



**MANASEER**  
Iron & Steel

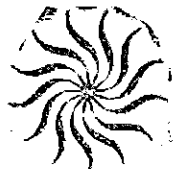
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م بورصة عمان

م محمد عمر  
م محمد الخرابشة  
التاريخ 2019/8/20

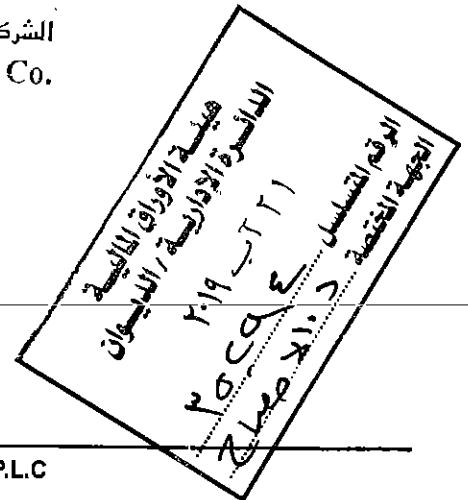
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<p>To: Jordan Securities Commission Amman Stock Exchange Date 20/8/2019 Subject: Semi- Annual Report as of 30/06/2019</p>	<p>السادة هيئة الاوراق المالية السادة بورصة عمان التاريخ: 2019/8/20 الموضوع: <u>التقرير نصف السنوي كما هو في</u> <u>2019/06/30</u></p>
<p>Attached the company's Semi- Annual Report of (United Iron &amp;Steel MFG .CO.) As of 30/06/2019</p>	<p>مرفق طيه نسخة من التقرير نصف السنوي لشركة (الشركة المتحدة لصناعة الحديد والصلب) كما هو بتاريخ 2019/06/30م</p>
<p>Kindly accept our highly appreciation and respect United Iron &amp;Steel MFG .CO Eng mohammed al kharabsheh</p>	<p>وتفضلوا بقبول فائق الاحترام... الشركة المتحدة لصناعة الحديد والصلب م ع م م محمد الخرابشة</p>

محمد الخرابشة



الشركة المتحدة لصناعة الحديد والصلب  
United Iron & Steel Mfg. Co.



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**UNITED STEEL AND IRON MANUFACTURING COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

**30 JUNE 2019**



Building a better  
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**Report on Review of Interim Condensed Financial Statements  
To the Board of Directors of  
United Steel And Iron Manufacturing Company a Public Shareholding Company  
Amman - Jordan**

## **Introduction**

We have reviewed the accompanying interim condensed financial statements of United Steel and Iron Manufacturing Company a Public Shareholding Company as at 30 June 2019, comprising the interim statement of financial position as at 30 June 2019 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 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 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.

## **Basis of Qualified Conclusion**

1. Included in property and equipment a power plant with a net book value of JD 1,591,642 as of 30 June 2019 which was built in 1999 and was not used during the period ended 30 June 2019 and the year ended 2018. We were not provided with a study on the impairment testing of these assets. Accordingly, we have not been able to determine the impact on the interim condensed financial statements, if any.
2. Included in inventory spare parts with an amount of JD 1,710,334 that include key spare parts that meet the definition of property and equipment in accordance with International Accounting Standard (IAS 16). The Company did not quantify the value of the key spare parts and did not classify them as property and equipment and therefore have not been depreciated which contrary to requirements of IAS 16. Accordingly, we have not been able to determine the impact on the interim condensed financial statements.

### **Qualified conclusion**

Based on our review, and except for the effect of the matters described in the basis of the qualified conclusion above, 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.

### **Emphasis of Matter**

Without further qualifications in our conclusion, the Company's accumulated losses of JD 30,812,873 exceeded 96% of its capital as at 30 June 2019. According to article No. 266 of the Companies Law No. 22 of 1997 and its amendments, if the accumulated losses of the public shareholding company exceeds 75% of its capital, the company shall be liquidated unless the General Assembly of the Company decides in its extraordinary meeting to increase the Company's capital to deal with the losses. Furthermore, the Company's current liabilities exceeded its current assets by an amount of JD 6,241,466 as at 30 June 2019. Al Manaseer Group for Industrial and Commercial Investments (Parent Company) has expressed its intention to provide the Company with the necessary financing to meet its obligations and to continue its activities for at least 12 months from the date of these interim financial statements.

