

<p><b>To: Jordan Securities Commission Amman Stock Exchange</b> Date : 30/4/2018 Subject: Quarterly Report as of 31/3/2018</p>	<p>السادة هيئة الاوراق المالية السادة بورصة عمان التاريخ: 2018 / 4 / 30 الموضوع: التقرير ربع السنوي كما هي في 2018/3/31</p>
<p><b>Attached the Quarterly Report of (Injaz For Development &amp; Projects) as of 31/ 03 / 2018</b></p>	<p>مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة (انجاز للتنمية والمشاريع المتعددة ) كما هي بتاريخ 31 / 03 / 2018 م</p>
<p><b>Kindly accept our highly appreciation and respect Company's Name( Injaz For Development &amp; Projects) General Manager's Signature</b></p>	<p>وتفضلوا بقبول فائق الاحترام،،، شركة : انجاز للتنمية والمشاريع المتعددة توقيع المدير العام خزينة انجاز للتنمية والمشاريع المتعددة عمان - الصوبية</p> 

بورصة عمان  
الدفتر الادارية والمالية  
الديوان  
٢٠ نيسان ٢٠١٨  
الرقم التسلسل: 2542  
رقم الملف: 41058  
الجهة المختصة: 2114611

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS AND REVIEW REPORT  
FOR THE PERIOD ENDED MARCH 31, 2018**

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT**  
**FOR THE PERIOD ENDED MARCH 31, 2018**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**REPORT ON REVIEWING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

To the president and members of the board of directors  
**Injaz for Development and Projects Company P.L.C**

**Report on the Interim Consolidated Financial Statements**

**Introduction**

We have reviewed the accompanying Interim Consolidated Statement of Financial Position for Injaz for Development and Projects Company (P.L.C.) as of March 31, 2018, and the related statements of Interim Consolidated Comprehensive income, other Comprehensive income, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim 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". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures to financial data. The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, Getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, Hence, We don't express an opinion regarding in this regard.

**Conclusion**

Based on our review, except what was mentioned in basis of qualification above, nothing has come to our attention that causes us to be believe that the accompanying interim consolidated financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

**Other Matter**

The financial statement for subsidiary (Arab Tower Contracting Company (Ltd)) for year ended December 31, 2017 whose financial statement represent 85% of total assets and 100% of the total revenue of the consolidated financial statement have been reviewed by another auditor and he release his unqualified opinion on February 28, 2018, And review the Interim Financial Statements for subsidiary (Arab Tower Contracting Company (Ltd)) For the three months ended March 31, 2018 whose financial statement represent 85% of total assets and 100% of the total revenue of the interim consolidated financial statement have been reviewed by another auditor and he release his unqualified opinion on April 26, 2018.

Ghosheh & Co.

Wafiq M Taha

License No. (703)



Amman-Jordan

April 29, 2018

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2018 AND DECEMBER 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2018	2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill		27,508,872	27,508,872
Property and equipment		23,098,015	23,988,272
Long-term projects retentions		4,921,325	6,879,227
Financial assets designated at fair value through other comprehensive income		285,605	234,221
<b>Total non-current assets</b>		<b>55,813,817</b>	<b>58,610,592</b>
<b>Current assets</b>			
Prepaid expenses and other receivables		7,324,316	4,608,928
Inventories		9,941,749	9,136,363
Projects under construction		7,230,565	7,997,965
Amount due from customers on construction contract		20,237,413	40,071,117
Accounts receivable and checks under collection		63,773,666	43,027,847
Short-term projects retentions		9,206,521	8,663,752
Cash and cash equivalents		6,803,349	6,097,773
<b>Total current assets</b>		<b>124,517,579</b>	<b>119,603,745</b>
<b>TOTAL ASSETS</b>		<b>180,331,396</b>	<b>178,214,337</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Share capital		37,720,000	37,720,000
Statutory reserve		1,468,614	1,468,614
Special reserve		21,906	21,906
Fair value reserve		(54,930)	(106,314)
Retained earnings		7,375,209	7,014,446
<b>Equity attributable to equity holders of the parent company</b>		<b>46,530,799</b>	<b>46,118,652</b>
Non- controlling interest		6,437,940	6,257,994
<b>Total owners' equity</b>		<b>52,968,739</b>	<b>52,376,646</b>
<b>Current liabilities</b>			
Accrued expenses and other liabilities		4,307,135	6,463,880
Payments received in advance from construction contract		13,150,690	14,752,832
Accounts payable and deferred checks		63,067,692	58,889,730
Notes payable		-	429,650
Short-term loans		31,544,815	29,498,048
Banks overdraft		15,292,325	15,803,551
<b>Total current liabilities</b>		<b>127,362,657</b>	<b>125,837,691</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>180,331,396</b>	<b>178,214,337</b>

