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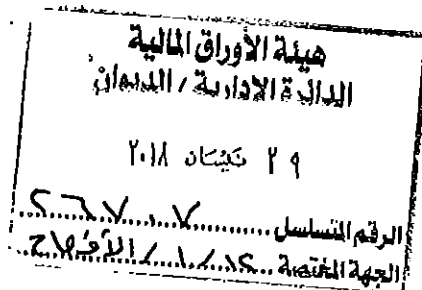
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أشرفه محمد مفلح الحوراني

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Jordan Dairy Company (plc)
Amman – Jordan
Interim Consolidated Financial Statements
For the period from 1/1/2018 to 31/3/2018
Report on the review of the interim financial
information (Unaudited)

Jordan Dairy Company (plc)
Amman – Jordan

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Report on the review of the interim consolidated financial information (Unaudited)

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Report on the review of the interim consolidated financial information (Unaudited)

**To the Board of Directors,
Jordan Dairy Company (plc)
Amman – Jordan**

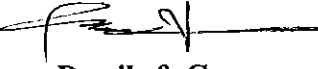
We have reviewed the accompanying interim consolidated financial statements of **Jordan Dairy Company (plc)** and the related Interim Consolidated Statement of Comprehensive Income, Interim Consolidated Changes in Equity and Interim Consolidated Cash Flow for the three months period ended on 31/March/2018, and a summary of significant accounting policies and other explanatory notes from (1-7). Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with the International Standard 34 (Interim Financial Reports). Our responsibility is to express a conclusion on this interim consolidated financial information 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 consolidated 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 consolidated financial information does not give a true and fair view of the **Jordan Dairy Company (plc)** financial position as at 31/3/2018, and of its consolidated financial performance and its consolidated cash flows for the three month period then ended in accordance International Standard 34 (Interim Financial Reports).


Dweik & Co.
Member of
Leading Edge Alliance International
Rafiq T. Dweik (PHD)
Audit license No (386)



**28/April/2018
Amman - Jordan**

Statement (A)

Jordan Dairy Company (plc)
Amman – Jordan
Statement of Interim Consolidated Financial Position
as of 31/March/2018

Assets	31/3/2018/JD	31/12/2017/JD
<u>Current Assets</u>		
Cash and cash equivalents	939374	1160260
Checks under collection	1677282	1590469
Accounts' receivable - Net	2981173	2407754
Inventory - Net	1400021	1659866
L/C's	218730	87728
Other current assets	415534	324309
Total Current Assets	7632114	7230386
<u>Non Current Assets</u>		
Property, plant & equipment	5464337	5305610
Biological assets	1588414	1706221
Property & plant under progress	808321	783481
Total Non Current Assets	7861072	7795312
Total Assets	15493186	15025698
	=====	=====
<u>Liabilities & Stockholders' Equity</u>		
<u>Current Liabilities</u>		
Due to banks	608651	000
Short term loan	289797	300000
Notes payable	449538	407080
Accounts' payable	1635387	2292591
Other current liabilities	726284	883391
Total Current Liabilities	3709657	3883062
<u>Non Current Liabilities</u>		
Long term loan	643765	207945
<u>Stockholders' Equity</u>		
Capital	4000000	4000000
Statutory reserve	1615381	1615381
Voluntary reserve	262500	262500
Shares' premium	1345417	1345417
Retained earnings	3916466	3711393
Net Stockholders' Equity	11139764	10934691
Total Liabilities & Stockholders' Equity	15493186	15025698
	=====	=====

“ The accompanying notes are an integral part of these statements ”

Statement (B)

Jordan Dairy Company (plc)
Amman – Jordan
Statement of Interim Consolidated Comprehensive Income
for the Period Ended 31/March/2018, 2017

<u>Comprehensive income</u>	<u>31/3/2018</u> <u>JD</u>	<u>31/3/2017</u> <u>JD</u>
Net sales	4337341	3851112
Cost of sales	(3531260)	(3175954)
Gross income	806081	675158
Sales & distribution expenses	(242080)	(242661)
Overhead expenses	(208791)	(182997)
Depreciation	(41577)	(37461)
Banking interest & expenses	(3441)	(1686)
Other revenue	4571	9526
Change in fair value of biological assets	(117807)	(127059)
(Loss) of disposal of financial assets fair value through comprehensive income	000	(4453)
Gains of disposal of property & equipment	8117	21552
Commission for acquiring financial assets	000	(999)
Income for the period/ Comprehensive income	205073	108920
Earnings per share from comprehensive income for the period	5.13%	2.72%
Weighted Average Shares	4000000	4000000

“ The accompanying notes are an integral part of these statements ”

Statement (C)

Jordan Dairy Company (plc)
Amman – Jordan
Statement of Interim Consolidated Changes in Equity
for the Period Ended 31/March/2018, 2017

Description	Capital	Statutory reserve	Voluntary reserve	Shares' Premium	Retained Earnings		Total
					Realized	Unrealized	
Balance as of Dec. 31, 2017	JD 4000000	JD 1615381	JD 262500	JD 1345417	JD 3373023	JD 338370	JD 10934691
Income for the period / Comprehensive income	000	000	000	000	322880	(117807)	205073
Balance as of 31/March/2018	4000000	1615381	262500	1345417	3695903	220563	11139764
Balance as of Dec. 31, 2016	4000000	1462111	262500	1345417	2625741	278674	9974443
Income for the period / Comprehensive income	000	000	000	000	235979	(127059)	108920
Balance as of 31/March/2017	4000000	1462111	262500	1345417	2861720	151615	10083363

