

۱- بوردی قضا
۲- سید کیلاله
۳- ۲/۲۱
۴- ۴۴

Date: 31/07/2017

No. : DAD/MD/37

Jordan Securities Commission

Amman

Kindly find attached the audited consolidated financial statements for Dar Al Dawa Development and Investment Co. Ltd. as of 30/06/2017.

Managing Director

Khaled Al Kurdi



هيئة الأوراق المالية
الدائرة الإدارية والديوان
٣١ شقوف ٢٠١٧
الرقم المتسلسل ٣١٦
الجهة المختصة ١
١

شركة دار الدواء للتنمية والاستثمار المساهمة المحدودة
ص.ب ١٢١٤ عمان ١١١١١ الأردن
مكتب عمان هاتف ٥٥٣٩١٧٦ ، ٥٥٢٩١١٥ فاكس ٥٥٣٣٩٩ (١ ٩٦٦ +)
مصنع ناصور هاتف ٥٧٧٧١٣٢ فاكس ٥٧٧٧٧٧ (١ ٩٦٦ +)

DAR AL DAWA DEVELOPMENT AND INVESTMENT CO. LTD.
P.O.Box 9364 Amman 11191 Jordan
AMMAN OFFICE Tel. (+962 6) 5539176, 5529415 Fax 5533189
NA'UR PLANT Tel. (+962 6) 5727132 Fax 5727776

E-MAIL admn.dad@dadgroup.com URL www.dadgroup.com

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

30 JUNE 2017



Ernst & Young Jordan
P.O.Box 1140
Amman 11118
Jordan
Tel: 00 962 6580 0777/00 962 6552 6111
Fax: 00 962 6553 8300
www.ey.com/me

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
AMMAN – JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Dar Al Dawa Development And Investment Company (the "Company") and its subsidiaries (together the "Group") as at 30 June 2017, comprising of the interim consolidated statement of financial position as at 30 June 2017 and the related interim consolidated statements of profit or loss, interim consolidated statement of other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended and other explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated 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 the 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 condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman - Jordan
27 July 2017

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2017

	Notes	30 June 2017 JD (Unaudited)	31 December 2016 JD (audited)
ASSETS			
Non-current assets -			
Property, plant and equipment	3	25,783,579	25,621,608
Projects in progress	4	9,583,636	7,308,231
Investment in associate		2,442,933	2,368,376
Intangible assets		3,949,664	3,946,213
Deferred tax assets		1,010,147	950,858
Financial assets at fair value through other comprehensive income		5,243	5,105
		<u>42,775,202</u>	<u>40,200,391</u>
Current assets -			
Inventories		14,122,680	11,622,447
Other current assets		6,445,153	5,304,499
Due from related parties	5	5,419,376	5,710,097
Accounts receivable		23,311,163	25,116,087
Checks under collection		6,173,481	8,877,673
Cash and bank balances	6	1,631,691	3,665,892
Restricted bank balances		1,149,044	1,149,044
		<u>58,252,588</u>	<u>61,445,739</u>
Net assets held for sale		<u>116,964</u>	<u>116,964</u>
Total assets		<u>101,144,754</u>	<u>101,763,094</u>
EQUITY AND LIABILITIES			
Shareholders of the Parent Company Equity -			
Paid in capital	1	25,000,000	25,000,000
Statutory reserve		9,260,627	9,260,627
Voluntary reserve		9,372,759	9,372,759
Special reserve		2,902,203	2,902,203
Other reserves		4,348,452	4,348,452
Foreign currency translation differences reserve		(5,787,820)	(5,993,883)
Fair value reserve		(257,865)	(257,865)
Retained earnings		4,175,566	12,000,733
		<u>49,013,922</u>	<u>56,633,026</u>
Non-controlling interests		1,138,184	1,153,741
Total equity		<u>50,152,106</u>	<u>57,786,767</u>
Liabilities			
Non-current liabilities -			
Provision for end of service indemnity		444,694	473,436
Deferred tax liabilities		108,143	129,549
Long term loans		12,821,183	10,579,908
		<u>13,374,020</u>	<u>11,182,893</u>
Current liabilities -			
Accounts payable		6,234,688	6,779,413
Current portion of long term loans		3,479,586	3,148,260
Revolving loans		6,134,748	3,718,115
Due to banks	6	12,339,876	11,588,623
Other current liabilities		2,620,315	1,845,007
Other provisions		6,719,800	5,546,411
Provision for income tax	7	89,615	163,925
Due to related parties	5	-	3,680
		<u>37,618,628</u>	<u>32,793,434</u>
Total liabilities		<u>50,992,648</u>	<u>43,976,327</u>
Total equity and liabilities		<u>101,144,754</u>	<u>101,763,094</u>