### **Other Matter**

The financial statements for the year ended 31 December 2018 and the interim condensed financial statements for the period ended 30 June 2018 were audited and reviewed respectively by another auditor. Unqualified opinion and unqualified conclusion were issued on these financial statements on 26 March 2019 and 30 July 2018, respectively.

Amman – Jordan  
30 July 2019



**UNITED STEEL AND IRON MANUFACTURING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2019**

	Notes	30 June 2019	31 December 2018
		JD (Unaudited)	JD (Audited)
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Property and equipment	3	13,395,045	13,796,684
Projects under construction	4	320,422	320,422
Tax assets		1,452,381	1,452,381
Right of use assets	2	86,593	-
		<u>15,254,441</u>	<u>15,569,487</u>
<b>Current assets</b>			
Inventory		3,025,819	4,171,970
Trade receivables		1,460,147	1,026,682
Other current assets		1,171,902	1,437,598
Due from related parties	5	18,930,757	19,054,180
Cash on hand and at banks		855,693	1,265,618
		<u>25,444,318</u>	<u>26,956,048</u>
<b>Total assets</b>		<u>40,698,759</u>	<u>42,525,535</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Shareholders' equity</b>			
Paid in capital	1	32,165,176	32,165,176
Statutory reserve		2,256,359	2,256,359
Accumulated losses		(30,812,873)	(28,681,243)
<b>Total shareholders' equity</b>		<u>3,608,662</u>	<u>5,740,292</u>
<b><u>LIABILITIES</u></b>			
<b>Non-current liabilities</b>			
Long- term loans	6	5,330,735	8,240,000
Lease liabilities	2	73,578	-
		<u>5,404,313</u>	<u>8,240,000</u>
<b>Current liabilities</b>			
Lease liabilities	2	26,895	-
Current portion of long-term loans	6	7,278,168	4,753,028
Due to related parties	5	2,241,587	1,095,831
Overdrafts		9,020,900	9,618,634
Notes payable		4,107,000	4,185,947
Accounts payable and checks under collection		7,213,851	7,200,701
Other current liabilities		1,797,383	1,691,102
		<u>31,685,784</u>	<u>28,545,243</u>
<b>Total Liabilities</b>		<u>37,090,097</u>	<u>36,785,243</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>40,698,759</u>	<u>42,525,535</u>

The attached notes from 1 to 9 form part of these interim condensed financial statements

**UNITED STEEL AND IRON MANUFACTURING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)**

	For the three months ended		For the six months ended 30	
	30 June		June	
	2019	2018	2019	2018
	JD	JD	JD	JD
Sales	4,929,382	5,895,300	12,013,762	16,981,946
Cost of sales	(5,285,164)	(7,851,713)	(12,651,842)	(17,264,885)
<b>Gross loss</b>	<b>(355,782)</b>	<b>(1,956,413)</b>	<b>(638,080)</b>	<b>(282,939)</b>
Bank's interest and commissions	(576,235)	(542,477)	(905,965)	(1,130,422)
General and administrative expenses	(299,925)	(485,200)	(567,227)	(1,046,126)
Marketing expenses	(12,706)	(5)	(23,063)	(59,046)
Dividends income	-	849,539	-	849,540
Change in fair value of financial assets at fair value through profit or loss	-	(3,853,849)	-	(3,500,153)
Other income	-	1,986	2,705	3,546
<b>Loss for the period from continuing operations</b>	<b>(1,244,648)</b>	<b>(5,986,419)</b>	<b>(2,131,630)</b>	<b>(5,165,600)</b>
Income tax provision	-	-	-	-
<b>Loss for the period from continuing operating after tax</b>	<b>(1,244,648)</b>	<b>(5,986,419)</b>	<b>(2,131,630)</b>	<b>(5,165,600)</b>
<b>Discontinued operations</b>				
Loss for the period from discontinued operation (net of tax)	-	1,468,579	-	(449,744)
<b>Loss for the period</b>	<b>(1,244,648)</b>	<b>(4,517,840)</b>	<b>(2,131,630)</b>	<b>(5,615,344)</b>
Add: other comprehensive income (net of tax)	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(1,244,648)</b>	<b>(4,517,840)</b>	<b>(2,131,630)</b>	<b>(5,615,344)</b>
Basic and diluted losses per share	(0.038)	(0.140)	(0.066)	(0.174)
Basic and diluted losses per share from continuing operations after tax	(0.038)	(0.186)	(0.066)	(0.160)

