



حديد الأردن  
JORDAN STEEL

2019 / 10 / 31

1210 /19/FI

التاريخ

الإشارة

Date: .....

Ref. ....

للمراجعة  
م. بورصة عمان  
م. السيد عمر  
السيد عبد الله

Jordan Securities Commission  
Amman Stock Exchange  
Securities Depository Centre

السادة هيئة الأوراق المالية المحترمين  
السادة بورصة عمان المحترمين  
السادة مركز إيداع الأوراق المالية المحترمين

Financial Statements for the period ended  
30/09/2019

الموضوع : البيانات المالية للفترة المنتهية في  
2019/09/30

Dear Sir,

Attached the review Financial Statements of  
JORDAN STEEL COMPANY AND ITS  
SUBSIDIARIES PUBLIC SHAREHOLDING  
COMPANY for the 30/09/2019.

تحية وبعد ،  
مرفق طيه نسخة من البيانات المالية المراجعة لشركة  
حديد الأردن وشركاتها التابعة المساهمة العامة  
المحدودة عن الفترة المنتهية في 30 ايلول 2019 .

Kindly accept our highly appreciation and  
respect.

ونفضلوا بقبول فائق الاحترام

Jordan Steel PLC

شركة حديد الأردن

Chairman of the Management Committee

رئيس لجنة الإدارة

Mu'taz Ghaleb Moh'd Amin Abu Hasan

معتر غالب "محمد أمين" أبو الحسن



شركة حديد الأردن المساهمة العامة المحدودة هاتف : ٤٦١٩٣٨٠ فاكس : ٤٦١٩٣٨٤ ص.ب ٣٥١٦٥ عمان ١١١٨٠ الأردن  
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**JORDAN STEEL COMPANY  
PUBLIC LIMITED COMPANY  
AMMAN - JORDAN**

**CONDENSED INTERIM FINANCIAL STATEMENTS AND  
REVIEW REPORT**

**September 30.2019**



**JORDAN STEEL COMPANY  
PUBLIC LIMITED COMPANY  
AMMAN - JORDAN**

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## Review Report on Condensed Interim consolidated Financial Statements

To the Chairman and Members of the Board of Directors  
Jordan Steel Company  
Public limited company  
Amman - Jordan

We have reviewed the accompanying condensed interim consolidated financial statements of Jordan Steel Company as of 30 September 2019, comprising the condensed interim consolidated statement of financial position as of 30 September 2019 and the related condensed Interim consolidated statements of income, comprehensive income, changes in equity, and cash flows for the nine months period then ended and explanatory notes.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with IAS 34 (Interim Financial Reporting).

Our responsibility is to express a conclusion on these condensed 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 of the Entity".

A review of 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 and consequently 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 consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman 28/10/2019

Legal Auditor's

  
Mohammad Al-Basheer  
License No. 355

**JORDAN STEEL COMPANY  
PUBLIC LIMITED COMPANY  
AMMAN - JORDAN**

**EXHIBIT A**

**Consolidated Balance sheet as of September 30,2019**

	<u>Notes</u>	<u>September 30,2019</u>	<u>2018</u>
		<u>JD</u>	<u>JD</u>
<b>ASSETS</b>			
<b>Current Assets</b>			
cash and cash equivalents	3	57,536	974,493
checks under collection	4	416,080	1,128,735
Accounts receivable	5	1,552,178	3,686,656
Inventory and spare parts	6	11,076,238	9,930,985
prepaid expense and other receivable	7	7,322,270	5,932,787
<b>Total Current Assets</b>		<u><b>20,424,302</b></u>	<u><b>21,653,656</b></u>
<b>Non Current Assets</b>			
Investment in land		154,784	154,784
long term -checks under collects		-	132,817
Property, plant and equipment	8	81,133,184	80,721,937
Accumulated depreciation		<u>(41,192,557)</u>	<u>(40,647,503)</u>
<b>Total Non Current Assets</b>		<u><b>40,095,411</b></u>	<u><b>40,074,434</b></u>
<b>Total Assets</b>		<u><b>60,519,713</b></u>	<u><b>62,015,691</b></u>
<b>LIABILITIES AND OWNER'S EQUITY</b>			
<b>Current Liabilities</b>			
Banks overdraft	9	20,038,787	20,067,507
account payable and deffered checks		6,496,047	5,291,493
Other Credit Balance	10	1,976,894	714,269
Due related parties	11	44,428	47,901
<b>Total Current Liabilities</b>		<u><b>28,556,156</b></u>	<u><b>26,121,170</b></u>
Shareholders' Liabilities		1,247,204	1,269,341
<b>Total Liabilities</b>		<u><b>29,803,360</b></u>	<u><b>27,390,511</b></u>
<b>Owner's Equity</b>			
Share capital		35,000,000	35,000,000
Issuance premuim		1,509,320	1,509,320
statutory reserve		6,075,043	6,075,043
Accumulated losses		<u>(11,868,010)</u>	<u>(7,959,183)</u>
<b>Total Owner's Equity</b>		<u><b>30,716,353</b></u>	<u><b>34,625,180</b></u>
<b>Total Liabilities And Owner's Equity</b>		<u><b>60,519,713</b></u>	<u><b>62,015,691</b></u>