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2017	2016	2017	2016
		JD	JD	JD	JD
Net sales	8	11,107,929	13,909,995	22,289,352	26,609,492
Cost of sales	8	(6,040,722)	(7,384,815)	(12,477,825)	(14,664,408)
Gross profit		5,067,207	6,525,180	9,811,527	11,945,084
Other income		30,236	15,158	50,620	89,281
Selling and marketing expenses		(4,341,825)	(2,725,892)	(8,264,699)	(6,346,420)
Administrative expenses		(1,478,806)	(1,172,407)	(2,763,892)	(2,386,118)
Research and development expenses		(310,569)	(544,166)	(700,371)	(1,018,276)
(Provision) recovery for doubtful debts		(452,748)	241,252	(736,398)	328,770
Other expenses		(1,420,749)	(348,363)	(1,976,187)	(604,162)
(Loss) profit from operations		(2,907,254)	1,990,662	(4,579,400)	2,008,159
Groups share of associate company results		32,395	80,771	74,557	129,954
Currency exchange differences (loss) income		(49,842)	7,627	(121,908)	61,866
Finance costs		(400,813)	(433,466)	(804,300)	(865,491)
(Loss) profit for the period before tax		(3,325,514)	1,645,594	(5,431,049)	1,334,488
Income tax	7	11,114	-	80,694	-
(Loss) profit for the period		(3,314,400)	1,645,594	(5,350,355)	1,334,488
(Loss) profit for the period attributable to:					
Shareholders of the parent company		(3,315,004)	1,657,857	(5,325,167)	1,332,027
Non-controlling Interests		604	(12,263)	(25,188)	2,461
		(3,314,400)	1,645,594	(5,350,355)	1,334,488
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
Basic and diluted earnings per share attributable to equity holders of the parent from the (loss) profit of the period		(0/133)	0/066	(0/213)	0/053

The attached notes from 1 to 11 form part of these Interim condensed consolidated financial statements

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)

	For the Three months ended 30 June		For Six months ended 30 June	
	2017	2016	2017	2016
	JD	JD	JD	JD
(Loss) profit for the period	(3,314,400)	1,645,594	(5,350,355)	1,334,488
Other comprehensive income items not to be reclassified to profit or loss In subsequent periods, net of tax:				
Change in fair value	-	(138,844)	-	(138,843)
Other comprehensive income items That may be reclassified to profit or loss in subsequent periods, net of tax:				
Foreign currency translation differences	106,339	(81,892)	215,694	(383,754)
Total comprehensive income for the period	(3,208,061)	1,424,858	(5,134,661)	811,891
Total comprehensive income attributable to:				
Shareholders of the parent company	(3,215,041)	1,524,487	(5,119,104)	910,887
Non-controlling interests	6,980	(99,629)	(15,557)	(98,996)
	(3,208,061)	1,424,858	(5,134,661)	811,891

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017 (UNAUDITED)