The attached notes from 1 to 9 form part of these interim condensed financial statements

**UNITED STEEL AND IRON MANUFACTURING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)**

	Paid in capital	Statutory reserve	Accumulated losses	Total
	JD	JD	JD	JD
<b>For the six months ended 30 June 2019</b>				
Balance at the beginning of the period	32,165,176	2,256,359	(28,681,243)	5,740,292
Total comprehensive income for the period	-	-	(2,131,630)	(2,131,630)
Balance at the end of the period	<u>32,165,176</u>	<u>2,256,359</u>	<u>(30,812,873)</u>	<u>3,608,662</u>
<b>For the six months ended 30 June 2018</b>				
Balance at the beginning of the period	32,165,176	2,256,359	(17,900,730)	16,520,805
Total comprehensive income for the period	-	-	(5,615,344)	(5,615,344)
Balance at the end of the period	<u>32,165,176</u>	<u>2,256,359</u>	<u>(23,516,074)</u>	<u>10,905,461</u>

**The attached notes from 1 to 9 form part of these interim condensed financial statements**

UNITED STEEL AND IRON MANUFACTURING COMPANY  
PUBLIC SHAREHOLDING COMPANY  
INTERIM CONDENSED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)

	Notes	For the six months ended 30	
		June	
		2019	2018
		JD	JD
<b><u>Operating Activities</u></b>			
Loss for the period		(2,131,630)	(5,615,344)
<b>Adjustment for:</b>			
Depreciation and amortization		411,669	(738,414)
Bank's interest and commissions		910,223	1,130,422
Change in fair value of financial assets at fair value through profit or loss		-	3,500,153
<b>Working capital changes:</b>			
Inventory		1,146,151	1,992,339
Trade receivable		(433,465)	2,118,095
Other current assets		265,696	1,249,350
Due from related parties		123,423	(1,279,076)
Due to related parties		1,145,756	3,993,451
Notes payable		(78,947)	4,185,947
Accounts payable and checks under collection		13,150	(292,782)
Other current liabilities		106,281	(1,080,986)
<b>Net cash flows from operating activities</b>		<b>1,478,307</b>	<b>9,163,155</b>
<b><u>Investing Activities</u></b>			
Purchase of property and equipment	3	(408)	(31,650)
Projects under construction	4	-	(320,422)
<b>Net cash flows used in investing activities</b>		<b>(408)</b>	<b>(352,072)</b>
<b><u>Financing Activities</u></b>			
Loans		(384,125)	(6,053,516)
Overdrafts		(597,734)	385,709
Bank's interest and commissions paid		(905,965)	(1,130,422)
<b>Net cash flows used in financing activities</b>		<b>(1,887,824)</b>	<b>(6,798,229)</b>
Net (decrease) increase in cash and cash equivalents		(409,925)	2,012,854
Cash and cash equivalents at the beginning of the period		1,265,618	1,722,257
<b>Cash and cash equivalents as at 30 June 2019</b>		<b>855,693</b>	<b>3,735,111</b>

The attached notes from 1 to 9 form part of these interim condensed financial statements



**UNITED STEEL AND IRON MANUFACTURING COMPANY  
PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
30 JUNE 2019 (UNAUDITED)**

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**(1) General**

United Steel and Iron Manufacturing Company a Public Shareholding Company ("the Company") was established on 27 March 1992 under the registration number (2852). On 30 September 2007, it changed its legal status from limited Liability Company to Limited Public Shareholding Company under registration No. (445) at the Companies' Controller in the Ministry of Industry and Trade, the Company's authorized and paid up capital amounted to JD 32,165,176 divided into 32,165,176 shares at par value of JD 1.

