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الرقم : 45 / افصاح / جنوب / 2019

التاريخ : 2019/7/30

السادة /هيئة الاوراق المالية المحترمين

دائرة الافصاح

تحية طيبة و بعد،،،

استناداً لاحكام و تعليمات الافصاح و المعايير المحاسبية و معايير التدقيق لسنة 2004 ،

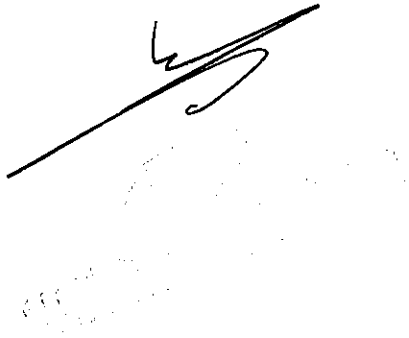
نرفق لكم القوائم المالية المرحليه الموجزه المنفصله كما في 2019/6/30 باللغه الإنجليزيه

( مرفق سي دي باللغه العربيه والإنجليزيه ) .

وتفضلوا بقبول فائق الإحترام والتقدير ،،،

المدير العام

محمد بسيسو



شركة الجنوب للإلكترونيات م.ع.م  
الشارع الرئيسي - الأردن  
٢٠١٩ - ٢٠٢٠  
٢٤٧٠٤  
١١٢٧٩٠٥ / ١١٢٧٩٠٥

**South Electronic Co.  
A Public Limited Company**

Amman – The Hashemite Kingdom of Jordan

**Progressive, Concise & Separated  
Financial Statements (Un-Audited Review)**

**As at June 30, 2019**

**South Electronic Co.**  
**A Public Limited Company**  
Amman – The Hashemite Kingdom of Jordan

**Table of Contents**

	Page
Review Report	1-2
Progressive, Concise & Separated Financial Position Statement as at June 30, 2019	3-4
Progressive, Concise & Separated Comprehensive Income Statement for the six months ended June 30, 2019	5
Progressive, Concise & Separated Changes in Equity Statement for the six months ended June 30, 2019	6
Progressive, Concise & Separated Cash Flows Statement for the six months ended June 30, 2019	7
Explanatory Notes on the Progressive, Concise & Separated Financial Statements	8-9

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

839 19 03

To the Board of Directors of  
South Electronic Co (PSC)  
Amman - The Hashemite Kingdom of Jordan

### Introduction:

We have reviewed the accompanying interim condensed financial statements of **South Electronic Co (PSC)** which comprising of interim statement of financial position as at June 30, 2019 and the related interim statements of income, comprehensive income, changes in equity and cash flows for six-months period ended June 30, 2019 and the related explanatory notes.

The Board of Directors is responsible for preparation and presentation of these interim condensed financial statements in accordance with *IAS 34 – Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed 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 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.

### Basis of the Qualified Opinion:

1. We were not provided on June 30, 2019 with the accounts receivable supports of related third parties retained from previous years to verify this balance on that date amounting 524,148 JD. In addition, these companies suffer from hard financial conditions and necessary allocations were not made to them.

2. We did not obtain financial statements for Haier Middle East Trading Co. / Aqaba for the year ending June 30, 2019 to reevaluate the investment on that date where the Group invests 668,465 JD in its, about 18% of the company capital amounting 3,550,000 JD.

We also could not carry out alternative procedures to verify the amount of this investment. Therefore, we could not determine if there is impairment in the value of this investment and the possible effects on the financial statements.

3. The Company accounts contained corporate bond in a sum of 250,000 JD issued on April 1<sup>st</sup>, 2008 and due on April 1<sup>st</sup>, 2011 where the corporate bond amount and its interests have not be recovered till the date of the independent public auditor's report in spite of its maturity on 01/04/2011 and no impairment was calculated for it as at June 30, 2019.

4. No Consolidated Financial Statements of the company were made as at June 30, 2019 due to the fact that we didn't receive the Progressive Financial Statements of the following Affiliated companies:

- Haier Middle East Trading Co., which its shares are amounting 92.5% of the capital of this company.
- North Company for electrical appliances trading which owns 100%.
- Meir for Home Electronics Trade Company, which owns 100%.

5. The lack of the above-mentioned affiliated companies' financial statements may have an essential impact on the consolidated Financial Statements for that period, and we can't determine this impact thereon.

#### Conclusion:

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

Al Abbasi & Partners Co.