	Attributable to equity holders of the parent Company											
	Foreign currency translation differences reserve								Fair value reserve	Retained earnings	Total	Non-controlling interests
	Paid-in capital	Statutory reserve	Voluntary reserve	Special reserve	Other reserves	JD	JD	JD				
2017-	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	Total equity	
Balance as at 1 January 2017	25,000,000	9,260,627	9,372,759	2,902,203	4,348,452	(5,993,883)	(257,865)	12,000,733	58,633,026	1,153,741	57,786,767	
Loss for the period	-	-	-	-	-	-	-	(5,325,167)	(5,325,167)	(25,188)	(5,350,355)	
Comprehensive income for the period	-	-	-	-	-	206,063	-	-	206,063	9,631	215,694	
Total comprehensive income for the period	-	-	-	-	-	206,063	-	(5,325,167)	(5,118,104)	(15,557)	(5,134,661)	
Dividends distribution (note 9)	-	-	-	-	-	-	-	(2,500,000)	(2,500,000)	-	(2,500,000)	
Balance as of 30 June 2017	25,000,000	9,260,627	9,372,759	2,902,203	4,348,452	(5,787,820)	(257,865)	4,175,566	49,013,922	1,138,184	50,125,106	
2016-												
Balance as at 1 January 2016	25,000,000	9,260,627	9,372,759	2,902,203	4,348,452	(5,844,918)	(164,880)	9,468,824	54,363,067	1,102,181	55,465,248	
Profit for the period	-	-	-	-	-	-	-	1,332,027	1,332,027	2,481	1,334,488	
Comprehensive income for the period	-	-	-	-	-	(365,325)	(55,815)	-	(421,140)	(101,457)	(522,597)	
Total comprehensive income for the period	-	-	-	-	-	(365,325)	(55,815)	1,332,027	910,887	(98,986)	811,891	
Dividends distribution	-	-	-	-	-	-	-	(2,500,000)	(2,500,000)	-	(2,500,000)	
Balance as of 30 June 2016	25,000,000	9,260,627	9,372,759	2,902,203	4,348,452	(6,210,243)	(220,895)	8,320,851	52,773,954	1,003,185	53,777,139	

The attached notes from 1 to 11 form part of these interim condensed consolidated financial statements

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017(UNAUDITED)

		For the Six months ended 30 June	
	Notes	2017 JD	2016 JD
<u>OPERATING ACTIVITIES</u>			
(Loss) profit for the period before tax		(5,431,049)	1,334,488
Adjustments for:			
Depreciation		1,311,803	1,417,581
Foreign currency exchange differences loss (income)		121,906	(61,866)
Provision (Recovery from) doubtful debts		736,398	(328,770)
Groups share of associate company results		(74,557)	(129,954)
Provision for end of service indemnity		45,659	56,424
Provision for slow moving and near expiry inventories		44,936	177,819
Finance costs		804,300	865,491
Other provisions		2,736,643	1,462,287
Changes in working capital:			
Inventories		(2,545,169)	(2,069,733)
Other current assets		(1,140,654)	(1,124,125)
Due from related parties		67,029	55,017
Accounts receivable		1,093,807	(1,687,420)
Checks under collection		2,704,192	2,715,449
Accounts payable		(544,725)	1,304,994
Other current liabilities		775,305	508
Provision for end of service indemnity paid		(74,401)	(5,940)
Other provisions paid		(1,563,254)	(1,177,188)
Income tax paid		(74,310)	(26,857)
Net cash flows (used in) from operating activities		(1,006,141)	2,778,205
<u>INVESTING ACTIVITIES</u>			
Projects in progress	4	(2,094,165)	(427,381)
Purchases of property, plant and equipment	3	(1,482,556)	(743,610)
Net cash flows used in investing activities		(3,576,721)	(1,170,991)
<u>FINANCING ACTIVITIES</u>			
Repayments of bank loans		(286,656)	(2,800,384)
Proceeds from bank loans		2,859,257	902,517
Revolving loans		2,416,633	(826,025)
Finance costs paid		(804,300)	(865,491)
Dividends paid		(2,500,000)	(2,500,000)
Restricted bank balances		-	(1,137,945)
Net cash flows from (used in) financing activities		1,684,934	(7,227,328)
Net decrease in cash and cash equivalents		(2,897,928)	(5,620,114)
Effect of foreign exchange rate		112,474	66,814
Cash and cash equivalents at the beginning of the period		(7,922,731)	(899,321)
Cash and cash equivalents at the ending of period	6	(10,708,185)	(6,452,621)

The attached notes from 1 to 11 form part of these Interim condensed consolidated financial statements

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(1) GENERAL

Dar Al Dawa Development and Investment Company (the "Company") was established as a public shareholding company on 17 August 1975 with a paid in capital of JD 500,000. The Company's paid in capital has increased over the years to reach JD 25,000,000 dividend into 25,000,000 shares at a par value of JD 1 per share.

