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REF :JM-17-08-1525

Date: 13-08-2017

To: Jordan Securities Commission

Amman Stock Exchange.



Subject: Semi- Annual Report as of 30/06/2017

Attached the company's Semi- Annual Report of (Jordan Masaken for Lands and Industrial Development projects) as of 30/06/20 17.

Kindly accept our highly appreciation & respect,

Jordan Masaken for Lands and Industrial Development projects (Masaken Capital)

Sufian Al-Bobali

Finance Manager



Jordan masaken for land & industrial development projects

شركة مساكن الاردن لتطوير الأراضي والمشاريع الصناعية

MASAKENCAPITAL
مساكن كابيتال

**JORDAN MASAKEN FOR LAND AND INDUSTRIAL DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2017**

JORDAN MASAKEN FOR LAND AND INDUSTRIAL DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
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REVIEW REPORT ON INTERIM FINANCIAL STATEMENT

**TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS
JORDAN MASAKEN FOR LAND AND INDUSTRIAL DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordan Masaken for Land and Industrial Development Group as at 30 June 2017, and the related condensed consolidated interim statement of income condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial statement in accordance with International Accounting Standard IAS (34) relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial statement based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement 2410 "Review of Interim Financial Statement 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 consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) relating to interim financial reporting.

**Amman – Jordan
20 July 2017**



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JORDAN MASAKEN FOR LAND AND INDUSTRIAL DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
30 JUNE 2017

| | 30 June 2017 JD | 31 December 2016 JD |
|---|--------------------------------|------------------------------------|
| Assets | | |
| Non - Current Assets | | Audited |
| Property, plant and equipment | 42 593 | 48 833 |
| Investment properties | 12 917 786 | 12 932 630 |
| Investment in associate | 1 | 1 |
| Financial assets at fair value through comprehensive Income | 78 452 | 119 167 |
| Due from related parties | 1 102 093 | 1 102 093 |
| Long-term checks under collection | - | 6 000 |
| Total Non - Current Assets | 14 140 925 | 14 208 724 |
| Current Assets | | |
| Other debit balances | 116 483 | 94 838 |
| Financial assets at fair value through profit or loss | 40 610 | 154 133 |
| Accounts receivable | 358 209 | 436 014 |
| Short-term checks under collection | 64 771 | 107 224 |
| Cash and cash equivalents | 23 405 | 34 198 |
| Total Current Assets | 603 478 | 826 407 |
| Total Assets | 14 744 403 | 15 035 131 |
| Liabilities and Equity | | |
| Equity | | |
| Share capital | 12 240 000 | 12 240 000 |
| Cumulative change in fair value | (273 180) | (236 666) |
| Accumulated losses | (633 637) | (670 128) |
| Total Equity | 11 333 183 | 11 333 206 |
| Liabilities | | |
| Non - Current Liabilities | | |
| Long term loans | 375 000 | 318 750 |
| Due to related parties | 1 373 673 | 1 373 673 |
| Total Non - Current Liabilities | 1 748 673 | 1 692 423 |
| Current Liabilities | | |
| Short term loan | 522 751 | 926 803 |
| Bank overdraft | 374 191 | 250 881 |
| Accounts payable | 127 250 | 176 233 |
| Unearned revenue | 242 240 | 311 391 |
| Shareholders deposits | 8 186 | 8 186 |
| Other credit balances | 387 929 | 336 008 |
| Total Current Liabilities | 1 662 547 | 2 009 502 |
| Total Liabilities | 3 411 220 | 3 701 925 |
| Total Liabilities and Equity | 14 744 403 | 15 035 131 |

The accompanying notes are an integral part of these condensed consolidated interim financial statements

