

**Middle East Complex For Engineering,
Electronics And Heavy Industries
Public Shareholding Company**

**Interim Consolidated Financial Statements as of March 31, 2008
Together With Auditors' Report**

Arab Professionals
(Member of Grant Thornton)

**Middle East Complex
For Engineering, Electronics and Heavy Industries
Public Shareholding Company**

Contents

	<u>Page</u>
- Accountants' review report	2
- Interim Consolidated balance sheet as of March 31, 2008	3
- Interim consolidated statement of income for the three months period ended March 31, 2008	4
- Interim consolidated statement of changes equity for the three months period ended March 31, 2008	5
- Interim consolidated statement of cash flows for the three months period ended March 31, 2008	6
- Notes to the interim consolidated financial statements	7 - 13

Accountants' Review Report

**To The Board Of Directors Of
Middle East Complex For Engineering, Electronics And Heavy Industries
Public Shareholding Company
Amman - Jordan**

We have reviewed the accompanying interim financial statements of **Middle East Complex for Engineering, Electronics and Heavy Industries Company PLC** as of March 31, 2008, comprising of the interim balance sheet as of March 31, 2008 and the related interim consolidated statements of income, changes in equity and cash flows for the three- months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim financial statements in accordance with international Financial Reporting Standard IAS 34 interim Financial Reporting ("IAS 34"). Our responsibility is to express 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 of the entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an Audit, Accordingly, we do not express an audit opinion.

Conclusion

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

Arab Professionals

April 26, 2007

**Middle East Complex for Engineering, Electronics and Heavy Industries
Public Shareholding Company
Interim Balance Sheet as of March 31, 2008**

(In Jordanian Dinars)

	<u>Notes</u>	<u>March 31, 2008</u>	<u>December 31, 2007</u>
Assets			
Current Assets			
Cash and cash equivalents		94,614,915	84,961,692
Trading Securities		14,940,042	15,447,111
Accounts & notes receivable, net		52,823,165	48,663,115
Due from related parties		16,795,275	11,978,090
Checks under collection		34,395,395	33,324,070
Inventories		41,430,996	42,049,043
Other current assets, net		22,130,125	21,634,955
Total Current Assets		<u>277,129,913</u>	<u>258,058,076</u>
Non Current Assets			
Advance payments on the purchase of investments		11,264,602	16,864,602
Available for sales securities		15,772,298	16,424,756
Held to maturities securities		250,000	250,000
Investments in associates		71,000	71,000
Investment property		1,440,000	1,440,000
Property, plant & equipment, net		63,976,980	64,778,333
Projects under construction		9,203,179	8,844,025
Total Non Current Assets		<u>101,978,059</u>	<u>108,672,716</u>
Total Assets		<u>379,107,972</u>	<u>366,730,792</u>
Liabilities and Equity			
Current Liabilities			
Due to banks		3,391,514	3,590,704
Accounts payable		17,723,879	12,297,192
Due to related parties		1,366,248	12,455,260
Post dated checks & notes payable		23,892,515	23,990,673
Commercial papers		31,950,000	7,100,000
Short-term loans		33,888,350	48,301,326
Current portion of long term bond		8,520,000	8,520,000
Other current liabilities		6,571,319	4,692,642
Total Current Liabilities		<u>127,303,825</u>	<u>120,947,797</u>
Long Term liabilities			
Long-term loans		37,538,610	29,407,173
Long term bond		11,360,000	11,360,000
Long term liabilities		<u>48,898,610</u>	<u>40,767,173</u>
Total liabilities		<u>176,202,435</u>	<u>161,714,970</u>
Equity			
Paid-in capital		100,000,000	100,000,000
Shares premium		38,201,872	38,201,872
Statutory reserve		6,372,363	6,372,363
Voluntary reserve		6,451,913	6,451,913
Cumulative change in fair value		(1,333,641)	(230,403)
Treasury shares		(15,619,961)	(13,871,532)
Retained earnings		27,976,839	25,791,078
Total Shareholder's Equity		<u>162,049,385</u>	<u>162,715,291</u>
Minority interest		40,856,152	42,300,531
Total Equity		<u>202,905,537</u>	<u>205,015,822</u>
Total Liabilities and Equity		<u>379,107,972</u>	<u>366,730,792</u>

"See Accountants' Review Report"

Middle East Complex for Engineering, Electronics and Heavy Industries
Public Shareholding Company
Interim Consolidated Statement of Income For The Three Months Period Ended March 31, 2008

(In Jordanian Dinars)

