

الرقم : م ق 2017/35

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السادة بورصة عمان المحترمين

عمان - الاردن

تحية وبعد،

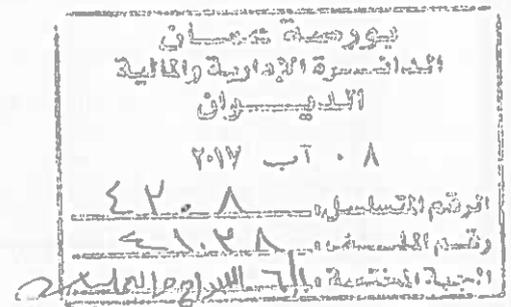
الموضوع / النتائج المالية والمصادق عليها من مدقق الحسابات للربع الثاني لعام 2017 باللغة الانجليزية

مرفق طيه البيانات المالية للشركة الاردنية للصناعات الخشبية/جوايكو، كما هي في 2017/6/30 باللغة الانجليزية  
والمصادق عليها من مدقق حسابات الشركة القانوني.

واقبلوا الاحترام

مدير الدائرة المالية

بشار مسنات



**JORDAN WOOD INDUSTRIES COMPANY**

**A PUBLIC SHAREHOLDING COMPANY**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2017**



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## **Report on Review of Interim Condensed Consolidated Financial Statements To the Board of Directors of Jordan Wood Industries Company – Public Shareholding Company Amman – Jordan**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Jordan Wood Industries Company and its subsidiary (together “the Group”) as at 30 June 2017, comprising of the interim consolidated statement of financial position as at 30 June 2017 and the related interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the six month period then ended and explanatory information. The board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

### **Emphasis of a matter**

Without qualifying our conclusion and as mentioned in note (10) in the interim condensed consolidated financial statements, the Company’s accumulated losses of JD 3,772,366 exceeded 75% of the Company’s capital. According to Article (266) of the Companies Law (22) of 1997 and its amendments, if the accumulated losses exceeds 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company decides in extraordinary meeting to increase the paid up capital of the Company to cover the accumulated losses. No such meeting was held up to the date of these interim condensed consolidated financial statements.

Amman – Jordan  
27 July 2017

**JORDAN WOOD INDUSTRIES COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2017**

	Notes	30 June 2017	31 December 2016
<b>ASSETS</b>		JD (Unaudited)	JD (Audited)
<b>Non-Current Assets –</b>			
Property and equipment	4	6,366,805	6,597,937
Intangible assets		70,885	79,497
Deferred tax assets		343,171	349,952
Checks under collection		332	-
		<u>6,781,193</u>	<u>7,027,386</u>
<b>Current Assets -</b>			
Accounts receivable and other current assets		1,534,943	1,211,791
Inventories		2,771,002	3,006,098
Checks under collection		261,324	234,810
Due from related parties	6	-	1,412
Cash on hand and at banks	3	132,049	189,453
		<u>4,699,318</u>	<u>4,643,564</u>
		<u>11,480,511</u>	<u>11,670,950</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Equity -</b>			
	1		
Paid in capital		5,000,000	5,000,000
Share premium		3,736,582	3,736,582
Statutory reserve		1,135,018	1,135,018
Voluntary reserve		1,107,368	1,107,368
Accumulated losses		(2,725,188)	(2,725,188)
Losses for the period		(1,047,178)	-
		<u>7,206,602</u>	<u>8,253,780</u>
<b>Current Liabilities -</b>			
Due to banks	3	866,134	-
Accounts payable		2,783,669	2,632,807
Provisions and other current liabilities		624,106	784,363
		<u>4,273,909</u>	<u>3,417,170</u>
<b>Total Equity and Liabilities</b>		<u>11,480,511</u>	<u>11,670,950</u>

