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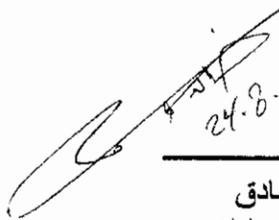
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السادة هيئة الاوراق المالية المحترمين ،،

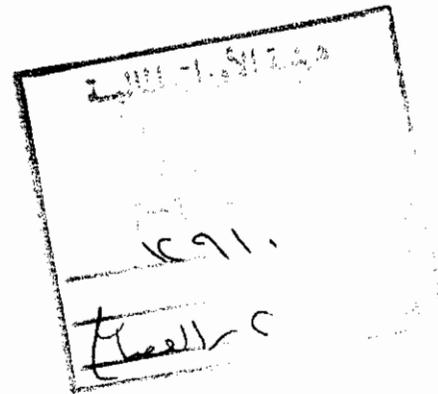
تحية طيبة و بعد ،،

مرفق إليكم النسخة الاصلية للتقرير المالي النصف سنوي لعام 2006 ( 2006/6/30-2006/1/1 ) .

وتفضلوا بقبول فائق الاحترام ،،

  
24.8.06

خالد صادق  
رئيس الحسابات



**AFIA INTERNATIONAL CO. – JORDAN  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN  
INTERIM FINANCIAL STATEMENTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2006**

**AFIA INTERNATIONAL CO. – JORDAN P.S.C**  
**AUDITORS' REPORT AND INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2006**

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## AUDITORS' REPORT

To the Partners of  
**AFIA INTERNATIONAL CO. – JORDAN P.S.C**  
Amman - Jordan

We have audited the accompanying interim Balance Sheet of **AFIA INTERNATIONAL CO. - JORDAN (Public Shareholding Company)** as of 30 June 2006 and the related interim Statements of Income, Changes in Shareholders' Equity and Cash Flows for the six months then ended as set out on pages 2 to 20. These interim financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these interim financial statements based on our audit. We have obtained the information and explanations which we found appropriate for the performance of our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the interim financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the interim financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall interim financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying interim financial statements present fairly, in all material respects, the financial position of the Company as of 30 June 2006 and of the results of its operations and cash flows for the six months then ended in accordance with International Financial Reporting Standards and we recommend that the General Assembly approve these interim financial statements.

Proper records of accounts are kept by the Company, and the attached statements are in agreement with the records and books of accounts.

Amman, 23 July 2006  
AZ/FK/ss/5/1

Ali Zaben  
Shmeisani

**AFIA INTERNATIONAL CO. – JORDAN P.S.C**  
**INTERIM BALANCE SHEETS**  
**AS OF 30 JUNE 2006 AND 31 DECEMBER 2005**

	<b><u>30 JUNE</u></b>	<b><u>31 DECEMBER</u></b>
	<b><u>2006</u></b>	<b><u>2005</u></b>
	<b><u>JD</u></b>	<b><u>JD</u></b>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Cash and cash equivalents (Note 2)	132,295	860,475
Accounts receivable, net (Note 3)	2,733,890	6,921,403
Inventories (Note 4)	4,709,057	4,050,576
Other current assets (Note 5)	1,193,754	1,000,244
	<hr/>	<hr/>
Total Current Assets	8,768,996	12,832,698
	<hr/>	<hr/>
<b>Property, plant and equipment, net</b> (Note 6)	5,588,472	5,623,269
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<b>14,357,468</b>	<b>18,455,967</b>
	<hr/> <hr/>	<hr/> <hr/>
 <b><u>LIABILITIES</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Bank overdraft (Note 7)	2,243,962	5,938,848
Current portion of long term loan (Note 8)	200,000	200,000
Accounts payable	795,899	868,254
Notes payable	68,923	-
Provisions (Note 9)	133,018	96,049
Other current liabilities (Note 11)	1,056,454	1,400,142
	<hr/>	<hr/>
Total Current Liabilities	4,498,256	8,503,293
	<hr/>	<hr/>
Partners' loan	3,678,347	1,974,958
	<hr/>	<hr/>
 <b><u>SHAREHOLDERS' EQUITY</u></b>		
Capital (Note 12)	8,000,000	8,000,000
Statutory reserve (Note 13)	40,901	40,901
Voluntary reserve (Note 14)	90,726	90,726
Accumulated deficit	( 1,950,762 )	( 153,911 )
	<hr/>	<hr/>
Net Shareholders' Equity	6,180,865	7,977,716
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>14,357,468</b>	<b>18,455,967</b>
	<hr/> <hr/>	<hr/> <hr/>

The attached notes to the interim financial statements form an integral part of these statements.