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

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED INCOME STATEMENT (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2018**  
(EXPRESSED IN JORDANIAN DINAR)

	<b>For the three months ended March 31, 2018</b>	<b>For the three months ended March 31, 2017</b>
Revenues	35,800,806	57,966,297
Cost of revenues	(34,218,883)	(55,716,846)
<b>Gross profit</b>	<b>1,581,923</b>	<b>2,249,451</b>
General and administrative expenses	(824,108)	(830,554)
Financial charges	(193,484)	(408,789)
Other revenues and expenses	229,630	28,775
<b>Income before income tax</b>	<b>793,961</b>	<b>1,038,883</b>
Income tax	(253,252)	(184,364)
<b>INCOME FOR THE PERIOD</b>	<b>540,709</b>	<b>854,519</b>
<b>Attributable to:</b>		
Equity holders of the parent	360,763	576,640
Non-controlling interests	179,946	277,879
	<b>540,709</b>	<b>854,519</b>
<b>Earning pershare</b>		
<b>Earning pershare- JD/ share</b>	<b>0,01</b>	<b>0,02</b>
<b>Outstanding weighted average share</b>	<b>36,949,143</b>	<b>30,979,166</b>

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

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2018**  
**(EXPRESSED IN JORDANIAN DINAR)**

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	<b>For the three months ended March 31, 2018</b>	<b>For the three months ended March 31, 2017</b>
<b>Income for the period</b>	<u>540,709</u>	<u>854,519</u>
<b>Total other comprehensive income transferred to retained earnings</b>	<u>540,709</u>	<u>854,519</u>
<b>Changes on fair value reserve</b>	<u>51,384</u>	<u>109,940</u>
<b>Total other comprehensive income for the period</b>	<u>592,093</u>	<u>964,459</u>
<b>Attributable to:</b>		
Equity holders of the parent	412,147	686,580
Non-controlling interests	<u>179,946</u>	<u>277,879</u>
	<u>592,093</u>	<u>964,459</u>

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

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED STATEMENT OF OWNERS' EQUITY (UNAUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2018  
(EXPRESSED IN JORDANIAN DINAR)**

	Share capital	Issuance premium	Statutory reserve	Special reserve	Fair value reserve	Retained earnings	Equity attributable to equity holders of the parent	Non-Controlling Interest	Total Owners' equity
Balance as at 1 January 2018	37,720,000	-	1,468,614	21,906	(106,314)	7,014,446	46,118,652	6,257,994	52,376,646
Comprehensive income for period	-	-	-	-	51,384	360,763	412,147	179,946	592,593
Balance at March 31, 2018	37,720,000	-	1,468,614	21,906	(54,930)	7,375,209	46,530,799	6,437,940	52,968,739
Balance as at 1 January 2017	35,250,000	2,470,000	1,143,193	21,906	(99,144)	7,610,661	46,396,616	4,724,668	51,121,284
Comprehensive income for period	-	-	-	-	109,940	576,640	686,580	277,879	964,459
Balance at March 31, 2017	35,250,000	2,470,000	1,143,193	21,906	10,796	8,187,301	47,083,196	5,002,547	52,085,743