**The attached notes 1 to 10 form part of these interim consolidated financial statements**

**JORDAN WOOD INDUSTRIES COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS AND SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2017	2016	2017	2016
		JD	JD	JD	JD
Sales		1,770,934	2,129,522	3,537,628	5,219,907
Cost of sales		(1,573,311)	(1,875,275)	(3,228,119)	(4,276,958)
<b>Gross profit</b>		197,623	254,247	309,509	942,949
Selling and marketing expenses		(484,564)	(474,732)	(934,634)	(981,562)
General and Administrative expenses		(212,006)	(219,949)	(409,186)	(445,644)
Group share of associated company losses		-	(8,126)	-	(23,733)
Finance cost		(8,776)	(802)	(11,137)	(1,450)
Other income		1,943	405	5,051	3,655
<b>Loss before tax for the period</b>		(505,780)	(448,957)	(1,040,397)	(505,785)
Income tax expense	9	1,664	-	(6,781)	-
<b>Loss for the period</b>		(504,116)	(448,957)	(1,047,178)	(505,785)
Add: other comprehensive income items		-	-	-	-
<b>Total comprehensive income for the period</b>		(504,116)	(448,957)	(1,047,178)	(505,785)
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
<b>Basic and diluted earnings (losses) per share</b>	5	(0/101)	(0/090)	(0/209)	(0/101)

The attached notes 1 to 10 form part of these interim consolidated financial statements

**JORDAN WOOD INDUSTRIES COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)**

	Paid in capital	Share premium	Statutory reserve	Voluntary reserve	Accumulated losses	Loss for the period	Total
	JD	JD	JD	JD	JD	JD	JD
<b>For the six months ended 30 June 2017</b>							
Balance as at 1 January 2017	5,000,000	3,736,582	1,135,018	1,107,368	(2,725,188)	-	8,253,780
Total comprehensive income for the period	-	-	-	-	-	(1,047,178)	(1,047,178)
<b>Balance as of 30 June 2017</b>	<u>5,000,000</u>	<u>3,736,582</u>	<u>1,135,018</u>	<u>1,107,368</u>	<u>(2,725,188)</u>	<u>(1,047,178)</u>	<u>7,206,602</u>
<b>For the six months ended 30 June 2016</b>							
Balance as at 1 January 2016	5,000,000	3,736,582	1,135,018	1,107,368	(2,206,376)	-	8,772,592
Total comprehensive income for the period	-	-	-	-	-	(505,785)	(505,785)
<b>Balance as of 30 June 2016</b>	<u>5,000,000</u>	<u>3,736,582</u>	<u>1,135,018</u>	<u>1,107,368</u>	<u>(2,206,376)</u>	<u>(505,785)</u>	<u>8,266,807</u>

The attached notes 1 to 10 form part of these interim consolidated financial statements

JORDAN WOOD INDUSTRIES COMPANY – PUBLIC SHAREHOLDING COMPANY  
 INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)

	Note	30 June 2017 JD	30 June 2016 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Loss for the period before tax		(1,040,397)	(505,785)
<b>Adjustments for:</b>			
Depreciation and amortization		451,015	525,963
Group's share of associated company losses		-	23,733
Provision for end of service and employee vacations		11,885	-
Finance cost		11,137	1,450
<b>Working capital adjustments:</b>			
Checks under collection		(26,846)	(57,113)
Accounts receivable and other current assets		(323,152)	412,352
Inventories		235,096	55,097
Accounts payable		150,862	(712,137)
Other current liabilities		(111,820)	(41,182)
Due from related parties		1,412	(10,866)
End of service indemnity paid		(60,322)	(5,791)
<b>Net cash flows used in operating activities</b>		<b>(701,130)</b>	<b>(314,279)</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property and equipment	4	(211,271)	(146,066)
<b>Net cash flows used in investing activities</b>		<b>(211,271)</b>	<b>(146,066)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Finance cost paid		(11,137)	(1,450)
<b>Net cash flows used in financing activities</b>		<b>(11,137)</b>	<b>(1,450)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(923,538)</b>	<b>(461,795)</b>
Cash and cash equivalents, beginning of the period		189,453	762,455
<b>Cash and cash equivalents, end of the period</b>	3	<b>(734,085)</b>	<b>300,660</b>

The attached notes 1 to 10 form part of these interim consolidated financial statements

**JORDAN WOOD INDUSTRIES COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2017 (UNAUDITED)**

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**(1) GENERAL**

Jordan Wood Industries Co. / JWICO was established as a Jordanian public shareholding company in accordance with the Jordanian Companies' Law no. 176 on November 15, 1982 with a paid in capital of JD 1,500,000. The Company's paid in capital has increased over the years were the last increase was made during 2011 by JD 5,000,000 making the Company's capital reach to JD 5,000,000 at a par value of JD 1 per share. The address of the Company is Amman, Muqabalain, Telephone 06/4201171. P.O Box 5272, Amman 11183 – Jordan.