The accompanying notes constitute an integral part of these financial statements



**JORDAN STEEL COMPANY**  
**PUBLIC LIMITED COMPANY**  
**AMMAN - JORDAN**

**EXHIBIT B**

**Consolidated Statement of income for the period ended September 30.2019**

	<u>Notes</u>	<u>September 30.2019</u>	<u>September 30.201</u>
		<u>JD</u>	<u>JD</u>
Sale		8,997,847	41,093,771
Cost of sale		(11,016,698)	(42,487,319)
<b>Gross Profit</b>		<b>(2,018,851)</b>	<b>(1,393,548)</b>
selling and marketing expense		(129,091)	(120,867)
General and administrative expense		(607,111)	(611,956)
financial charges		(1,164,648)	(936,689)
Legal Expense		-	(800,000)
losses from disposal property		-	(6,406)
depretiation expense		(10,600)	(12,234)
other revenues and expense		48,509	634,592
previous years sales tax expense		(6,544)	-
<b>Profit before taxes &amp; provisions</b>		<b>(3,888,336)</b>	<b>(3,247,108)</b>
Income tax		-	(1,722)
<b>(Loss) profit after taxes &amp; provisions</b>		<b>(3,888,336)</b>	<b>(3,248,830)</b>
prior period accumulated profit		(7,959,183)	(3,672,886)
prior years income tax		(20,491)	-
<b>Total Retained Profit ( loss )- Exhibit A</b>		<b>(11,868,010)</b>	<b>(6,921,716)</b>
 <b>Comprehensive income</b>		 <b>(3,888,336)</b>	 <b>(3,248,830)</b>
Add :- Other comprehensive income		-	-
<b>Total of comprehensive income</b>		<b>(3,888,336)</b>	<b>(3,248,830)</b>
 <b>Basic and diluted earnings per share</b>		 <b>(0.111)</b>	 <b>(0.093)</b>
attributable to sliareholders			

The accompanying notes constitute an integral part of these financial statements

JORDAN STEEL COMPANY  
PUBLIC LIMITED COMPANY  
AMMAN - JORDAN

EXHIBIT C

Statement of Changes in Owner's Equity for the Period Ended December 31, 2011

	Capital JD	Issuance premium JD	statutory reserve JD	Accumulated Profit ( Loss ) JD	Total JD
As at 31 December 2017	35,000,000	1,509,320	6,075,043	(3,672,886)	38,911,477
Profit (loss) for the period	-	-	-	(3,248,830)	(3,248,830)
additional on balance sheet			38,096		38,096
As at September 30, 2018 -Exhibit A	<u>35,000,000</u>	<u>1,509,320</u>	<u>6,113,139</u>	<u>(6,921,716)</u>	<u>35,700,743</u>
As at 31 December 2018	35,000,000	1,509,320	6,075,043	(7,959,183)	34,625,180
Profit (loss) for the period	-	-	-	(3,888,336)	(3,888,336)
prior years income tax				(20,491)	(20,491)
As at September 30, 2019 -Exhibit A	<u>35,000,000</u>	<u>1,509,320</u>	<u>6,075,043</u>	<u>(11,868,010)</u>	<u>30,716,353</u>