	March 31, 2008	March 31, 2007
Net sales	27,386,768	21,734,855
Cost of sales	(22,985,679)	(18,331,716)
Gross profit	4,401,089	3,403,139
General and administrative expenses	(815,059)	(806,062)
Selling and distribution expenses	(1,044,129)	(1,394,768)
Depreciation and amortization	(143,168)	(111,937)
Income from sale of subsidiaries and affiliates shares	-	907,375
Loss from sale of trading securities	143,475	(341,853)
Income (Loss) from revaluation of trading securities	747,496	390,599
(Loss) Income from affiliates	-	(27,058)
Financing expenses	(2,740,576)	(1,795,338)
Other revenues	1,820,117	994,347
Income before income tax	2,369,245	1,218,444
Provision for income tax	(89,000)	(35,938)
Income for the period	2,280,245	1,182,506
Attributable to:		
Equity holders of the parent	2,185,761	1,243,506
Minority interest	94,484	(61,000)
	2,280,245	1,182,506
Earnings per share	0,022	0,012
Weighted average number of shares outstanding	100,000,000	100,000,000

"See Accountants' Review Report"

Middle East Complex for Engineering, Electronics and Heavy Industries
Public Shareholding Company
Interim Consolidated Statement of Changes in Equity For The Three Months Period Ended March 31, 2008

(In Jordanian Dinars)

	Paid-In Capital	Additional Paid - In Capital	Reserves		Cumulative Change in fair value	Treasury Shares	Retained Earnings	Total Shareholder Equity	Minority Interest	Total Equity
			Statutory	Voluntary						
Balance as of 1/1/2008	100,000,000	38,201,872	6,372,363	6,451,913	(230,403)	13,871,532	25,791,078	162,715,291	42,300,531	205,015,822
Income for the period	-	-	-	-	-	-	2,185,761	2,185,761	94,484	2,280,245
Cumulative change in fair value	-	-	-	-	(1,103,238)	-	-	(1,103,238)	(2,502,762)	(3,606,000)
Treasury shares	-	-	-	-	-	(1,748,429)	-	(1,748,429)	-	(1,748,429)
Change in minority interest	-	-	-	-	-	-	-	-	963,899	963,899
Balance as of 31/3/2008	100,000,000	38,201,872	6,372,363	6,451,913	(1,333,641)	(15,619,961)	2,797,839	162,049,385	40,856,152	202,905,537
Balance as of 1/1/2007	93,927,552	33,125,305	5,344,716	6,451,913	-	(3,937,150)	27,049,885	161,962,221	10,548,066	161,962,221
Capital increase	6,072,448	5,076,566	-	-	-	-	-	11,149,014	(61,000)	11,149,014
Income for the period	-	-	-	-	-	-	1,243,506	1,243,506	-	1,243,506
Treasury shares	-	-	-	-	-	3,199,970	-	3,199,970	-	3,199,970
Change in Minority interest	-	-	-	-	-	-	-	-	(18,468)	(18,468)
Balance as of 31/3/2007	100,000,000	38,201,871	5,344,716	6,451,913	-	(737,180)	28,293,391	177,554,711	-	177,554,711

“See Accountants' Review Report”

Middle East Complex for Engineering, Electronics and Heavy Industries
Public Shareholding Company
Interim Consolidated Statement of Cash Flows For The Three Months Period Ended March 31, 2008
(In Jordanian Dinars)

	March 31, 2008	March 31, 2007
Cash Flows From Operating Activities		
Income for the period	2,185,761	1,243,506
Depreciation and amortization	1,034,471	1,105,596
Trading securities revaluation	(747,496)	(390,599)
(Loss) Income from affiliates	-	27,058
Changes in Working Capital		
Trading securities	1,254,565	397,147
Accounts & notes receivable	(4,160,050)	(2,438,953)
Due from related parties	(10,306,197)	(880,144)
Checks under collection	(1,071,325)	(2,348,902)
Inventories	618,047	(2,455,248)
Other current assets	(495,170)	(8,109,775)
Accounts payable	5,426,687	(373,292)
Other current liabilities	1,878,677	2,016,226
Cash Flows From Operating Activities	<u>(4,480,188)</u>	<u>(7,890,288)</u>
Cash Flows From Investing Activities		
Property, plant equipment	(233,118)	(83,621)
Projects under construction	(359,154)	(460,353)
Available for sale Investments	(450,780)	1,657,163
Payment on investments	-	(4,218,102)
Investment in capital guaranteed fund	-	3,583,959
Cash Flows From Investing Activities	<u>(1,043,052)</u>	<u>479,046</u>
Cash Flows From Financing Activities		
Capital increase	-	11,149,014
Due to banks	(199,190)	669,235
Commercial papers	24,850,000	(7,100,000)
Loans	(6,281,539)	1,715,548
Treasury shares	(1,748,429)	3,199,970
Minority interest	(1,444,379)	(79,468)
Cash Flows From Financing Activities	<u>15,176,463</u>	<u>9,554,299</u>
Change in Cash and Cash Equivalents	9,653,223	2,143,057
Cash and cash equivalents, beginning of the year	84,961,692	59,129,253
Cash and Cash Equivalents, end of the Period	<u><u>94,614,915</u></u>	<u><u>61,272,310</u></u>