The Company's main objectives are:

- Manufacturing of wooden kitchens (ready to use kitchens)
- Manufacturing of wooden office furniture
- Manufacturing of wooden doors and windows – carpentry
- Investing in other companies to help them achieve their goals
- Establishing, managing and acquiring movable and immovable assets as well as establishing the necessary facilities needed for Company's main operations.

The company has established a wholly owned subsidiary (Jwico Investment Company - limited liability) in the Kingdom of Bahrain on 28 July 2008 with a paid in capital of Bahrain Dinar 50,000. On 6 August 2008, JWICO Investment Company invested 30% of Depa Jordan Company for Investment capital with a total amount of Bahrain Dinar 75,000.

The financial statements were authorized for issue by the company's Board of Directors in their meeting held on 27 July 2017.

**(2-1) BASIS OF PREPARATION**

The interim condensed consolidated financial statements are prepared as of 30 June 2017 in accordance with International Accounting Standard 34.

The consolidated financial statements are presented in Jordanian Dinars, which represents the functional currency of the Group.

The consolidated financial statements have been prepared at historical cost basis.

**JORDAN WOOD INDUSTRIES COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2017 (UNAUDITED)**

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual financial statements as of 31 December 2016. In addition, results of the six month period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

**(2-2) BASIS OF CONSOLIDATION**

The consolidated financial statements comprise the financial statements of Jordan Wood Industries Company (the "Company") and its subsidiary (the "Group") as at 30 June 2017. The subsidiary company included in the consolidated financial statements is as follows:

Company Name	The main activity	Capital	Country of incorporation	Ownership percentage	
				30 June 2017	31 December 2016
		Bahraini Dinar			
JWICO for Investments	Trading stocks and bonds	50,000	Bahrain	100%	100%

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The financial statements of the subsidiary are prepared for the same financial year of the Company, using consistent accounting policies. The transactions, balances, revenues, expenses, and unrealized profits and losses between the parent company and the subsidiary companies are eliminated.

Losses attributable to non-controlling interest are recognized even if it resulted in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over the subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained in subsidiary
- Recognizes the gain or loss resulted from loss of control

**(2-3) CHANGES IN ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017.

**Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative**

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Group's consolidated interim condensed financial statements.

**Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognized Losses**

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Group's consolidated interim condensed financial statements.

**(3) CASH AND CASH EQUIVALENTS**

	30 June 2017	31 December 2016
	JD (Unaudited)	JD (Audited)
Cash on hand	11,008	29,131
Cash at banks	121,041	160,322
	<u>132,049</u>	<u>189,453</u>

**JORDAN WOOD INDUSTRIES COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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Cash and cash equivalents appearing in the consolidated statement of cash flows consist of the following:

	30 June 2017	31 December 2016
	JD (Unaudited)	JD (Audited)
Cash on hand and at banks	132,049	189,453
Due to banks*	(866,134)	-
	<u>(734,085)</u>	<u>189,453</u>

- \* This amount represents the utilized portion of the credit facilities in the form of bank overdrafts granted to the Group by Bank Al Etihad with a ceiling of JD 1,200,000 at an interest rate of 5.25% as of 30 June 2017. In addition to the utilized portion of the credit facilities in the form of bank overdrafts granted to the Group by Arab Bank with a ceiling of USD 550,000 and JD 600,000 with an interest rate of 4.5% on USD balance as of 30 June 2017 and with an interest rate of 9.37% on the JD balance as of June 30, 2017.

**(4) PROPERTY AND EQUIPMENT**

During the six months period ended 30 June 2017, the Group acquired property and equipment with a cost of JD 211,271 (for the six months period ended 30 June 2016: JD 146,066).