The accompanying notes constitute an integral part of these financial statements



**JORDAN STEEL COMPANY**  
**#REF!**  
**PUBLIC LIMITED COMPANY**  
**AMMAN - JORDAN**

**EXHIBIT D**

**Consolidated Statement of Cash flows for the period ended September 30,2019**

	<u>September 30,2019</u>	<u>September 30,2019</u>
	<u>JD</u>	<u>JD</u>
<b>Cash flows from operating activities</b>		
Profit ( Loss )	(3,888,336)	(3,247,108)
Impairment loss	(20,491)	-
<b>Adjustments for non cash items:</b>		
Depreciation	545,054	662,052
losses from disposal property		6,406
financial charges		936,689
<b>Changes in current assets and liabilities</b>		
Cheques under collection	845,472	-
Accounts receivable	2,134,478	2,167,164
Due related parties	(3,473)	(209,124)
account payable and deferred checks	1,204,554	(568,335)
Inventory and spare parts	(1,145,253)	863,189
Other Credit Balance	1,351,424	-
prepaid expense and other receivable	(1,478,282)	(1,404,240)
<b>Net cash flows (used in) operating activities</b>	<u>(454,853)</u>	<u>(793,307)</u>
financial charges	-	(936,689)
<b>Net cash flows (used in) operating activities</b>	<u>(454,853)</u>	<u>(1,729,996)</u>
<b>Cash flows from investing activities</b>		
Purchase of Property, plant and equipment	(411,247)	114,944
sales of Property, plant and equipment	-	-
<b>Net cash flows (used in) investing activities</b>	<u>(411,247)</u>	<u>114,944</u>
<b>Cash flows from financing activities</b>		
Shareholders	(22,137)	-
Credit bank	(28,720)	3,983,384
bonds		(2,048,192)
<b>Net cash flows from financing activities</b>	<u>(50,857)</u>	<u>1,935,192</u>
<b>Net Increase (Decrease) in Cash and cash equivalent</b>	(916,957)	320,140
Cash and cash equivalent - beginning of the period-Ex	974,493	184,131
<b>Cash and cash equivalent - end of the period-Exh</b>	<u><u>57,536</u></u>	<u><u>504,271</u></u>

The accompanying notes constitute an integral part of these financial statements

**JORDAN STEEL COMPANY**  
**PUBLIC LIMITED COMPANY**  
**AMMAN - JORDAN**  
**Notes to the financial statements**

**1. ORGANIZATION AND ACTIVITY**

The Jordan steel company is a public shareholding company (the "Company") registered as public 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 share cash 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 interim consolidated financial statement as of June30 , 2019 and December 31, 2018 include the financial statements of the following subsidiary company (AL-Majal Modern foe scrape Iron L.T.D):

Subsidiary Company	legal title	registration years	ownership and dates intrest (%)	principal activity
Jordan Iron CO.-under liquidation	limited liability	2003	100%	production of iron and steel in all its forms and typs .
Al - Etlaif company iron and steel industry	limited privet joint stock	2005	100%	production of iron and steel in all its forms and typs .
Modern wire mesh Co.	limited liability	2005	100%	production of iron and steel in all its forms and typs .
Ammon company for iron and metal trading	limited liability	2011	100%	production of iron and steel in all its forms and typs .

**2. Significant accounting policies**

The financial statements are prepared in accordance with International Accounting Standards

**a) Basis of Accounting**

The financial statements are prepared in accordance with the historical cost convention.

**b) Revenue Recognition**

Revenue is recognized upon issuing commercial invoice and transferring benefits and risks to the

**c) SIGNIFICANT ACCOUNTING ESTIMATES AND POLICIES**

The accompanying condensed interim financial information has been prepared

The accounting estimates adopted in the preparation of the condensed interim



**d) Cash and Cash equivalent**

For the purposes of the statement of cash flows, "cash and cash equivalent" represent cash in hand, current bank accounts and fixed deposits with banks maturing within three months or less from the balance sheet date. Over draft bank account fluctuating from debit to credit balance are deducted from "cash and cash equivalent".

**e) Foreign currencies**

Foreign currency transactions occurring during the year are expressed in Jordanian Dinars at rates of exchange prevailing on such transaction dates. and all foreign currency gains and losses are credited or charged to the income statement as they arise.

**f)Accounts Receivable**

Accounts receivable are shown on the balance sheet at their net realizable value.

**g) Inventory**

inventory is shown at the lower of cost or net realizable value , First in first on method is adopted for pricing inventory items .

**h) Property, plant and equipment**

Property, plant and equipment are valued at cost less the accumulated depreciation. The company uses the straight line method in depreciating its property, plant and equipment over their useful life .

If any of the assets is disposed of , the recorded amount for the disposed asset and its accumulated depreciation on the date of disposition are omitted from the company's records, and the result, whether income or loss is posted to the income statement accounts.

Additions and significant improvements are capitalized at cost, but maintenance expenses are charged on current operations when incurred. Borrowing costs are capitalized and added to the asset cost during the construction of property, plant and equipment, within the time period available to complete and prepare the asset for its intended purpose.

**i) Financial Instruments**

A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. The company's financial instruments principally comprise of cash and bank balances, accounts receivable, accounts payable, accrued expenses and short-term borrowings.