The Company's objectives are smelting of iron ores and its products, the manufacture of steel pellets, import and export and investment in other companies.

The interim condensed financial statements for the six months ended 30 June 2019 were approved by the Board of Directors on 30 July 2019.

**(2) Basis of Preparation and accounting policies**

**(2-1) Basis of Preparation**

The interim condensed consolidated financial statements as at 30 June 2019 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed financial statements do not include all information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and should be read in conjunction with the Company's annual report as at 31 December 2018. In addition, the results for the six months ended 30 June 2019 do not necessarily indicate the expected results for the year ending 31 December 2019.

**(2-2) Changes in the accounting policies**

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2018 except for the adoption of new standards effective as of 1 January 2019 shown below:

### IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption IFRS 16 is as follows:

Impact on the interim condensed statement of financial position (increase/ (decrease)) as at 1 January 2019:

	<u>JD</u> (Unaudited)
<b>Non-current assets</b>	
Right of use assets	<u>96,215</u>
<b>Total Assets</b>	<u><b>96,215</b></u>
<b>liabilities</b>	
<b>Non-current liabilities</b>	
Lease liabilities	<u>96,215</u>
<b>Total liabilities</b>	<u><b>96,215</b></u>

*a) Nature of the effect of adoption of IFRS 16*

The Company (as a lessee) has a lease contract, before the adoption of IFRS 16, the Company classified the leases contract at the inception date as either a finance lease or an operating lease. Other assets balances and other liabilities balances used to classify the lease contract as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise classified as an operating lease. The Company capitalized the finance leases at the commencement date of the lease at the fair value of the leased property or, at the present value of the minimum lease payments whichever is lower. Lease payments were apportioned between interest (recognized as finance costs) and reduction of the lease liability. In case of the operating lease, the leased property was not capitalized and the lease payments were recognized as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognized under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

• *Leases previously classified as finance leases*

The Company did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under IAS 17). The requirements of IFRS 16 was applied to these leases from 1 January 2019.

• *Leases previously accounted for as operating leases*

The Company recognized right-of-use assets and operating lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

UNITED STEEL AND IRON MANUFACTURING COMPANY  
PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
30 JUNE 2019 (UNAUDITED)

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases that have similar characteristics
- Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The reconciliation between lease obligations recognized at the date of adoption and the operating lease obligations as at 31 December 2018 is as follows:

<b>Total operating lease obligation as at 31 December 2018</b>	123,200
Weighted average incremental borrowing rate as at 1 January 2019	9%
Obligations associated with discounted finance lease (as at 1 January 2019)	<u>96,215</u>
<b>Lease obligations as at 1 January 2019</b>	<u><u>96,215</u></u>

b) Amounts recognized in the interim condensed statement of financial position and interim condensed statement of comprehensive income:

The schedule below illustrates the book value of the Company's right-of-use assets and lease obligations along with the movement during the period ended 30 June 2019:

	<u>Right-of-use assets</u>	<u>Lease obligations*</u>
	<u>Offices</u> JD	<u>JD</u>
<b>At 1 January 2019</b>	96,215	96,215
Depreciation	(9,622)	-
Lease obligations interest	-	4,258
<b>At 30 June 2019</b>	<u><u>86,593</u></u>	<u><u>100,473</u></u>

UNITED STEEL AND IRON MANUFACTURING COMPANY  
PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
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Lease obligations details as at 30 June 2019 are as follows:

<u>Short term</u>	<u>Long term</u>	<u>Total</u>
<u>26,895</u>	<u>73,578</u>	<u>100,473</u>

\* There is no short-term leases or leases of low-value assets as at 30 June 2019.