**(5) EARNINGS (LOSSES) PER SHARE**

	For the six months ended 30 June	
	2017	2016
	(Unaudited)	(Unaudited)
Loss for the period (JD)	(1,047,178)	(505,785)
Weighted average for the number of shares (shares)	5,000,000	5,000,000
	<u>JD/Fils</u>	<u>JD/Fils</u>
Basic earnings (losses) per share	<u>(0/209)</u>	<u>(0/101)</u>

The diluted earnings per share equals the basic earnings per share.

**JORDAN WOOD INDUSTRIES COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2017 (UNAUDITED)**

**(6) RELATED PARTY TRANSACTIONS**

Related parties represent major shareholders, directors and key management personnel of the Group, and entities owned by such parties. Pricing policies and terms of the transactions with related parties are approved by the Group's management.

Following is a summary of balances due to/ from related parties included in the interim consolidated statement of financial position:

	30 June 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Due to banks (Bank Al Etihad)	859,952	-
Current accounts (Bank Al Etihad)	700	56,763
Bank Al Etihad (Board Member)	-	1,412
Depa Jordan For Investment Company (Associate company)	346,639	346,639
Deduct: Provision for doubtful debts	346,639	346,639

Transactions with related parties included in the interim condensed consolidated statement of comprehensive income are as follow:

	For the six months ended 30 June	
	30 June 2017	30 June 2016
	JD	JD
	(Unaudited)	(Audited)
Bank Interest	10,937	996

The salaries and benefits for the key management personnel amounted JD 115,800 for the six months ended 30 June 2017 (30 June 2016: JD 115,800).

**JORDAN WOOD INDUSTRIES COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2017 (UNAUDITED)**

**(7) CONTINGENT LIABILITIES**

These are the contingent liabilities at the date of interim consolidated financial statements.

	30 June 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Letters of guarantee	1,730,488	2,132,104

**(8) SEGMENT INFORMATION**

**Industry information**

For managerial purposes, organizations have taken place for the following Manufactured products: kitchens, office furniture's, built in wardrobe and others.

**Geographical Information**

This note represents the geographical distribution of the company's business.

The Company conducts its operations mainly in Hashemite Kingdom of Jordan, in addition to some of the activities in neighboring countries.

The Company's net sales and Assets are distributed by geographical segment as follows:

	For the three months ended 30 June					
	Inside Jordan		Outside Jordan		Total	
	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD
				(Unaudited)	(Unaudited)	
Net sales	<u>1,583,593</u>	<u>1,969,483</u>	<u>187,341</u>	<u>160,039</u>	<u>1,770,934</u>	<u>2,129,522</u>

	For the six months ended 30 June					
	Inside Jordan		Outside Jordan		Total	
	2017	2016	2017	2016	2017	2016
	JD	JD	JD	JD	JD	JD
				(Unaudited)	(Unaudited)	
Net sales	<u>3,292,901</u>	<u>4,194,243</u>	<u>244,727</u>	<u>1,025,664</u>	<u>3,537,628</u>	<u>5,219,907</u>

**JORDAN WOOD INDUSTRIES COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2017 (UNAUDITED)**

	Inside Jordan		Outside Jordan		Total	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	JD	JD	JD	JD	JD (Unaudited)	JD (Audited)
Total Assets	<u>11,480,511</u>	<u>11,670,950</u>	<u>-</u>	<u>-</u>	<u>11,480,511</u>	<u>11,670,950</u>

**(9) INCOME TAX**

No provision for income tax was calculated by the Group for the period ended 30 June 2017 due to the excess of deductible expenses over taxable income in accordance to the Income Tax Law No. (34) of 2014.

**(10) ACCUMULATED LOSSES**

The Company's accumulated losses of JD 3,772,366 exceeded 75% of the Company's capital. According to Article (266) of the Companies Law (22) of year 1997 and its amendments, if the accumulated losses exceeds 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company decides in extraordinary meeting to increase the paid up capital of the Company to cover the accumulated losses. No such meeting was held up to the date of these interim condensed consolidated financial statements.