**CHAIRMAN**

**AFIA INTERNATIONAL CO. – JORDAN P.S.C**  
**INTERIM STATEMENTS OF INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2006 AND 2005**

	<u>2006</u>	<u>2005</u>
	<u>JD</u>	<u>JD</u>
Local sales, net	6,444,851	6,290,382
Export sales	3,949,413	12,695,590
	<hr/>	<hr/>
Total sales	10,394,264	18,985,972
Less : Cost of goods sold (brought forward)	( 9,966,575 )	( 16,463,987 )
	<hr/>	<hr/>
Gross profit	427,689	2,521,985
<b>Less:</b>		
General and administrative expenses (Note15)	( 501,330 )	( 378,506 )
Selling and distribution expenses (Note16)	( 1,074,735 )	( 1,759,175 )
	<hr/>	<hr/>
(Loss) profit from operations	( 1,148,376 )	384,304
Other revenues	23,534	26,382
Financing cost	( 239,156 )	( 181,018 )
Allowance for doubtful debts	( 120,000 )	( 123,455 )
Exchange difference	-	( 14,133 )
Write off, damaged goods and others	( 312,853 )	-
	<hr/>	<hr/>
(Loss) profit before income tax and fees	( 1,796,851 )	92,080
Income tax expense	-	( 2,288 )
	<hr/>	<hr/>
Net (loss) profit	( 1,796,851 )	89,792
	<hr/>	<hr/>
(Loss) earning per share (Note17)	( 0,225 )	0,011
	<hr/>	<hr/>
Weighted average number of shares (in thousands of shares)	8,000	8,000
	<hr/>	<hr/>

The attached notes to the interim financial statements  
form an integral part of these statements.

**AFIA INTERNATIONAL CO. – JORDAN P.S.C**  
**INTERIM STATEMENTS OF MANUFACTURING**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2006 AND 2005**

	<u>2006</u> <u>JD</u>	<u>2005</u> <u>JD</u>
<b><u>DIRECT MATERIALS USED</u></b>		
Direct materials – beginning balance	2,441,873	2,156,734
Purchases of direct materials	9,923,004	18,024,897
	<hr/>	<hr/>
Direct materials available for use	12,364,877	20,181,631
Less: Direct materials – ending balance	( 3,503,812 )	( 4,415,755 )
	<hr/>	<hr/>
	8,861,065	15,765,876
<b><u>DIRECT COSTS</u></b>		
Salaries and wages	265,317	247,179
Social security	10,844	10,395
Fuels	208,573	140,308
Water and electricity	100,692	97,528
Consumable materials and Maintenance	12,157	13,460
Cleaning expenses	20,989	19,969
Post, telephone and fax	3,519	3,229
Travel and transportation	7,247	1,659
Insurance	21,331	12,192
Entertainment	439	578
Aqaba tanks expenses	12,882	9,037
Vehicles expenses	13,935	10,968
Depreciation	164,815	162,737
Others	3,849	2,558
Plastic factory expenses	64,650	58,889
Rent	15,011	-
Security and safety	15,003	-
	<hr/>	<hr/>
	941,253	790,686
	<hr/>	<hr/>
Total cost of manufacturing	9,802,318	16,556,562
Add: Finished goods – beginning balance	1,133,155	616,050
	<hr/>	<hr/>
	10,935,473	17,172,612
Less: Finished goods – ending balance	( 968,898 )	( 708,625 )
	<hr/>	<hr/>
Cost of goods sold (carried forward)	9,966,575	16,463,987
	<hr/> <hr/>	<hr/> <hr/>