Ahmed M. Abbasi  
License No. 710



Amman in  
July 28, 2019

**South Electronic Co.**  
**A Public Limited Company**  
Amman – The Hashemite Kingdom of Jordan  
**Progressive, Concise & Separated Financial Position Statement**  
**As at June 30 , 2019**

**(Un-Audited Review)**

	<u><b>December 31,</b></u> <u><b>2018</b></u> JOD (Audited)	<u><b>June 30,</b></u> <u><b>2019</b></u> JOD (Reviewed)
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash and Cash Equivalent	4,046	15,332
Accounts Receivable – Net	1,631,656	1,474,419
Related parties accounts receivable due during the year	530,707	524,148
Corporate Bond of Arab Real Estate Development Co.	250,000	250,000
Goods in Warehouses	229,716	153,267
Other Accounts Receivable	167,708	140,080
<b>Total Current Assets</b>	<u><b>2,813,833</b></u>	<u><b>2,557,246</b></u>
<b><u>Non-Current Assets</u></b>		
Investments in an Affiliated Company	10,506,037	10,506,037
Financial Assets at Fair Value through the Comprehensive Income Statement	976,166	976,166
Properties and Equipment – Net	473,769	473,769
<b>Total Non-Current Assets</b>	<u><b>11,955,972</b></u>	<u><b>11,955,972</b></u>
<b>Total Assets</b>	<u><b>14,769,805</b></u>	<u><b>14,513,218</b></u>

The accompanying notes are an integral part of these financial statements.

**South Electronic Co.**  
**A Public Limited Company**  
Amman – The Hashemite Kingdom of Jordan  
Continue: Progressive, Concise & Separated Financial Position Statement  
As on June 30 , 2019

(Un-Audited Review)

	<u>December 31<sup>st</sup>,</u> <u>2018</u> JOD (Audited)	<u>June 30,</u> <u>2019</u> JOD (Reviewed)
<b><u>Liabilities and Equity</u></b>		
<b><u>Current Liabilities</u></b>		
Accounts payable	820,300	939,155
Financing facilities margin	623,079	623,079
Deferred Checks accruable within a year	439,855	431,590
Long Term Loans Premiums accruable within a year	243,000	300,000
Other Accounts Payable	543,551	469,706
<b>Total Current Liabilities</b>	<b>2,669,785</b>	<b>2,763,530</b>
<b><u>Non-Current Liabilities</u></b>		
Long Term Loans accruable within a year	5,885,427	5,806,457
<b>Total Non-Current Liabilities</b>	<b>5,885,427</b>	<b>5,806,457</b>
<b>Total Liabilities</b>	<b>8,555,212</b>	<b>8,569,987</b>
<b><u>Equity</u></b>		
Paid and authorized capital	11,158,447	11,158,447
Disbursement deduct	(500,000)	(500,000)
Compulsory Reserve	297,734	297,734
Voluntary Reserve	55,087	55,087
Accumulative Change in the Fair Value – net	(509,928)	(509,928)
Accumulative losses at period-end	(4,286,747)	(4,558,109)
<b>Net Equity</b>	<b>6,214,593</b>	<b>5,943,231</b>
<b>Total Liabilities and Equity</b>	<b>14,769,805</b>	<b>14,513,218</b>

The accompanying notes are an integral part of these financial statements.

**South Electronic Co.**  
**A Public Limited Company**  
Amman – The Hashemite Kingdom of Jordan  
**Progressive, Concise & Separated Comprehensive Income Statement**  
**For the six months end June 30 , 2019**

**(Un-Audited Review)**

	<u>June 30 ,</u> <u>2018</u> JOD (Reviewed)	<u>June 30 ,</u> <u>2019</u> JOD (Reviewed)
Net Sales	368,822	109,389
Sales Cost	(261,814)	(80,098)
<b>Gross Profit</b>	<b>107,008</b>	<b>29,291</b>
Sales and Distribution Expenses	(76,989)	(71,372)
Administrative and General Expenses	(83,700)	(77,724)
Financing Costs	(131,082)	(151,557)
<b>Period loss</b>	<b>(184,763)</b>	<b>(271,362)</b>
<u><b>Basic and Short value per share of the period loss</b></u>		
Shares' weighted lose within the period	(0.017)	(0.024)
<b>Shares' weighted average</b>	<b>11,158,447</b>	<b>11,158,447</b>

The accompanying notes are an integral part of these financial statements.