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

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2018**  
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2018	For the three months ended March 31, 2017
<b>OPERATING ACTIVITIES</b>		
Income for the period	793,961	854,519
Adjustments on income for the period:		
Depreciation	960,291	994,723
Gain on disposal of property, plant and equipment	(1,398)	(2,490)
Financial charges	193,484	408,789
Changes in operating assets and liabilities:		
Prepaid expenses and other receivables	(2,715,388)	(610,532)
Projects retentions	1,415,134	(1,320,411)
Accounts receivable and checks under collection	(20,745,819)	(1,556,977)
Amount due from customers on construction contract	19,833,704	(2,889,986)
Inventory	(805,386)	214,336
Accrued expenses and other liabilities	(2,409,997)	627,481
Payment received in advance from construction contract	(1,602,142)	(3,394,832)
Accounts payable and deferred checks	4,177,962	4,155,194
<b>Cash used in operating activities</b>	<b>(905,594)</b>	<b>(2,520,186)</b>
Financial charge paid	(193,484)	(408,789)
<b>Net cash used in operating activities</b>	<b>(1,099,078)</b>	<b>(2,928,975)</b>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	10,000	9,000
Purchase property and equipment	(78,636)	(756,060)
Projects under construction	767,400	
<b>Net cash available /(used in) from investing activities</b>	<b>698,764</b>	<b>(747,060)</b>
<b>FINANCING ACTIVITIES</b>		
Banks overdraft	(511,226)	5,769,529
Short-term loans	2,046,766	(2,255,138)
Notes payable	(429,650)	(516,788)
<b>Net cash available from financing activities</b>	<b>1,105,890</b>	<b>2,997,603</b>
<b>Net change in cash and cash equivalents</b>	<b>705,576</b>	<b>(678,432)</b>
Cash and cash equivalents, January 1	6,097,773	7,164,168
<b>Cash and cash equivalents, March 31</b>	<b>6,803,349</b>	<b>6,485,736</b>

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

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2017  
(EXPRESSED IN JORDANIAN DINAR)**

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**1. ORGANIZATION AND ACTIVITIES**

Injaz for Development and Projects is a Jordanian public shareholding Company ("the Company"), registered on January 1, 1976 under Commercial registration number (104). The Company's

On April 25, 2017 the general assembly decided in its unusual meeting to increase its declared capital from 35,250,000 shares\JD to 37,720,000 shares\JD by capitalizing issuance premium of 2,470,000 shares\JD, approval obtained from securities commission on May 22, 2017 by decision number (143\2017) of securities commissioner.

The Company principle activity is purchasing lands, real-state and developing, trading it as well as investing in shares and bonds.

The Company's headquarter is in Amman.

The consolidated financial statements as at March 31, 2018 is includes the financial statements of the following subsidiaries:

Name of subsidiary	Place of registration	Registration year	Ownership percentage	The main activity
Arab Tower Contracting Company (Ltd)	Hashemite Kingdom of Jordan	2007	68.75%	Civil construction and related activities

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2018 (Continued)  
(EXPRESSED IN JORDANIAN DINAR)**

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**2- NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs IN ISSUE BUT NOT YET EFFECTIVE:-**

The following new standards and amendments to the standards have been issued but are not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

<u>New Standards</u>	<u>Effective Date</u>
(IFRS) No.9 – Financial Instruments	January 1, 2018
(IFRS) No.15 – Revenue from Contract with Customers	January 1, 2018
(IFRS) No.16 – Leases	January 1, 2019

Board of directors of the Company is expected that the application of these standards and interpretations will not have a substantial impact on the company's financial statements.

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim financial statements are presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statements do not include all the information and notes needed in the annual financial statements and must be reviewed with the ended financial statement at December 31, 2017, in addition to that the result for the three months ended in march 31, 2018 is not necessarily to be the expected results for the financial year ended December 31, 2018.

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards.

**Basis of Interim Consolidation Financial Statements**

The Consolidated Financial Statements incorporate the financial statements of Injaz For Development And Projects Company (Public Shareholding Company) and the subsidiaries controlled by the Company.

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
(PUBLIC SHAREHOLDING COMPANY)

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2018 (Continued)**  
(EXPRESSED IN JORDANIAN DINAR)

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The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

When The Company reassesses whether or not it controls an investee, it consider all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and Other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholder's meetings.

The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary). In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Croup's accounting policies.

All intergroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**Financial assets designated at fair value through statement of comprehensive income**

Financial assets are classified as at fair value through statement of income when either the financial asset is held for trading or it is designated as at fair value through statement of income .A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through statement of income upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
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**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2018(Continued)**  
(EXPRESSED IN JORDANIAN DINAR)

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- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at fair value through statement of income.

Financial assets at fair value through statement of income are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the consolidated income statement.

**Financial assets designated at fair value through statement of other comprehensive income**

Specific financial assets at fair value through statement of other comprehensive income are non-derivative financial assets, the purpose of the acquisition is to keep them as available for sale until the date of maturity, not for trading.

Differences in the change in fair value of financial assets specified at fair value through other comprehensive income statement are recorded in other comprehensive income statement.

Financial assets specified at fair value through statement of other comprehensive income that is have a market prices stated at fair value after deducting any accumulated Impairment losses in its fair value.