**AFIA INTERNATIONAL CO. – JORDAN P.S.C**  
**INTERIM STATEMENTS OF SHAREHOLDERS' EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2006 AND 2005**

	<u>CAPITAL</u> <u>JD</u>	<u>STATUTORY</u> <u>RESERVE</u> <u>JD</u>	<u>VOLUNTARY</u> <u>RESERVE</u> <u>JD</u>	<u>ACCUMULATED</u> <u>DEFICIT</u> <u>JD</u>	<u>TOTAL</u> <u>JD</u>
Balance at 1 January 2005	8,000,000	40,901	90,726	347,875	8,479,502
Net profit	-	-	-	89,792	89,792
Dividends paid	-	-	-	( 320,000 )	( 320,000 )
Prior years adjustments	-	-	-	21,739	21,739
Balance at 30 June 2005	<u>8,000,000</u>	<u>40,901</u>	<u>90,726</u>	<u>139,406</u>	<u>8,271,033</u>
Balance at 1 January 2006	8,000,000	40,901	90,726	( 153,911 )	7,977,716
Net loss	-	-	-	( 1,796,851 )	( 1,796,851 )
Balance at 30 June 2006	<u>8,000,000</u>	<u>40,901</u>	<u>90,726</u>	<u>( 1,950,762 )</u>	<u>6,180,865</u>

The attached notes to the interim financial statements  
form an integral part of these statements.

**AFIA INTERNATIONAL CO. – JORDAN P.S.C**  
**INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2006 AND 2005**

	<u>2006</u> <u>JD</u>	<u>2005</u> <u>JD</u>
<b><u>Cash flows from operating activities</u></b>		
(Loss) profit before income tax and fees	( 1,796,851 )	92,080
Adjustments for:		
Depreciation	241,283	235,506
loss on sale of property, plant and equipment	-	5,130
Provisions	36,969	( 38,460 )
Prior year adjustments	-	21,739
Allowance for doubtful debts	120,000	-
	<hr/>	<hr/>
Net operating (loss) profit	( 1,398,599 )	315,995
Changes in working capital:		
Accounts receivable	4,067,513	( 7,695,705 )
Notes receivable	-	41,125
Inventories	( 658,481 )	( 3,683,919 )
Other current assets	( 193,510 )	( 532,207 )
Accounts payable	( 72,355 )	816,320
Notes payable	68,923	( 47,622 )
Other current liabilities	( 343,688 )	726,925
	<hr/>	<hr/>
Net cash provided by (used in) operating activities	1,469,803	( 10,059,088 )
	<hr/>	<hr/>
<b><u>Cash flows from investing activities</u></b>		
Proceeds from sale of property, plant and equipment	13,534	-
Purchase of property, plant and equipment	( 220,020 )	( 25,906 )
	<hr/>	<hr/>
Net cash used in investing activities	( 206,486 )	( 25,906 )
	<hr/>	<hr/>
<b><u>Cash flows from financing activities</u></b>		
Partners' loan	1,703,389	( 400,797 )
Change in bank overdraft	( 3,694,886 )	10,726,387
Dividends paid	-	( 320,000 )
	<hr/>	<hr/>
Net cash (used in) provided by financing activities	( 1,991,497 )	10,005,590
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	( 728,180 )	( 79,404 )
Cash and cash equivalents - beginning balance	860,475	516,091
	<hr/>	<hr/>
Cash and cash equivalents - ending balance	132,295	436,687
	<hr/>	<hr/>

The attached notes to the interim financial statements  
form an integral part of these statements.

**AFIA INTERNATIONAL CO. – JORDAN P.S.C**  
**SIGNIFICANT ACCOUNTING POLICIES**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2006 AND 2005**

The accompanying financial statements have been prepared under the historical cost convention on the accrual basis of accounting, and in compliance with International Financial Reporting Standards, as published by the International Accounting Standards Board. Significant accounting policies used are summarized as follows:

- **Use of estimates in the preparation of financial statements**

The preparation of financial statements in conformity with international financial reporting standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

- **Cash and cash equivalents**

Cash and cash equivalents include cash on hand, time deposit and demand deposit, with financial institutions with maturities of less than three months.