### **IFRIC Interpretation 23 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

These amendments do not have any impact on the Company's interim condensed financial statements.

### **Amendments to IFRS 9: Prepayment Features with Negative Compensation**

Under IFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments do not have any impact on the Company's interim condensed financial statements.

### **Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture**

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognized in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments do not have any impact on the Company's interim condensed financial statements.

### **Amendments to IAS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the Company's interim condensed financial statements.

### **(3) Property and Equipment**

During the six months ended 30 June 2019, the Company purchased property and equipment with a total amount of JD 408 (30 June 2018: JD 31,650).

### **(4) Projects Under Construction**

This item represents solar energy project which has been suspended during 2018. The project will be completed after obtaining the approval of the National Electricity Company. Total additions to the projects under construction amounted to of JD 320,422 for the six months ended 30 June 2018.

### **(5) Transactions with Related Parties**

Transactions with related parties consist of transactions with major shareholders, senior management, directors and other related parties and companies owned by major shareholders. The policies and conditions relating to the transactions with related parties are approved by the Company's Board of Directors.

**UNITED STEEL AND IRON MANUFACTURING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2019 (UNAUDITED)**

The following is a summary of balances with related parties presented in the interim condensed statement of financial position:

**Due from related parties:**

	30 June 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Al Manaseer Group Company for Industrial and Commercial Investments.	17,327,492	16,157,353
Modern Jordan For Iron Scrap.	273,433	273,433
Distinguished Mining Company - Zaid Al Manaseer	247,193	245,027
Afaq Investment and Real Estate Development Company	236,459	236,459
Ziad Khalaf Al Manaseer	228,320	208,320
Ahmed Khalaf Al Manaseer	168,474	-
Al Bunyan for the manufacture of cement and concrete products	119,302	110,151
Modern Cement and Mining Company	107,383	-
Jordan Modern Company for Ready Made Concrete	60,261	55,523
Jordan Modern For Goods Clearance	58,345	-
Al-Mutatawiruh Company for Crushers	50,511	50,511
Al-Bunyan Real Estate Development Company	15,864	15,864
Maqatie Construction Company	13,725	-
Mohammed Issa Al Kharabsheh	6,071	3,239
Al-Rowa for maintenance and spare parts	5,056	-
Al-Bunyan Jordanian Co. For Marble and Granite	4,887	4,887
Ziad Al Manaseer Charity Association	3,983	-
Trust Company for Concrete Industries	1,958	1,958
Al-Mutaqadima Transport and Shipping Services	1,503	1,880
Maqata'a Company / Villa Haj Khalaf	537	-
Al-Majal Modern for Iron Scrap Company	-	26,114
Arab Towers Contracting Company	-	1,475,845
Ziyad Al Manaseer Charity Association	-	3,983
Manaseer Industrial Complex Company	-	107,383
Engaz Company for Development and Multi Projects	-	76,250
	<u>18,930,757</u>	<u>19,054,180</u>

**UNITED STEEL AND IRON MANUFACTURING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2019 (UNAUDITED)**

**Due to related parties:**

	30 June 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Al-Majal Modern for Iron Scrap Company	870,797	-
Aleksey Lachkov (Partner)	498,647	498,647
Jordan Modern Oil and Gas Services	431,497	215,184
Manaseer Trading Services	295,606	232,069
Manaseer Logistics Services	59,964	50,601
Modern Jordan	29,012	-
Jordan Modern Oil Services - Petromin	23,948	-
Al-Adiyat Al-Sireea Machinery Trading Co	15,079	12,439
Jordan Modern International Trading Co	4,782	4,782
Jordan Magnesia Company	4,158	-
Tabarak Company for dates	3,970	-
Al Mutamiza company for mining	2,213	-
Titan Logistics Company	1,914	-
Jordan Modern Food Industries Company	-	118
Jannah Dates Company	-	890
Al-Rowa for Maintenance and Spare Parts	-	5,754
Middle and Gulf Insurance Company	-	41,349
Jordan Modern Cargo Clearance Company	-	10,071
Jordan Modern Company for Information Technology	-	23,927
	<u>2,241,587</u>	<u>1,095,831</u>