Financial assets specified at fair value through statement of other comprehensive income that is do not have a market prices and cannot determine the fair value stated at cost and any Decline in its value recorded in other comprehensive income statement.

Profits and losses resulting from differences of foreign currency translation for the debt instruments are recorded within the financial assets specified at fair value through other comprehensive income statement in the statement of other comprehensive income, while differences from foreign currency translation for the debt instruments are recorded in the accumulated change in fair value in owners' equity.

**Cash and cash equivalents**

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less and which are not exposed to a significant risk of value change.

**Accounts receivable**

Accounts receivable are stated at the fair value of the consideration given and are carried at amortized cost after provision for doubtful debts.

**Accounts payable and accruals**

Accounts payable are recognized against the value of obligation for services or goods received, whether billed or not billed by the supplier.

**INJAZ FOR DEVELOPMENT AND PROJECTS**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED MARCH 31, 2018(Continued)**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**Revenue from construction contracts**

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognized reference to the stage of completion of the contract activity at the reporting date, as the proportion of contract costs incurred for work performed to date to the estimated total contract costs. Variations in contract work are recognized the extent that it is probable that they will result in revenue and such revenue can be reliably measured. Claims and incentive payments are included to the extent that it is probable that the customer will accept the claim and the amount can be measured reliably.

Changes in estimates used in the determination of the amount of revenue and expenses are recognized in the consolidated statements of profit and loss in the period in which the change is made.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which these are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

**Expenses**

General and administrative expenses include direct and indirect costs not specifically part of cost of revenues as required under generally accepted accounting principles

**Goodwill**

International Accounting Standards Board issued International Financial Reporting Standard No.3 (Integration).

The recorded increase purchase cost over the fair value of invested as goodwill. When the recoverable amount of this goodwill less than the net book value, goodwill is reduced to the recoverable amount and the value of the declining are recorded in the consolidated income statement.

Resulting Goodwill on acquisition of subsidiary or joint control of an entity represents the purchase cost for the company's share in the net fair value of the assets, liabilities and contingent liabilities of the subsidiary identified and recognized as at the date of purchasing. First, goodwill recorded as an asset on the basis of cost, then measured later on the basis of cost less accumulated decline in value.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or a jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

**Inventories**

Inventories are stated at the lower of cost and net realizable value. Cost comprises direct materials, production and conversion costs, and other costs necessary to bring the inventory to the Group's location and condition. In the case of manufactured inventory and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Cost is calculated using the weighted average method, Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale.

**INJAZ FOR DEVELOPMENT AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED MARCH 31, 2018(Continued)  
(EXPRESSED IN JORDANIAN DINAR)**

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When the net realizable value of the inventories is lower than the cost, they provides for an allowance for the decline in the value of the inventory and recognizes the write-down as an expense in profit or loss.

**The Decline in value of the financial assets**

In date of each statement of financial position, values of the financial assets have been reviewed, to determine if there indication to decline in its value

As for the financial assets such as trade accounts receivable and assets was evaluated as individual low-value, where evaluated for the decline in the value on a collective basis. The substantive evidence for decline in portfolio of the accounts receivable includes the past experience about the collection of payments. And the increase in the number of the late payments portfolio (which it's beyond the rate of borrowing) also it includes the significant changes in the international and local economic conditions that are related with non-collection of accounts payable.

The Reduce in the listed value of the financial assets is the amount of loss decline of value directly. And this is for all the financial assets except the trade accounts receivable as the listed value have been reduced by provisions accounts. When is one of the accounts receivables are non-collected then write off the amount of this debt and the equal amount from account of the provisions.

The changes in the listed value for the provisions account are recognized in comprehensive income.

As for the ownership equity tools which are available for sale, decline losses are not closed in the recognized value in the profit and loss statement. However, any increase in the fair value becomes after decline loss has recognized directly in shareholder's equity statement.

**De-recognition**

The Company cancels the recognition of financial assets only when the contractual rights about receipt of cash flows from the financial assets had ended. Substantially all the risks and benefits of the ownership to another firm. In the case of the company doesn't transfer on retain substantially risks or benefits of the ownership and continue in control of the transferred assets, the company in this case recognize it's share retained in the transferred assets and the related liabilities in the limits of the amounts excepted to be paid. In the other case, when the company retained substantially all risks and benefits of owner ship of the transferred assets, the company will continue to recognize of the financial assets.