- **Accounts receivable**

Accounts receivable are carried at original amount less provision made for doubtful accounts, if any. A provision for doubtful accounts is established when there is significant doubt that the Company will not be able to collect all amounts due according to the original terms of accounts receivable.

- **Inventories**

Inventories are stated at lower of cost or net realizable value. The cost is determined using the weighted average method. Cost of finished goods and work in process includes the cost of raw materials, direct labour and appropriate production overheads.

In 2005, the Company is considered the cost of finished goods to be the lowest selling price less the profit margin estimated by management at approximately 10%. It is impracticable to determine the specific effect of changing on accounting policy.

- **Property, plant and equipment**

Tanks and hangers are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation. All other property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on straight line method to write off the cost of the assets to their residual values over their estimated useful lives as follows:

<u>Asset Category</u>	<u>Useful life (years)</u>
Buildings	12,5 - 25
Machinery and equipment	5 - 25
Vehicles	7
Furniture and computers	7 - 11

Land is not depreciated

Property and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss, if any, is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

Expenditures for maintenance and repairs that do not materially extend the asset's life are included in expenses. Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of income.

- **Revenue recognition**

Revenue comprises the invoiced value for the sale of goods net of sales tax, sales returns and discounts. Revenue from the sale of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

- **Foreign currency translation**

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.

- **Income Tax**

The Company accounts for income tax in accordance with IFRS (12) for the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Timing differences effects were considered to be immaterial and have not been recognized in the financial statements.

- **Contingencies**

Contingent liabilities are not recognized in the financial statements, they are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

- **Borrowings**

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are classified as current liabilities unless the Company has an unconditional right to differ settlement of the liability for at least 12 months after the balance sheet date.

- **Segment reporting**

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of segments operating in other economic environments.

**AFIA INTERNATIONAL CO. – JORDAN P.S.C**  
**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2006 AND 2005**

1. **ESTABLISHMENT AND FORMATION**

Afia International Co. – Jordan P.S.C previously Savola Jordan L.L.C was registered in the Register of Public Shareholding Companies in the Ministry of Industry and Trade under No. (354) on 22 September 2004.

The main objectives of the Company are:

- a. Production and marketing of vegetable oils, fat products and all derivatives thereof.
- b. Ownership of patents, trademarks and designs.
- c. Ownership of fixed assets for projects and not for trading upon the approval of the Cabinet of Ministers.
- d. Subscribing in other companies, buying shares and merging with other companies provided not to work as brokers.
- e. Any other business that the board of directors finds suitable and necessary for the Company's objectives.
- f. Manufacturing plastic packages and lids as well as any supporting industries to its objectives listed above.

Financial statements were approved by Board of Directors in their meeting dated 23 July 2006. These financial statements require the approval of the General Assembly.

2. **CASH AND CASH EQUIVALENTS**

	<b><u>30 JUNE</u></b> <b><u>2006</u></b> <b><u>JD</u></b>	<b><u>31 DECEMBER</u></b> <b><u>2005</u></b> <b><u>JD</u></b>
Cash on hand	48,571	812
Cash at bank	83,724	859,663
	<hr/> <u>132,295</u>	<hr/> <u>860,475</u>

3. **ACCOUNTS RECEIVABLE, NET**

	<b><u>30 JUNE</u></b> <b><u>2006</u></b> <b><u>JD</u></b>	<b><u>31 DECEMBER</u></b> <b><u>2005</u></b> <b><u>JD</u></b>
Trade receivables	3,037,567	7,100,938
Others	29,432	33,574
	<hr/>	<hr/>
	3,066,999	7,134,512
Less: allowance for doubtful debts	( 333,109 )	( 213,109 )
	<hr/>	<hr/>
	<b><u>2,733,890</u></b>	<b><u>6,921,403</u></b>