**South Electronic Co.**  
**A Public Limited Company**  
 Amman – The Hashemite Kingdom of Jordan  
Statement of Progressive and Separated Changes in Equity  
For the six months end June 30 , 2019

(Un-Audited Review)

	<u>Capital</u>	<u>Disbursement</u> <u>Deduct</u>	<u>Compulsory</u> <u>reserve</u>	<u>Voluntary</u> <u>reserve</u>	<u>Reserve in fair</u> <u>value</u>	<u>Accumulative</u> <u>losses</u>	<u>Net</u>
JOD	JOD						JOD
<b><u>For the six months ended June 30, 2019</u></b>							
Balance as at January 01 <sup>st</sup> , 2019	11,158,447	(500,000)	297,734	55,087	(509,928)	(4,286,747)	6,214,593
Period loss	-	-	-	-	-	(271,362)	(271,362)
Balance as at June 30 , 2019	<b>11,158,447</b>	<b>(500,000)</b>	<b>297,734</b>	<b>55,087</b>	<b>(509,928)</b>	<b>(4,558,109)</b>	<b>5,943,231</b>
<b><u>For the six months ended June 30, 2018</u></b>							
Balance as at January 01 <sup>st</sup> , 2018	11,158,447	(500,000)	297,734	55,087	30,979	(3,798,292)	7,243,955
Period loss	-	-	-	-	-	(184,763)	(184,763)
Balance as at June 30, 2018	<b>11,158,447</b>	<b>(500,000)</b>	<b>297,734</b>	<b>55,087</b>	<b>30,979</b>	<b>(3,983,055)</b>	<b>7,059,192</b>

The accompanying notes are an integral part of these financial statements.

**South Electronic Co.**  
**A Public Limited Company**  
Amman – The Hashemite Kingdom of Jordan  
**Progressive, Concise and Separated Cash Flows Statement**  
For the six months end June 30 , 2019

(Un-Audited Review)

	<u>June 30, 2018</u>	<u>June 30, 2019</u>
	JOD	JOD
	<u>(Reviewed)</u>	<u>(Reviewed)</u>
<b><u>Cash flows from operating activities</u></b>		
Period loss	(184,763)	(271,362)
<b>Amendments:</b>		
Depreciations and Amortizations	-	-
<b><u>Change in operating capital articles</u></b>		
Check Under Collection	(1,200)	-
Accounts receivable	(70,454)	157,237
Accounts receivable of Related Parties	(4,534)	6,559
Goods in Warehouses	(44,044)	76,449
Other Debit Balances	(9,106)	27,628
Accounts payable	(36,659)	118,855
Misc. Accounts payable	73,062	(73,845)
<b>Net Cash Flow from Operating Activities</b>	<b>(277,698)</b>	<b>41,521</b>
<b><u>Cash flows from financing activities</u></b>		
Deferred checks	(9,373)	(8,265)
Loans	284,483	(21,970)
<b>Net Cash flows from financing activities</b>	<b>(275,110)</b>	<b>(30,235)</b>
Change in cash balance and cash equivalent	(2,588)	11,286
Cash and cash equivalent as at the beginning of the period	14,844	4,046
<b>Cash and cash equivalent as at the end of the period</b>	<b>12,256</b>	<b>15,332</b>

The accompanying notes are an integral part of these financial statements.

**South Electronic Co.**  
**A Public Limited Company**  
**Amman – The Hashemite Kingdom of Jordan**

**Explanatory Notes on the Progressive, Concise & Separated Financial Statements**

**(Un-Audited Review)**

**1. Legal Entity and Activity**

South Electronic Company was established on 14 August 1993 as a limited liability company. It was registered in the limited liability companies' register under number (3275) on 1 July 2005. It was approved to transform the company into a public shareholding company and it was registered under number (368) in the public shareholding companies' register.

The most important purposes of the company include the following:

- Wholesale and retail in electronics and electrical appliances.
- Buy and sell lands after developing and organizing the same in accordance with the laws in force.
- Provision of financial and technical consultation services.
- Conducting feasibility studies for all economic and commercial projects.
- Acquire moveable and immovable properties in line with the purposes of the company.
- Invest the company's funds in real estates.
- Management of third parties properties.
- Trading in electrical equipment.
- Borrow necessary funds from banks.

\* The financial statements were approved by the board of directors in its session held on July 28, 2019, and the financial statements do not need the approval of the shareholders general assembly.

**2. Basis of preparing the progressive and concise financial statements**

- The progressive and concise financial statements of the company were prepared as at June 30, 2019 in accordance with the standards of the International Accounting Standards Board (IASB) No. 34 (Progressive financial Statements).
- The Jordanian Dinar is the currency of presenting the financial statements; amounts are approximated to the nearest integral number (Dinar) and the functional currency of the company.
- The progressive and concise financial statements were prepared in accordance with the historical cost principle except the financial assets and liabilities which are reflected at the fair value.
- The progressive financial statements do not include all information and explanations required for the annual financial statements, which are prepared in accordance with international standards.