“The accompanying notes are an integral part of these statements”

Statement (D)

Jordan Dairy Company (plc)
Amman – Jordan
Statement of Interim Consolidated Cash Flows
for the Period Ended 31/March/2018, 2017

	<u>31/3/2018</u>	<u>31/3/2017</u>
<u>Cash Flows From Operating Activities:</u>	<u>JD</u>	<u>JD</u>
Income for the period / Comprehensive income	205073	108920
<u>Adjustments:</u>		
Depreciation	191926	184652
Change in fair value of biological assets	117807	127059
Gains on disposal of property & equipment	(8117)	(21552)
Operating income before working capital changes:	506689	399079
Accounts' receivable and other current assets	(882459)	329972
Inventory	259845	(102281)
Accounts' payable and other current liabilities	(814311)	(118146)
Net cash flows from operating activities	(930236)	508624
<u>Cash Flows From Investing Activities:</u>		
Property, plant & equipment	(342536)	(156480)
Biological assets	000	300
Property & equipment under process	(24840)	(111800)
Financial assets fair value through comprehensive income	000	182919
Net cash flows from investing activities	(367376)	(85061)
<u>Cash Flows From Financing Activities:</u>		
Notes' payables	42458	13902
Due to banks	608651	(105120)
Loan	425617	89827
Net cash flows from financing activities	1076726	(1391)
Net change in cash and cash equivalents	(220886)	422172
Cash & cash equivalents at beginning of the period	1160260	532527
Cash & cash equivalents at end of the period	939374	954699
	=====	=====

“The accompanying notes are an integral part of these statements”

Jordan Dairy Company (plc)
Amman – Jordan
Notes to Interim Consolidated Financial Statements
31/March/2018

1- Constitution and objectives:

- A- The company is registered as a public shareholding company in the public shareholding companies register at Companies Control Department under the No. (68) on February 29th, 1968, and justified its legal status on December 10th, 1989.
- B- The interim consolidated financial statements were approved by the broad of directors on 28 /April/2018, and it is subject to be approved by the general assembly.
- C- **Objectives:**
To establish plants for dairy products, establishing projects and industries related to dairy industry and marketing its products and trading in its products.

2- Significant accounting policies:

The interim consolidated financial statements are prepared under the International Standard 34 (Interim Financial Reports) and the related interpretations originated by the International financial Reporting Interpretations Committee.

The interim consolidated financial statements do not include all significant matters and explanatory notes that are required for the annual financial statements and are prepared in accordance with the International Financial Reporting Standards, in addition the interim consolidated financial performance is not necessarily represents an indicator of the annual financial performance.

The same accounting policies used in the previous period's financial statements have been adopted.

3- Investment in Subsidiary:

The company owns 100% of the capital of the subsidiary company (Al Maha Agricultural & Zoological Investments Co. L.L.C.) that being JD (1,000,000), the subsidiary's interim financial statements show that its assets as of 31/3/2018 are JD (7,299,158), comprehensive income for the period/ Comprehensive income is JD (294,101) and net equity is JD (5,386,673). For the purposes of preparing separate interim financial statements, investments in subsidiaries are recorded using the cost method, with the recognition of any decline in the investment's value - if any -. Dividends arising from investments in subsidiaries are recorded when the General Assembly of the subsidiary decide distributing such dividends

4- Corporate Tax position:

- ◆ The tax position of the Company was finalized with Income and Sales Tax Department till end of the year 2015.
- ◆ Tax declaration of the Company for the years 2016, 2017 were submitted to Income and Sales Tax Department, and tax assessment still not made by the Department yet.
- ◆ The tax position of the subsidiary was finalized till end of the year 2015.

5- Operating Segments:

- ◆ The company and its subsidiary practice it's activities through:

1. Industrial activity:

Industrial activity includes the production and sale of various dairy products and miscellaneous plastic bottles.

2. Cattle and trees' farms activity:

Cattle and trees' farms' activities include fattening and breeding cattle, sheep and calves and establishing farms and trading with its products.

- ◆ The following table shows the presentation of the results of the operating segments for the two companies:

A- <u>Comprehensive Income Information</u>	<u>Industrial Activity</u>	<u>Farms Activity</u>	<u>31/3/2018</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>
Net sales	2446531	1890810	4337341
Cost of sales	(2132646)	(1398614)	(3531260)
Gross profit	313885	492196	806081
Allocated expenses	(242080)	(198095)	(440175)
Unallocated expenses	000	000	(173521)
Unallocated revenues	000	000	12688
Income for the period / Comprehensive income			205073
=====			
B- <u>Other Information</u>			
Assets segment except cash	9736762	4817050	14553812
Unallocated assets	000	000	939374
Total Assets			15493186
=====			

6- Contingencies

Following are the parent and subsidiary's contingent liabilities as at the date of the interim consolidated financial statements:

	<u>31/3/2018</u>
	<u>JD</u>
L/C's & collections	142174
L/Gs	663590
Total	<u>805764</u>
	=====

7- General:

Attention must be drawn to the effect of the Jordan Securities Commission regulations and Jordanian Companies Law on calculating statutory reserve only on the realized earnings bases, as well as presenting the unrealized earnings separately in the retained earnings item. Attention to be drawn to restrictions on the distributing dividends for unrealized earnings.