The Company's main objectives are producing medical, chemical, and pharmaceutical products, and importing pharmaceutical products. The subsidiaries' main objectives are marketing and distributing the company products and producing some specialized medical products and investments activities.

(2) ACCOUNTING POLICES

(2.1) BASIS OF PREPARATION

The Interim condensed consolidated financial statements for the period ended on 30 June 2017 are prepared in accordance with IAS 34 ("Interim Financial Information").

The interim condensed financial statements do not contain all the information and disclosures that are required by the International Financial Reporting Standards (IFRSs) for preparing the annual financial statements, and should be read in conjunction with Group's annual report as at 31 December 2016. Furthermore, the results of operations for the six-months period ended 30 June 2017 do not necessarily reflect the expected results of operations for the year ending 31 December 2017.

(2.2) CHANGES IN ACCOUNTING POLICES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2016.

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(2.3) BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries under its control; control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intra-company balances and transactions revenues and expenses between the Company and its subsidiaries are eliminated. The subsidiaries that are included in the interim condensed consolidated financial statements are as follow:

<u>Subsidiary Name</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Indirect Ownership Percentage 2017</u>	<u>Direct ownership Percentage 2017</u>	<u>Indirect Ownership Percentage 2016</u>	<u>Direct Ownership Percentage 2016</u>
Dar Al Dawa – Algeria	Marketing	Algeria	100 %	100 %	100 %	100 %
Joras– Algeria*	Industrial	Algeria	70 %	70 %	70 %	70 %
Dar Al Dawa Pharma- Romania	Marketing	Romania	100 %	100 %	100 %	100 %
Al Dar Jordan Investment Company and its subsidiaries	Investment	Jordan	100 %	100 %	100 %	100 %
Medi Pharma – Algeria	Industrial	Algeria	85 %	85 %	85 %	85 %
Nutri Dar – Jordan and its subsidiaries:	Industrial	Jordan	90.4 %	90.4 %	90.4 %	90.4 %
- Nutri Dar –Switzerland**	Marketing	Switzerland	90.4 %	90.4 %	90.4 %	90.4 %
- Nutri Dar –Russia**	Marketing	Russia	70 %	61.25 %	70 %	61.25%
Al-Nahda Company for Financial Investments	Financial					
	Investment	Jordan	40.2 %	40.2 %	40.2 %	40.2 %
Dar Al Dawa – Tunisia**	Marketing	Tunisia	100 %	100 %	100 %	100 %

* Joras Company – Algeria under liquidation.

** These subsidiaries were established during 2010. Nutridar- Russia has no operations during previous years.

(3) PROPERTY, PLANT AND EQUIPMENT

During the six months period ended in 30 June 2017, the Group purchased property, plant and equipment at a cost of JD 1,482,556 (30 June 2016: JD 743,610).

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(4) PROJECTS UNDER PROGRESS

During the six months period ended in 30 June 2017, the Group made additions on projects in progress amounting to JD 2,094,165 (30 June 2016: JD 427,381). The cost of completion of the non-completed section of the projects in progress is estimated at JD 2,582,337 as at 30 June 2017 and the Group's management expects these projects to be completed during the current year.

(5) RELATED PARTIES TRANSACTIONS

Related parties represent key shareholders, associate companies, directors and key shareholders and Companies, which they are main shareholder and companies which they are main shareholder. The Group's management approves Pricing and terms related to these transaction.

The following table summarizes balances with related parties that appear in the interim consolidated statement of financial position:

	30 June 2017 JD (Unaudited)	31 December 2016 JD (audited)
Amounts due from related parties:		
Dar Al Dawa Veterinary Industries Limited Liability Company ("associate company")	136,021	206,730
Al Mofeed Trading - United Arab Emirates	5,610,373	5,626,467
Zakaria Hawash (partner at Medi Pharma International)	106,350	106,350
	5,852,744	5,939,547
Provision for doubtful debts	(433,368)	(229,450)
	<u>5,419,376</u>	<u>5,710,097</u>
Amounts due to related parties:		
Pharmaceutical Research Limited Liability Company	-	3,680
Bank facilities from related parties - Investment bank		
	30 June 2017 JD (Unaudited)	31 December 2016 JD (audited)
Long term loans	7,520,886	8,394,860
Due to banks - Investment Bank	1,049,102	1,122,082
Revolving loan - investment bank	2,031,972	1,905,140
	<u>10,601,960</u>	<u>11,422,082</u>
Bank guarantees - Investment Bank	<u>4,223,186</u>	<u>4,306,630</u>