JORDAN MASAKEN FOR LAND AND INDUSTRIAL DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
30 JUNE 2017

| | For the three-months period ended | | For the six-months period ended | |
|--|--------------------------------------|--------------------|------------------------------------|------------------|
| | 30 June 2017 | 30 June 2016 | 30 June 2017 | 30 June 2016 |
| | JD | JD | JD | JD |
| Operating revenue | 162 455 | 200 461 | 342 992 | 357 147 |
| Operating expenses | (51 603) | (45 933) | (100 610) | (98 153) |
| Gross profit | 110 852 | 154 528 | 242 382 | 258 994 |
| Administrative expenses | (59 720) | (124 207) | (122 986) | (171 046) |
| Loss from financial assets at fair value | (17 723) | (2 028) | (29 853) | (8 019) |
| Financing expenses | (12 793) | (42 147) | (49 583) | (85 347) |
| Other revenue | - | 7 130 | - | 7 130 |
| Profit (loss) for the Period | 20 615 | (6 724) | 39 960 | 1 712 |
| | | | | |
| Basic and diluted income (loss) per share | 0.0017 JD | (0.0005 JD) | 0.0033 JD | 0.0001 JD |

The accompanying notes are an integral part of these condensed consolidated interim financial statements

JORDAN MASAKEN FOR LAND AND INDUSTRIAL DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
30 JUNE 2017

| | 30 June 2017 | 30 June 2016 |
|---|---------------------|---------------------|
| | JD | JD |
| Profit for the Period | 39 960 | 1 712 |
| Other comprehensive income items: | | |
| Change in fair value of financial assets at fair value through comprehensive income | (39 983) | (159 999) |
| Total comprehensive losses for the period | (23) | (158 287) |

The accompanying notes are an integral part of these condensed consolidated interim financial statements

JORDAN MASAKEN FOR LAND AND INDUSTRIAL DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
30 JUNE 2017

| | Share capital | Cumulative change in Fair value | Accumulated losses | Total |
|---|-------------------|---------------------------------------|-----------------------|-------------------|
| | JD | JD | JD | JD |
| 31 December 2015 | 12 240 000 | (46 667) | (598 532) | 11 594 801 |
| Total comprehensive loss for the period | - | (159 999) | 1 712 | (158 287) |
| 30 June 2016 | 12 240 000 | (206 666) | (596 820) | 11 436 514 |
| 31 December 2016 | 12 240 000 | (236 666) | (670 128) | 11 333 206 |
| Loss from sale of financial assets | - | 3 469 | (3 469) | - |
| Total comprehensive loss for the period | - | (39 983) | 39 960 | (23) |
| 30 June 2017 | 12 240 000 | (273 180) | (633 637) | 11 333 183 |

The accompanying notes are an integral part of these condensed consolidated interim financial statements

JORDAN MASAKEN FOR LAND AND INDUSTRIAL DEVELOPMENT GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
30 JUNE 2017

| | 30 June 2017 | 30 June 2016 |
|---|---------------------|---------------------|
| | JD | JD |
| Operating activities | | |
| Profit for the Period | 39 960 | 1 712 |
| Adjustments for: | | |
| Depreciation | 21 084 | 19 573 |
| Financing expenses | 49 583 | 85 347 |
| Change in fair value of financial assets at fair value through profit or loss | 14 771 | 6 769 |
| losses from sale of financial assets at fair value through profit or loss | 14 618 | 1 250 |
| Changes in operating assets and liabilities | | |
| Financial assets at fair value through profit or loss | 84 134 | (24 713) |
| Checks under collection | 48 453 | 32 439 |
| Related parties | - | 547 906 |
| Accounts receivable | 77 805 | (150 932) |
| Other debit balances | (21 645) | (86) |
| Accounts payable | (48 983) | 29 032 |
| Unearned revenue | (69 151) | 57 069 |
| Other credit balances | 51 921 | 35 243 |
| Net cash from operating activities | 262 550 | 640 609 |
| Investing activities | | |
| Purchase of property, plant and equipment | - | (15 687) |
| Financial assets at fair value through comprehensive Income | 732 | - |
| Net cash from (used in) investing activities | 732 | (15 687) |
| Financing activities | | |
| Loan, and bank overdraft | (224 492) | (516 523) |
| Paid financing expenses | (49 583) | (85 347) |
| Net cash used in financing activities | (274 075) | (601 870) |
| Net change in cash and cash equivalents | (10 793) | 23 052 |
| Cash and cash equivalents at 1 January | 34 198 | 28 230 |
| Cash and cash equivalents at 30 June | 23 405 | 51 282 |

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1) General

The Company was registered at the Ministry of Industry and Trade as a Jordanian public shareholding limited company under No. (455) on 26 May 2008.