The following is a summary of the transactions with related parties presented in the interim condensed statement of comprehensive income:

	For six months ended 30 June	
	2019	2018
	JD	JD
	(Unaudited)	(Unaudited)
Sales (sisters' companies)	8,163	2,110,501
Purchases (sisters' companies)	6,050,348	7,490,004

**Compensation of key management personnel**

The following is a summary of the benefits (salaries and other benefits) of key management:

	For six months ended 30 June	
	2019	2018
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and other benefits	39,000	52,780



**UNITED STEEL AND IRON MANUFACTURING COMPANY**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**30 JUNE 2019 (UNAUDITED)**

**(6) Loans**

	30 June 2019		31 December 2018	
	Short term	Long term	Short term	Long term
	JD	JD	JD	JD
ABC Bank	4,124,137	-	4,000,000	-
Jordan Kuwait Bank	2,681,137	5,330,735	-	8,240,000
Al-Etihad Bank	472,894	-	753,028	-
	<u>7,278,168</u>	<u>5,330,735</u>	<u>4,753,028</u>	<u>8,240,000</u>

**ABC Bank**

The Company has obtained a revolving loan during 2013 from ABC Bank amounting to JD 3,000,000 with interest rate of 7%, and it is under the personal guarantee of Mr. Ziad Khalaf Al Manaseer and Al Manaseer Group for Industrial and Commercial Investments LLC, deposit of commercial checks to ABC Bank amounting to JD 4,131,000 issued by Mr. Ziad Khalaf Al Manaseer and mortgage of 2,230,000 shares related to Al Manaseer Group for Industrial and Commercial Investments Company.

During 2019, The Company has rescheduled the loan to be settled in 9 monthly installments amounting to 550,000 each starting from 30 April 2019 except for the final installment, which represents the remaining balance and will be due on 31 December 2019 with an annual interest of 9.5%.

**Jordan Kuwait Bank**

This loan represents a reducing loan amounting to JD 8,240,000 which is granted to the Company by Jordan Kuwait Bank with an interest rate of 10% and 12-month grace period, the first installment will be due on 2 February 2020 and the final installment will be due on 3 January 2021.

**Al-Etihad Bank**

This loan represents a reducing loan amounting to JD 2,000,000 with an interest rate of 9% plus a margin of 0.5% to finance part of bid tender No. (MS 3 / 13 / B / 2017) of the Jordanian Armed Forces to purchase scrap metal and batteries.

Principals installments payables during the period ended 30 June 2019 and thereafter are as follows:

Period	JD
1 July 2019 – 30 June 2020	7,278,168
1 July 2020 – 30 June 2021	5,330,735
	<u>12,608,903</u>

**(7) Contingent Liabilities**

**Bank guarantee-**

As at the interim condensed financial statements date, the Company has contingent liabilities in the form of letter of guarantee amounted to JD 100,220 (31 December 2018: JD 100,220).

**Lawsuits filed by the Company-**

The lawsuits filed by the Company amounted to JD 2,597,555 as at 30 June 2019 (31 December 2018: JD 1,081,449). Although the results of these lawsuits cannot be accurately determined, the management and legal advisers believe that they will not result in any material obligations.

**(8) Income Tax**

No income tax provision was calculated for the Company for six-month period ended 30 June 2019 and 30 June 2018, in accordance with Income Tax Law No. (38) of 2018 and Income Tax Law No. (34) of 2014, respectively, due to the excess of deductible expenses over taxable income

The Company has reached a final settlement with the Income and Sales Tax department up to the year 2015. The Company submitted its income tax returns for the years 2018, 2017 and 2016. The Income and Sales Tax Department has not reviewed the Company's accounting records up to the date of these interim condensed financial statements.

**(9) Comparative Figures**

Some of the comparative figures for the period ended 30 June 2018 have been reclassified to correspond with 30 June 2019 presentation with no effect on equity or loss for the period ended 30 June 2018.