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

The following is a summary of transactions with related parties that appear in the interim consolidated statement of profit or loss:

	For the six months ended 30 June	
	2017	2016
	JD	JD
	(Unaudited)	(unaudited)
Sales - agents and customers	1,757,520	1,486,050
Service revenue - Dar Al Dawa Veterinary Industries Limited Liability Company ("associate")	-	7,966
Financing costs (investment bank)	150,424	77,569
Bioequivalence study expenses - Arab Bio Consulting Company for Pharmaceutical Industries Limited Liability	28,350	165,640
Provision for doubtful debts	203,918	-

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

	For the six months ended 30 June	
	2017	2016
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and other benefits	318,463	354,218

(6) CASH AND BANK BALANCES

Cash and bank balances shown in the consolidated statement of financial position represent the following:

	30 June 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	55,056	51,371
Cash at banks	1,677,710	3,715,596
Transferred to assets held for sale	(101,075)	(101,075)
	<u>1,631,691</u>	<u>3,665,892</u>

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

Cash and cash equivalents for preparing the interim condensed consolidated statement of cash flows were as follows:

	30 June 2017	30 June 2016
	JD	JD
	(Unaudited)	(Unaudited)
Cash and bank balances	1,631,691	6,453,107
Due to banks*	(12,339,876)	(12,905,728)
	<u>(10,708,185)</u>	<u>(6,452,621)</u>

- * Due to banks represent the facilities granted to the Group's companies by several banks and in deferent currencies (Jordanian Dinar, Algerian Dinar, US Dollar and Euro). As of 30 June 2017, the total of ceiling granted amounted to JD 15,975,379 and the average interest rate was 5.75% per annum.

(7) INCOME TAX

No provision for income tax was calculated by the Group for the period ended 30 June 2017 due to the excess of deductible expenses over taxable income.

Dar Dawa Company for development and Investment-Parents Company:

The Company has submitted its self-assessment for 2015 and 2016 and the Income and Sales Tax Department has not reviewed the Company's records until the date of preparation of the interim condensed consolidated financial statements.

The company have obtained a final clearance from the Income and Sales Tax Department up to 2014.

Nutri Dar – Public Shareholding Limited

The Company has submitted its self-assessment for 2015 and 2016 and the Income and Sales Tax Department has not reviewed the Company's records until the date of preparation of the interim condensed consolidated financial statements.

The company have obtained a final clearance from the Income and Sales Tax Department up to 2014.

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

Al Dar Jordan Investment Company

The Company has submitted its self-assessment for the years 2010, 2011, 2014 and 2015. The Income and Sales Tax Department has not reviewed the Company's records until the date of preparation of the interim condensed consolidated financial statements.

The company have obtained a final clearance from the Income and Sales Tax Department for the years 2012 and 2013.

Dar Al-Dawa Pharma - Romania

Companies have obtained a final clearance from the Income Tax Department up to 2014.

Dar Al-Dawa - Algeria

The Algerian Income Tax Department reviewed the Company's records for the years from 2011 to 2014 and issued its report which requires the Company to pay more than the amounts paid for these years. During the period, the Company recorded a provision of JD 933,842 against these claims. The management of the Company and its legal consultant believe the provision is adequate against these liabilities.

(8) REVENUE'S SEGMENT INFORMATION

For management purposes, the Group is organized based on the reports which are used by the General manager and the main Decision Maker of the Group through the geographical distribution of revenues and the geographical distribution of assets and liabilities.