"See Accountants' Review Report"

Middle East Complex for Engineering, Electronics and Heavy Industries
Public Shareholding Company
Notes to the Interim Consolidated Financial Statements
March 31, 2008

(In Jordanian Dinars)

(1) General

Middle East Complex for Engineering, Electronics and Heavy Industries Plc. was established on September 12, 1994. The Company's head office is in Jordan and its main objectives is the manufacturing of electric and electronic home appliances such as televisions, stereos, washing machines, VCRs, air conditioners, refrigerators, vacuum cleaners and gas heaters.

The financial statements were authorized for issue by the Company's Board of Directors in their meeting held on March 2, 2008. These financial statements require the approval of the General Assembly.

(2) Summary of Significant Accounting Policies

Basis of Preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as published by International Accounting Standards Board. The consolidated financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all of the companies that it controls. This control is normally evidenced when the company owns, either directly or indirectly more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The equity and net income attributable to minority shareholders' interests are shown separately in the balance sheets and income statements, respectively.

The following subsidiaries have been consolidated:

	<u>Activity</u>	<u>Capital</u>	<u>Ownership</u>
General Amman for Industry and Marketing Ltd	Investment	3,000,000	86.7%
National Star for Electronic and Electrical Industries Ltd.	Manufacturing	10,000,000	69.7%
AL Asalah Electromechanics Ltd	Manufacturing	100,000	60%
Al Yousef Transporting & Clearing Ltd.	Service	30,000	75.1%
South Electronics Plc.	Trading	50,000,000	33.5%
Haier Middle Appliances Ltd	Manufacturing	25,000,000	92.5%

Although the Company holds less than 50% of the voting shares in South Electronics Co. Ltd and its subsidiary (Haier Middle East Trading Co. Ltd), the Company has the power to control the financial and operating policies of the entity.

Middle East Complex for Engineering, Electronics and Heavy Industries
Public Shareholding Company
Notes to the Interim Consolidated Financial Statements
March 31, 2008

Adoption of new and revised IFRS standards

The following amendments to existing standards have been published that are mandatory for accounting periods after 31 December 2007. The Directors anticipate that the adoption of these Standards in future periods will have no material impact on the financial statements of the Company.

Standards No.	Subject	Effective Date
IFRS 3	Business Combination	July 2009
IFRS 8	Operating Segments	January 2009
IAS 1	Presentation of Financial Statements	January 2009
IAS 23	Borrowing Costs	January 2009
IAS 28	Investment in Associates	July 2009
IAS 31	Interests in Joint Ventures	July 2009

Use of Estimates and Judgments

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the income statement.
- Inventories are held at the lower of cost and net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.
- An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.
- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline. Management estimates the value of impairment and the same is charged in the income statement.

Trade Receivables

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Accounts payable

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Trading securities

These are initially recognized at cost and subsequently remeasured at fair value. All related realized and unrealized gains and losses resulting from the changes in fair value upon the translation of non-monetary assets in foreign currencies are taken to the income statement. - Interest earned is included in interest income and dividends received are included in dividend income.

Available for sale Securities

Available for sale securities are initially measured at cost, which is the fair value of the consideration given for them, including transaction costs.

Available for sale investments are subsequently carried at fair value without any deduction for transaction costs by reference to their quoted market price at the balance sheet date. Investments for which fair value can not be reliably determined are stated at cost. Impairment loss is recognized in net profit or loss for the period.

Gains or losses on measurement to fair value of available for sale investments are recognized directly in the fair value reserve in shareholders equity, until the investment is sold or otherwise disposed of, or until it is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in net profit or loss for the period.

Available for sale securities are classified as current assets if management intends to realize them within twelve months of the balance sheet date.