**The decline in value of the non-current assets**

The decline in value of the non-current assets in the date of each balance sheet the company review the listed values for its assets to specify if there is an indication to be decline losses of the value. If there indication to that, the recovery value of the asset will be appreciated to determine the loss of decline in the value if it be. In case, in ability to appreciate the recovery value of specific asset. The Company estimate the recovery value for unit producing of cash that related in the same asset. when there is ability to determine basis of distribution that is fixed and reasonable, the joint assets distribute to units producing of cash that related in the same asset. when there is ability to determine basic of distribution that is fixed and reasonable, the joint assets distribute to specific units producing of cash or it distribute to smallest group from units producing cash that it able to determine basic of distribution fixed and reasonable for it.

The Recovery value is the fair value of asset minus the cost of sale or used value whichever is higher.

In case, the recovery value (or the unit producing of cash) distribute lower than the listed value, reduce the listed value for asset (or unit producing of cash) to the recovery value. Losses of the decline recognize directly in the income statement except the asset that is reevaluation then record losses of the decline as reduction from re-evaluation provision.

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**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation. Expenditures on maintenance and repairs are expensed. While expenditures for betterment are capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	<u>Annual depreciation rate</u>
Buildings	2%
Caravans	20%
Vehicles	10%
Machines and equipment	10-20%
Surveying equipment	10-20%
Stud system	20%
Electrical supplies	10-20%
Tools	10-20%
Woods	40%
Office Supplies	10%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

Impairment test is performed to the value of the property and equipment that appears in the consolidated Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, impairment losses are calculated according to the policy of the low value of the assets

At the exclusion of any subsequent property and equipment recognize the value of gains or losses resulting. Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the consolidated Statement of Financial Position. Gross Profit and loss.

**Provisions**

The provisions had been formed, when the company has a present obligation (legal or expected) from past events which its cost of repayment consider accepted and it has ability to estimate it reliably.

The provision had been measured according to the best expectations of the required alternative to meet the obligation as of the balance sheet date after considering the risks and not assured matters about the obligation. When the provision had been measured with the estimated cash flows to pay the present obligation, then the accounts receivable had been recognized as asset in case of receipt and replacement of the amount is certain and it able to measure the amount reliably.

**The use of estimation**

The preparation of financial statements and the application of accounting policies required of the Company's management to make estimates that affect the amounts of financial assets and liabilities and disclosure of contingent liabilities, these estimates also affect the revenues, expenses and provisions.

As well as changes in fair value that appears in the owners' equity

In particular, required of the company's management to issue important judgments to estimate the amounts of future cash flows and its times Mentioned that the estimates are shown necessarily on the assumptions and multiple factors have a varying degree of appreciation and uncertainty and that actual result may differ from estimates As a result of changes resulting about the conditions and circumstances of these estimates in the future.

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**Segment reporting**

A business segment is a group of assets and operation engaged in providing products or services that are subject to risks and returns that are different from those of other business segments, and segment is engaged in providing products or services within a particular economic environment

and Company include significant business sectors in the purchase, develop and trade of lands and real estate in addition to investing in securities and bonds, the company operates only in the Hashemite Kingdom of Jordan.

**Offsetting**

Financial assets and financial liabilities are offset, and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

**Income Tax**

The Company is subject to Income Tax Law, its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income, According to International Accounting Standard No. (12), the Company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the periodic financial statements since it's immaterial.

**Foreign currency transactions**

Foreign currency transactions are translated into Jordanian Dinars at the rates of exchange prevailing at the time of the transactions. The operation occurs during the year are translated at weighted average rates at time of transaction. Gains and Losses from settlement and transaction of foreign currency transaction are included in the statement of comprehensive income.

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**4. GOODWILL**

During 2012 the purchase of 25% of Arab Tower Contracting Company (Ltd) shares of capital have been made on equity method on January 1, 2012, and the cost of acquire the additional an amount of 13,500,000 Jordanian Dinar.

During 2014 the Company increased its share capital in Arab Tower Contracting Company (Ltd) by 23,75% turn out to be the total percentage of shares capital 48,75% and the cost of acquire the additional an amount of 11,500,000 Jordanian Dinar

During 2016 the Company increased its share capital in Arab Tower Contracting Company (Ltd) by 20% turn out to be the total percentage of shares capital 68,75% and the cost of acquire the additional an amount of 10,250,000 Jordanian Dinar. And as a result of that the financial statements were consolidated with Arab Tower Contracting Company (Ltd) .