The geographical distribution of revenues is as follows:

For the six months ended in 2017:

	Levant	Gulf and Yemen	Africa	Europe	Asia	Total
	JD	JD	JD	JD	JD	JD
Net sales	10,332,493	6,131,132	5,427,850	390,362	7,515	22,289,352
Cost of sales	(6,013,824)	(3,636,464)	(2,442,411)	(381,197)	(3,929)	(12,477,825)
Gross profit	<u>4,318,669</u>	<u>2,494,668</u>	<u>2,985,439</u>	<u>9,165</u>	<u>3,586</u>	<u>9,811,527</u>

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

	Medicine	Babies cereals and milk formula	Total
	JD	JD	JD
Net sales	19,040,164	3,249,188	22,289,352
Cost of sales	(10,229,760)	(2,248,065)	(12,477,825)
Gross profit	<u>8,810,404</u>	<u>1,001,123</u>	<u>9,811,527</u>

	Jordan	Algeria	Romania	Tunisia	Total
	JD	JD	JD	JD	JD
Other Information					
Depreciation	1,311,803	-	-	-	1,311,803
Financing costs	550,435	253,865	-	-	804,300
Provision for doubtful debts	(726,520)	(9,878)	-	-	(736,398)
Groups share of associate company results	74,557	-	-	-	74,557

For the six months ended in 30 June 2016:

	Levant	Gulf and Yemen	Africa	Europe	Asia	Total
	JD	JD	JD	JD	JD	JD
Net sales	11,563,900	9,108,271	5,734,952	177,865	24,504	26,609,492
Cost of sales	(6,560,504)	(5,011,691)	(2,889,491)	(190,706)	(12,016)	(14,664,408)
Gross profit	<u>5,003,396</u>	<u>4,096,580</u>	<u>2,845,461</u>	<u>(12,841)</u>	<u>12,488</u>	<u>11,945,084</u>

	Medicine	Babies cereals and milk formula	Total
	JD	JD	JD
Net sales	21,501,009	5,108,483	26,609,492
Cost of sales	(11,079,027)	(3,585,381)	(14,664,408)
Gross profit	<u>10,421,982</u>	<u>1,523,102</u>	<u>11,945,084</u>

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

Other information	Jordan JD	Algeria JD	Romania JD	Tunisia JD	Total JD
Depreciation	1,414,736	-	2,845	-	1,417,58
Financing costs	517,423	347,982	86	-	865,491
Recovery from doubtful debts	214,313	114,457	-	-	328,770
Groups share of associate company results	129,954	-	-	-	129,954

The geographical distribution of assets, liabilities and other information is as follows:

As at 30 June 2017 (Unaudited)

	Jordan JD	Algeria JD	Tunisia JD	Romania JD	Total JD
Total assets	76,180,609	24,363,092	12,440	588,613	101,144,754
Total liabilities	39,039,571	11,432,872	735	52,549	50,525,727

As at 30 June 2016 (Audited)

	Jordan JD	Algeria JD	Tunisia JD	Romania JD	Total JD
Total assets	75,879,218	25,287,797	7,466	588,613	101,763,094
Total liabilities	31,412,868	12,509,982	928	52,549	43,976,327

(9) DIVIDENDS

During 2017, the Group distributed an amount of JD 2,500,000 as dividend to its shareholders which represent 10% of the company's Capital for the year 2016 based on the General Assembly meeting resolution held on 27 April 2017.

DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2017 (UNAUDITED)

(10) CONTINGENT LIABILITIES

At the date of the interim condensed consolidated financial statements, the Group has contingent liabilities consisting of contractual obligations, capital commitments and operating leases as follows:

	30 June 2017	31 December 2016
	JD	JD
	(Unaudited)	(audited)
Contingent liabilities:		
Letters of credit	2,214,527	1,083,414
Bank guarantees	11,883,256	12,001,824
Collection policies	2,253,189	1,186,339
Contractual obligations	1,593,148	3,387,557

Capital commitments:

The expected cost for completing these projects in progress is JD 2,582,337 as at 30 June 2017.

Operating lease:

The Group has signed un-cancelable contracts for the lease of offices and warehouses, ranging from one to five years. The minimum amount of future rental payments

	30 June 2017	31 December 2016
	JD	JD
	(Unaudited)	(audited)
Up to one year	28,013	28,013
From year to five years	47,869	47,869
	<u>75,882</u>	<u>75,882</u>

(11) LEGAL CASES

The Group is defended in a number of lawsuits in the ordinary course of the business amounted to JD 133,311 as at 30 June 2017 (31 December 2016: JD 210,324). The management and its legal consultant believes that these lawsuits will not resulted in material obligation for the Group.