Held-to-maturity investments

These are initially recognized at cost, being the fair value of the consideration given including directly attributable transaction costs. Investments classified as held-to-maturity with fixed or determinable payments and fixed maturity are carried at amortized cost less a provision for impairment.

Investments in affiliates

Investments in affiliated undertakings are accounted for by the equity method of accounting. These are undertakings over which the Company generally has between 20% and 50% of the voting rights, or over which the Company has significant influence, but which it does not control. Unrealized gains and losses on transactions between the Company and its associated undertakings are eliminated to the extent of the Company's interest in the affiliated undertakings

Cash and Cash Equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the Cash flow statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short- term highly liquid investments.

Trading and settlement date accounting

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

Fair value

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on balance sheet date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

**Middle East Complex for Engineering, Electronics and Heavy Industries
Public Shareholding Company
Notes to the Interim Consolidated Financial Statements
March 31, 2008**

Impairment of Financial Assets

Financial assets are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available for sale investments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available for sale investments, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the first in, first out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads.

Leases

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at inception of the lease at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized directly in the consolidated income statement.

Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

Projects under Construction

Capital work in progress is stated at cost until the construction is complete. Upon the completion of construction, the cost of such assets together with the cost directly attributable to construction, including capitalized borrowing costs are transferred to the respective class of asset. No depreciation is charged on capital work in progress.

Property, Plant and Equipment

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the income statement.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation is computed on a straight- line basis over the following estimated useful lives:

Buildings	2-4%	
Vehicles	15%	
Net works	5%	
Furniture and decoration	10%	
Machines and Equipment	10%	(Subject to the plant utilized capacity)
Forklifts	15%	
Computers	20%	
Tools	10%	

The useful life and depreciation method are reviewed annually to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property plant and equipment.

Projects in progress represent plant and properties under construction and are stated at cost. Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational use.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets with definite lives are amortized over the economic useful lives using the straight line method and assessed for impairment when there is an indication that the intangible asset may be impaired. Intangible assets are reviewed for any indication of impairment on the date of the consolidated financial statement. The estimated useful lives are reassessed and any adjustments are made in the subsequent periods.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

Middle East Complex for Engineering, Electronics and Heavy Industries
Public Shareholding Company
Notes to the Interim Consolidated Financial Statements
March 31, 2008

Revenue Recognition Sales are recognized upon delivery of products and customer acceptance, if any, or on the performance of services. Sales are shown net of sales taxes and discounts, and after eliminating sales within the Group.

Foreign Currency

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the statement of income.

(3) Income Tax

- The Company has settled its tax liabilities with the Income Tax Department up to December 31, 2002.
- The income tax return for the years 2003, 2004, 2005 ,2006 and 2007 have been filed with the Income Tax Department but the department has not reviewed the Company's records till the date of this report.
- The income tax liability for the the period was computed in accordance with the Jordanian Income Tax Law.

(4) Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company include bank balances and cash, receivables and securities. Financial liabilities of the Company include loans from financial institutions and accounts payable.

Fair Value

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Credit Risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Currency Risk

The management considers that the Company is not exposed to significant currency risk. The majority of their transactions and balances are in either Jordanian Dinars or US Dollars. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollars are not considered to represent significant currency risk and the Company's results or equity to movements in exchange rates is not considered significant.

Middle East Complex for Engineering, Electronics and Heavy Industries
Public Shareholding Company
Notes to the Interim Consolidated Financial Statements
March 31, 2008

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As most of the Company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

Equity Price Risk

Equity price risk result from the change in the fair value of equity securities. The Company manages these risks through the diversification of investments in several geographical areas and economic sectors. If the quoted market price of listed equity securities had increased or decreased by 10%, the net result for the Period would have been reduced / increased by JD 1,490,004 during the period and the equity would have been reduced / increased by JD 1,577,230 during the Period.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents and quoted securities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date.

	Less than one year	More than one year	Total
Due to banks	3,391,514	-	3,391,514
Accounts payable	17,723,879	-	17,723,879
Due to related parties	1,366,248	-	1,366,248
Post dated checks & notes payable	23,892,515	-	23,892,515
Commercial papers	31,950,000	-	31,950,000
Loans	33,888,350	-	33,888,350
Bonds	8,520,000	-	8,520,000
Other current liabilities	6,571,319	-	6,571,319
Long term loan	-	37,538,610	37,538,610
Long term bond	-	11,360,000	11,360,000
Total	127,303,825	48,898,610	176,202,435

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As most of the Company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the Company's results or equity to movements in interest rates is not considered significant

(5) Capital Management

The Company manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders by pricing products and services commensurately with the level of risk.