furniture and office equipments	9%-15%
Computer divices	10%-40%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and depreciation period are appropriate with the expected economic benefits of property and equipment.
Impairment test is performed to the value of the property and equipment that appears in the Statement of Financial Position when any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets
At any subsequent exclusion of property and equipment, the value of gains or losses resulting are recognized, Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Statement of Financial Position, Gross Profit and loss.

Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and reliable estimate can be made regarding the amount of the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flow estimated to settle the present obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

The sectoral report
The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, wich are mesured accroding to the reports that are used by the executive director and the main decision – markers in the Company.

Geographical segment is associated in providing products in aparticular economic enviroment subject to risks and returns that are differed from those for sectors to work in economic enviroment.

Offsetting
Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, and when it intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Income tax
The Company is subject to the Income Tax Law for the year and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International , the company may have deferred taxable assets resulting from thetemporary differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it's immaterial.

Foreign currency translation
Foreign currency transaction are translated into Jordanian Dinars at the rates of exchange prevailing at the time of the transactions. Monetary assests and liabilities denominated in foreign currencies at the consolidated financial position are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are be included in the comprehensive income statement.

4. PROPERTY AND EQUIPMENT

	June 30, 2018	December 31 , 2016
Cost:		
Beginning balance	81,498,885	79,823,904
Additions	297,935	568,145
Transfer from inventory to Property, plant and equipment	-	1,123,391
Disposals	(4,522)	(16,555)
Ending balance	81,792,298	81,498,885
Beginning balance	41,067,970	40,494,106
Depreciation	755,537	575,048
Disposals	(544)	(1,184)
Ending balance	41,822,963	41,067,970
Net book value	39,969,335	40,430,915

5. INVESTMENT IN LAND

	2018	2017
Beginning balance	934,131	934,131
Additions	-	-
	934,131	934,131

The market value of the investment lands according to the valuation of the real estate expert on February 2, 2016 amounted to JD 1,314,941.

6.ISSUANCE PREMIUM AND RESERVS

Issuance premium
The amounts in this account represent those received and resulting from the difference between the issue price and the par value for the result of share capital increase during the year.

Statutory reserve
In accordance with the Companies' Law in the Hashemite Kingdome of Jordan and the Company's Article of Association, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 100% of the capital. However, the company may, with the approval of the General Assembly to continue to deduct this annual ratio until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividend distribution, The General Assembly is entitled to decide, in its unusual meeting, to amortize its losses by the accumulated statuary reserve if all other reserves pay off, to rebuild it again in accordance with the law.

7. FINANCIAL INSTRUMENTS

Management of share capital risks
The Company manages its capital to make sure that the Company will continue when it is take the highest return by the best limit for debts and shareholders equity balances. The Company's strategy doesn't change from 2017.

Structuring of Company's capital includes debt which includes borrowing, and the owners' equity in the Company which includes share capital, statutory reserve, partners' current account and accumulated losses as it listed in the changes in owners' equity statement.

The management of the financial risks
The Company's activities might be exposed mainly to the followed financial risks:

Management of the foreign currencies risks
The company is not exposed to significant risks related to foreign currency price changes, so there is no need to effective management for this exposure.

Management of the interest price risks
Risk related to interest rate result mainly from borrowing money at varying interest rates and short term deposits at fixed interest rates.

Other price risk
The Company is exposed to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other company's owner's equity for strategic purposes and not for trading purposes, and the Company has no trading activity in those investments.

Credit risk management
The credit risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks that has a good reputations and have been controlled from control parties.

The amounts had listed in the financial statements data represents the highest credit risk exposure to the trade accounts receivable and to the cash and cash equivalent.

11. APPROVAL OFINTERIM CONSOLIDATED FINANCIAL STATEMENTS

TheInterim Consolidatedfinancial statements were approved by the Board of Directors and authorized for issuance on July 30, 2018

12. COMPARTIVE FIGURES

Certain figures for 2017 have been reclassified to confirm presentation for the period ended on June 30, 2018.