**The total cost of acquisition as follows :-**

The cost of acquiring 25% of shares	13,500,000
The cost of acquiring 23,75% of shares	11,500,000
The cost of acquiring 20% of shares	<u>10,250,000</u>
<b>Total</b>	<b>35,250,000</b>
Add: Legal title transfer fees	<u>211,705</u>
The total cost of acquiring 68,75% of shares	<b>35,461,705</b>
Legal title transfer fees amortization	<u>(211,705)</u>
<b>cost of acquisition by net</b>	<b><u>35,250,000</u></b>

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The fair value of Assets and liabilities of Arab Tower Contracting Company (Subsidiary) as follows :-

Assets	Fair value	Book value at aquisition
Property and equipment	18,101,977	18,101,977
Inventories	5,958,223	5,958,223
Accounts receivable and checks under collection	50,377,233	50,377,233
projects retentions	8,347,160	8,347,160
Amount due from customers on construction contract	43,552,646	43,552,646
Financial assets designated at fair value through other comprehensive income	340,535	340,535
Prepaid expenses and other receivables	6,767,905	6,767,905
Cash and cash equivalents	9,205,895	9,205,895
<b>Total assets</b>	<b>142,651,574</b>	<b>142,651,574</b>
<b>Liabilities</b>		
Short-term loans	21,591,850	21,591,850
Banks overdraft	9,809,450	9,809,450
Payment received in advance from construction contract	28,100,587	28,100,587
Accounts payable and deferred checks	68,824,944	66,563,489
Accrued expenses and other liabilities	3,064,921	3,064,921
<b>Total liabilities</b>	<b>131,391,752</b>	<b>129,130,297</b>
<b>Net owned assets</b>	<b>11,259,822</b>	<b>13,521,277</b>
<b>Company share of Net owned assets after declaration (68,75%)</b>	<b>7,741,128</b>	
<b>Cash paid (Investment cost until acquisition date)</b>	<b>35,250,000</b>	
<b>Goodwill as a result of acquisition</b>	<b>27,508,872</b>	

**Annual test for impairment:**

During 2017 the parent company has assessed the recoverable amount of the goodwill, and has been identified that there is no impairment in the value of the goodwill associated with the subsidiary, which is working with construction contracting.

The recoverable amount of cash generating unit (construction contracting) measured on the basis of value in use. Were calculating using the expected cash flows through the budgets and approved by the directors of the company which covers the next five years on the basis of a discount rate of 13.8 %annually.

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**5. FINANCIAL INSTRUMENTS**

**Management of share capital risks**

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and owners equity balances. The Company's strategy doesn't change from 2017.

Structuring of Company's capital includes debt which includes borrowing, and the owners' equity in the Company which includes share capital, statutory reserve, partners' current account and accumulated losses as it listed in the changes in owners' equity statement.

**The debt rate**

The board of directors is reviewing the share capital structure periodically, as a part of this reviewing, the board of directors consider the cost of share capital and the risks that is related in each faction from capital and debt factions. The Company capital structure includes debts from borrowing. The Company's doesn't determine the highest limit of the debt rate during 2018.

**The management of the financial risks**

The Company's activities might be exposing mainly to the followed financial risks:

**Management of the foreign currencies risks**

The company is not exposed to significant risks related to foreign currency price changes, so there is no need to effective management for this exposure.

**Interest rate risk**

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, interest bearing loans and borrowings).

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

**Other price risk**

The Company exposes to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other company's owner's equity for strategic purposes and not for trading purposes.

The Company has no trading activity in those investments.

**Credit risk management**

The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses, However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks, The significant credit exposed for any parts or group of parts that have a similar specification. The Company classified the parts which have similar specifications as a related parties. Except the amounts which are related in the cash money. The credit risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks have good reputations and have been controlled from control parties.

The amounts had listed in the financial statements data represents the highest credit risk expose to the trade accounts receivable and to the cash and cash equivalent

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**Liquidity risk**

Are the risks of inability to pay the financial obligations that were settled by receiving cash or another financial assets.

Liquidity risk management by control on cash flows and comparing them with maturities of assets and financial liabilities.

**6. APPROVAL OF INTERIMCONSOLIDATED FINANCIAL STATEMENTS**

TheInterimconsolidated financial statements were approved by the Directors and authorized for issuance on April29, 2018.