The Company General Assembly in its extraordinary meeting held on 21 July 2013 approved to decrease the Company capital by 32% of the authorized, and paid up capital amounted to JD 18 000 000. The decreased amount JD 5 760 000 to become JD 12 240 000, resolved to write off an amount of JD 5 760 000 of most accumulated losses amount of JD 5 795 308 as at 31 December 2012, the Company has completed the legal procedures with the Ministry of industry and Trade and with Jordan Securities Commission.

The Company General Assembly in its extraordinary meeting held on 7 November 2015 approved to increase the Company capital by JD 12 240 000 to become JD 24 480 000, The Company is in the process of completing the procedures with the Jordan Securities Commission.

The Company's main activities are Land acquisitions in the Kingdom of Jordan with a view to either develop or make the plots infrastructure enabled and sell, Develop the plots into residential housing, industrial facilities and/or mixed use projects, Build a diversified portfolio of assets in various sectors, and Establish, contribute, participate and/or manage through partnerships , in whole or in part, within potential and lucrative companies, projects and institutions that are in line with the company objectives and goals.

The accompanying financial statements were approved by the Board of Directors in its meeting on 20 July 2017.

2) Basis of preparation

The accompanying condensed consolidated interim financial statements has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying condensed consolidated interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the consolidated financial statements of the Company as at 31 December 2016. In addition, the results of the Company's operations for the six months ended 30 June 2017 do not necessarily represent indications of the expected results for the year ending 31 December 2017, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

The condensed consolidated interim financial statements are presented in Jordanian Dinar, which is the functional currency of the group.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those adopted for the year ended 31 December 2016 except for the following:

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2) IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)

Disclosure Initiative (Amendments to IAS 7): Amends IAS 7 'Statement of Cash Flows' to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

IFRS 16 Leases

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the group consolidated financial statements when they are applicable and adoption of these new standards, interpretations and amendments except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Company in the period of initial application, Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group consolidated financial statements for the annual year beginning 1 January 2018 and IFRS 16 for the annual year beginning on or after 1 January 2019. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Group consolidated financial statements in respect of revenue from contracts with customers and the group financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the group performs a detailed review.

Principles of consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the income statements from the acquisition date, which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are consolidated in the income statement to the disposal date, which is the date on which the Company loses control over the subsidiaries

The following subsidiaries have been consolidated:

| | <u>Activity</u> | <u>Capital</u> | <u>Ownership percentage</u> |
|---|-----------------------|----------------|-----------------------------|
| Amman Masaken for Real Estate Development | investment properties | 15 000 | 100 % |
| Al Serou Masaken for Investment and Real Estate Development | investment properties | 5 500 | 100 % |
| Masaken academy for training and financial consulting | Financial analysis | 1 000 | 100 % |
| Masaken Al Hijaz for investment and Real Estate Development | investment properties | 500 | 100 % |
| Luxury Masaken for Investment and Real Estate Development | investment properties | 500 | 100 % |
| Masaken Balaama for Real Estate Development | investment properties | 500 | 100 % |
| Green Masaken for Investment and Trade | investment properties | 500 | 100 % |

Accounting estimates

Preparation of the financial statements and the application of the accounting policies requires the management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the statement of other comprehensive income and owners' equity. In particular, this requires the company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

3) Comparative figures

Some of the comparative figures for the year 2016 have been reclassified to correspond with the period ended 30 June 2017 presentation and it did not result in any change to the last year's operating results.