4. **INVENTORIES**

	<b><u>30 JUNE</u></b> <b><u>2006</u></b> <b><u>JD</u></b>	<b><u>31 DECEMBER</u></b> <b><u>2005</u></b> <b><u>JD</u></b>
Finished goods	968,898	1,133,155
Raw materials	2,530,814	1,276,829
Packaging materials	906,543	1,110,584
Spare parts	109,715	79,715
Goods in transit	126,632	395,833
Others	66,455	54,460
	<hr/>	<hr/>
	<b><u>4,709,057</u></b>	<b><u>4,050,576</u></b>

5. **OTHER CURRENT ASSETS**

	<b><u>30 JUNE</u></b> <b><u>2006</u></b> <b><u>JD</u></b>	<b><u>31 DECEMBER</u></b> <b><u>2005</u></b> <b><u>JD</u></b>
Prepayments	205,871	206,723
Deposits	35,112	27,203
Sales Tax Department	951,731	765,743
Others	1,040	575
	<hr/>	<hr/>
	<b><u>1,193,754</u></b>	<b><u>1,000,244</u></b>

6. **PROPERTY, PLANT AND EQUIPMENT, NET**

	<u>Land</u>	<u>Buildings</u>	<u>Machinery &amp; equipment</u>	<u>Vehicles</u>	<u>Furniture &amp; computers</u>	<u>Work in progress</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
<b><u>Cost:</u></b>							
Balance at 1							
January 2006	435,070	996,454	5,557,734	191,083	196,095	-	7,376,436
Additions	-	2,913	17,186	-	15,451	184,470	220,020
Disposals and adjustment	-	-	( 13,534 )	-	-	(	13,534 )
Balance at 30							
June 2006	435,070	999,367	5,561,386	191,083	211,546	184,470	7,582,922
<b><u>Accumulated depreciation:</u></b>							
Balance at 1							
January 2006	-	127,980	1,424,627	115,349	85,211	-	1,753,167
Additions	-	21,806	189,968	18,548	10,961	-	241,283
Balance at 30							
June 2006	-	149,786	1,614,595	133,897	96,172	-	1,994,450
<b><u>Net book value as of:</u></b>							
30 June 2006	435,070	849,581	3,946,791	57,186	115,374	184,470	5,588,472
31 December 2005	435,070	868,474	4,133,107	75,734	110,884	-	5,623,269

The land is pledged to the Arab Bank against bank facilities comprising of loans and overdrafts.

7. **BANK OVERDRAFT**

- The Company was granted bank facilities from the Arab Bank of JD 3,250,000. Interest is charged at 6.5 % annually with no commissions.

The bank facilities were acquired to finance the Company's working capital.

- The Company was granted bank facilities from Arab Bank of USD 4,000,000. Interest is charged at Libor plus 1.25% annually.

The bank facilities were acquired to finance 90% of incoming L/C's.

- The Company was granted bank facilities from Arab Bank of USD 10,000,000. Interest is charged at Libor plus 1.25% annually.

The bank facilities were acquired to finance 90% of export L/C's to Iraq and the ceiling will be raised to 100% once shipped and documents are presented.

8. **BANK LOAN**

The Company acquired a long term loan from the Arab Bank for an amount of JD 1,000,000, the loan is repayable over five years at equal annual installments of JD 200,000 starting one year from the date of acquiring the loan. The loan was acquired to purchase a plastic factory and to purchase new machinery for the factory.

Interest is charged at 6.5% payable semi-annually. Loan balance is as follows:

	<u>30 JUNE</u> <u>2006</u> <u>JD</u>	<u>31 DECEMBER</u> <u>2005</u> <u>JD</u>
Current portion	200,000	200,000

9. **PROVISIONS**

	<u>30 JUNE</u> <u>2006</u> <u>JD</u>	<u>31 DECEMBER</u> <u>2005</u> <u>JD</u>
Provision for income tax	98,046	57,651
Provision for universities fees	4,090	4,090
Provision for vocational training and scientific research fees	597	597
Provision for educational and vocational and technical training support fund	-	3,499
Others	30,285	30,212
	<u>133,018</u>	<u>96,049</u>

10. **INCOME TAX**

The Company provides for income tax in accordance with the Income Tax Law and its subsequent amendments.