### 3. Cash on hand and at banks

This item consists of the following:

	<u>September 30.2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>
Cash and cheques	3,500	3,500
Bank	54,036	970,993
<b>Total</b>	<b><u>57,536</u></b>	<b><u>974,493</u></b>

### 4. Cheques under collection

This item consists of the following:

	<u>September 30.2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>
Cheques under collection\ Short term	416,080	1,128,735
Cheques under collection\ Long term	-	132,817
<b>Total</b>	<b><u>416,080</u></b>	<b><u>1,261,552</u></b>

### 5. Accounts receivable

This item consists of the following:

	<u>September 30.2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>
Commercial accounts receivable	3,176,858	6,659,384
Allowance for doubtful account	(1,624,680)	(2,972,728)
<b>Total</b>	<b><u>1,552,178</u></b>	<b><u>3,686,656</u></b>



#### **6. Warehouses & Spare parts**

This item consists of the following:

	<u>September 30, 2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>
Raw material	2,320,758	650,181
Oils and Miscellaneous item	58,014	1,969,179
Spare parts	6,447,006	5,186,053
Goods	2,013,530	2,107,508
Goods on way	236,930	18,064
<b>Total</b>	<b><u>11,076,238</u></b>	<b><u>9,930,985</u></b>

#### **7. Other debit balances**

This item consists of the following:

	<u>September 30, 2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>
Prepaid expenses	115,344	15,903
Refundable magent of latter garantee	688,866	688,866
Income Tax	168,805	159,453
Due from employees	53,196	50,749
Refundable deposits	1,138	3,940
Saled tax	2,748,826	4,715,218
Social Security - Work Injuries	88,480	76,630
Bank guarntees	1,113,250	108,943
Insurance	134,778	134,328
Provision for other account receivable	(21,243)	(21,243)
saled tax payable	2,230,830	-
<b>Total</b>	<b><u>7,322,270</u></b>	<b><u>5,932,787</u></b>

### 8. Property, plant and equipment

This item consists of the following

Cost	Lands & Buildings	projects under implementation	cars	Electricity and Telecommunication Network	Computer	Factory machinery	Tools & equipments	furnitures & Electric devices	Total
	JD	JD	JD						JD
As of December 31, 2018	9,696,621	412,098	1,571,035	575,170	389,950	65,883,141	1,460,195	733,727	80,721,937
Additions	151,143	216,492	-	-	20,054	552,032	-	1,652	741,373
Disposals	-	-	(7,260)	-	-	-	-	-	(7,260)
Adjustment	-	(322,866)	-	-	-	-	-	-	(322,866)
As of September 30, 2019	9,847,764	305,724	1,563,775	575,170	410,004	66,235,173	1,460,195	735,379	81,133,184
Accumulated Depreciation									
As of December 31, 2018	3,266,368	-	1,209,638	507,911	354,136	33,493,470	1,198,869	617,111	40,647,503
Additions	218,187	-	34,311	8,312	3,094	248,916	2,912	29,859	545,591
Adjustment	-	-	-	-	-	(537)	-	-	(537)
As of September 30, 2019	3,484,555	-	1,243,949	516,223	357,230	33,741,849	1,201,781	646,970	41,192,557
Net book value									
As of December 31, 2018-EXHIBIT A	6,430,253	412,098	361,397	67,259	35,814	32,389,671	261,326	116,616	40,074,434
As of September 30, 2019-EXHIBIT A	6,363,209	305,724	319,826	58,947	52,774	32,493,324	258,414	88,409	39,940,627



### **9. Credit Banks**

This item consists of the following:

	<u>September 30.2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>
ABC bank	8,152,331	8,675,489
Arab bank _ loan	1,688,933	712,577
Commeracial Bank _ loans	898,901	1,031,190
Investment bank	-	41,703
Housing Bank	<u>9,298,622</u>	<u>9,606,548</u>
<b>Total</b>	<b><u>20,038,787</u></b>	<b><u>20,067,507</u></b>

### **10. Other credit balances**

This item consists of the following:

	<u>September 30.2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>
Accrued exp.	258,037	400,034
Social Security	344,155	44,542
Labor cases	14,100	14,100
Income tax payable	-	32,465
Saving account payable	258,278	189,178
Employees payable	30,225	16,183
Indemnity	10,707	10,707
Employees Income tax payable	25,049	1,884
Income tax allowance	32,558	-
Guarntees	1,000,000	-
Other	3,785	5,176
<b>Total</b>	<b><u>1,976,894</u></b>	<b><u>714,269</u></b>

### **11. Due of Related Parties**

This item consists of the following:

	<u>September 30.2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>
Al - Oun Developed Contracting Company	44,428	47,901
<b>Total</b>	<b><u>44,428</u></b>	<b><u>47,901</u></b>

**12. Basic and diluted earnings per share attributable to shareholders**

This item consists of the following:

	<u>September 30.2019</u>	<u>September 30.201</u>
	JD	JD
(Loss) profit after taxes & provisions	(3,888,336)	(3,248,830)
Weighted average number of shares	<u>35,000,000</u>	<u>35,000,000</u>
Basic and diluted earnings per share attributable to shareholders	<u>(0.111)</u>	<u>(0.093)</u>

**13. Comparing figures**

Some accounts have been resorted for comparing purposes .