The Company has an exemption from the Jordan Investment Board of 50% for 10 years, starting from 1 January 2002 and ending on 31 December 2011.

Income tax was not calculated for the year ended 31 December 2005 due to net losses.

11. **OTHER CURRENT LIABILITIES**

	<b><u>30 JUNE</u></b> <b><u>2006</u></b> <b><u>JD</u></b>	<b><u>31 DECEMBER</u></b> <b><u>2005</u></b> <b><u>JD</u></b>
Accrued expenses	1,049,637	1,387,964
Deposits	6,817	12,178
	<u>1,056,454</u>	<u>1,400,142</u>

12. **CAPITAL**

The total authorized number of ordinary shares is 8,000,000 shares with a per value of JD 1 per share.

13. **STATUTORY RESERVE**

According to the Jordanian Companies Law and the Company's Articles of Association, the Company is required to appropriate 10% of its net profit before tax as a statutory reserve. This appropriation is made until the statutory reserve equals 25% of the Company's authorized capital. This reserve is not available for distribution to the shareholders.

14. **VOLUNTARY RESERVE**

According to the Jordanian Companies Law, the Company may appropriate up to 20% of its net profit as a voluntary reserve. This reserve is available for distribution to shareholders.

15. **GENERAL AND ADMINISTRATIVE EXPENSES**

	<b><u>30 JUNE</u></b>	<b><u>30 JUNE</u></b>
	<b><u>2006</u></b>	<b><u>2005</u></b>
	<b><u>JD</u></b>	<b><u>JD</u></b>
Salaries and wages	102,350	71,048
Social security	6,848	7,414
Vehicles expenses	13,949	8,365
Travelling	18,408	7,225
Post, telephone and fax	9,985	14,416
Management fees	189,324	104,218
Professional fees	38,656	5,424
Stationery and printing	4,038	3,445
Computer expenses	8,689	1,178
Cleaning expenses	494	373
Entertainment	3,724	3,426
Insurance	4,776	1,651
Training	430	10,894
Depreciation	26,837	26,091
Others	9,313	5,406
Maintenance	300	385
Income tax expenses	45,074	6,965
Fees and subscriptions	11,214	70,451
Finance Market expenses	1,610	15,073
General Manager expenses	5,311	14,058
Transfer to Public Shareholding		
Company expenses	-	1,000
	<b>501,330</b>	<b>378,506</b>
	<b>501,330</b>	<b>378,506</b>

16. **SELLING AND DISTRIBUTION EXPENSES**

	<b><u>30 JUNE</u></b> <b><u>2006</u></b> <b><u>JD</u></b>	<b><u>30 JUNE</u></b> <b><u>2005</u></b> <b><u>JD</u></b>
Salaries and wages	58,861	33,466
Social security	5,039	2,959
Vehicles expenses	6,349	9,143
Freight	74,894	661,018
Travelling	8,629	854
Discounts	516,379	487,753
Post, telephone and fax	1,971	1,967
Tenders expenses	13,161	12,005
Advertisement and publicity	158,288	387,234
Insurance	1,411	867
Sales commissions	8,833	11,171
Trademarks	134,259	59,280
Depreciation	11,456	9,253
Others	30,161	1,571
Export expenses	38,316	76,658
Entertainment	32	711
Syria expenses	-	1,782
Gifts and samples expenses	6,696	1,483
	<u>1,074,735</u>	<u>1,759,175</u>

17. **EARNINGS PER SHARE**

The basic earnings per share are calculated by dividing the net profit or losses by the weighted average number of shares outstanding during the year/period.

	<b><u>30 JUNE</u></b> <b><u>2006</u></b> <b><u>JD</u></b>	<b><u>30 JUNE</u></b> <b><u>2005</u></b> <b><u>JD</u></b>
(Loss) profit attributable to equity holders	( 1,796,851 )	89,792
Weighted average number of ordinary shares	8,000,000	8,000,000
(Loss) earning per share (JD per share)	( 0,225 )	0,011

18. **RELATED PARTY TRANSACTIONS**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

The Company is controlled by Savola Edible Oils Company which owns 75% of the Company's shares.

- The Company has signed a management contract with Savola Edible Oils Company in the amount of JD 419,391 (Saudi Riyals 2,219,000) (year 2005: an amount of JD 292,644 or an amount of Saudi Riyals 1,478,000).
- Royalties are charged by Savola Edible Oils Company to the Company at a percentage of 2% of the sales of brand names belonging to Savola Edible Oils Company.
- Savola Edible Oils Company provided financing to the Company for oil purchases at an interest rate of 3.75% with no specified repayment date.

The transaction amounts resulting from the above arrangements during the period /year were as follows:

	<b><u>30 JUNE</u></b> <b><u>2006</u></b> <b><u>JD</u></b>	<b><u>31 DECEMBER</u></b> <b><u>2005</u></b> <b><u>JD</u></b>
Management fees	189,324	290,926
Royalties charged	134,259	124,665
Interest charged	61,990	87,890

Period /year end balance was as follows:

	<b><u>30 JUNE</u></b> <b><u>2006</u></b> <b><u>JD</u></b>	<b><u>31 DECEMBER</u></b> <b><u>2005</u></b> <b><u>JD</u></b>
Loans from related parties:		
Savola Edible Oils Company	1,950,242	2,034,004

19. **SEGMENT INFORMATION**

The Company is active in only one business segment, production and marketing of vegetable oils, fat productions and all derivatives thereof. The primary segment information is presented according to geographical regions.

	<u>IRAQ</u> <u>JD</u>	<u>JORDAN</u> <u>JD</u>	<u>OTHER</u> <u>JD</u>	<u>TOTAL</u> <u>JD</u>
<b><u>2006</u></b>				
Revenue	2,067,873	6,444,851	1,881,540	10,394,264
Segment result	117,450	225,570	84,669	427,689
Unallocated expenses				( 1,576,065 )
Loss from operations				( 1,148,376 )
Other revenues				23,534
Financing cost				( 239,156 )
Allowance for doubtful debts				( 120,000 )
Write off, damaged goods and others				( 312,853 )
Net loss				<u>( 1,796,851 )</u>

20. **CONTINGENT LIABILITIES**

The Company was contingently liable as at the balance sheet date as follows:

	<u>30 JUNE</u> <u>2006</u> <u>JD</u>	<u>31 DECEMBER</u> <u>2005</u> <u>JD</u>
Letters of credit	48,813	42,895
Bank guarantees	509,597	1,955,760
Incoming transfer	690,284	-

21. **LEGAL CLAIM**

According to lawyer letter there are labor and general claim against the Company in the amount of JD 32,860.

22. **FINANCIAL RISK MANAGEMENT**

**Financial risk factors**

The Company's activities expose it to a variety of financial risks, including the effects of changes in foreign currency exchange rates and interest rates, the Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

- **Foreign exchange risk**

As the Company is operating within the region and dealing in foreign currencies there is an exposure to foreign currencies for its transactions. The Company minimises such exposure through hedging contracts with reputable financial institutions.

- **Interest rate risk**

The Company currently finances its working capital requirements through bank overdraft and closely monitors movements on market interest rate. Also, the Company finances part of its operations through Savola Edible Oils Company at a predetermined interest rate set below market rates, accordingly the Company does not consider its exposure to interest rate risk to be significant.

- **Credit risk**

The Company has no significant concentration of credit risk, the Company has policies in place to ensure that sales are made to customers with an appropriate credit history.

23. **GENERAL**

The Company decided in its extraordinary board meeting dated 6 April 2004 to change the form of the Company from a Limited Liability Company into a Public Shareholding Company as at 1 June 2004. In doing this, the Company revalued its hangers and tanks by independent valuers.

Valuations were made on the basis of market value, revaluation surplus amounting to JD 1,243,943 was capitalized and credited to the Company's capital.

At 22 September 2004, the Companies Controller at the Ministry of Industry and Trade has approved the transformation of Afia International Co. L.L.C. into a Public Shareholding Company.

24. **RECLASSIFICATIONS**

Certain amounts in the 2005 interim financial statements have been reclassified to conform with the 2006 presentation.