



Jordan Poultry Processing & Marketing Co. Ltd

الشركة الاردنية لتجهيز وتسويق الدواجن ومنتجاتها م.ع.م

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السادة: بورصة عمان

Subject: Quarterly Report as of 31/3/2017

الموضوع: التقرير ربع السنوي كما هي في
31/3/2017


Attached The Quarterly Report Of
Jordan Poultry Processing & Marketing
Co. PLC as Of 31/3/2017 English version .

مرفق طيه نسخة من البيانات المالية ربع
السنوية للشركة الاردنية لتجهيز وتسويق
الدواجن م.ع.م كما هي بتاريخ
31/3/2017 باللغة الانجليزية.


Kindly accept our high appreciation and
respect

وتفضلوا بقبول فائق الاحترام ؛؛؛؛


Jordan Poultry Processing and Marketing
Co. PLC


General Manager
Sa'eed Abu- saymeh

الشركة الاردنية لتجهيز وتسويق
الدواجن م.ع.م


المدير العام
سعيد ابوصايم

S2  Jordan Poultry Processing
& Marketing Co. PLC
HAMMOUDEH

S1  الشركة الاردنية لتجهيز وتسويق
الدواجن ومنتجاتها م.ع.م
HAMMOUDEH

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٥ أيار ٢٠١٧
الرقم المتسلسل: ١١١٤
رقم الملف: ٤١١٤
الجهة المختصة: المدير العام

**JORDAN POULTRY PROCESSING AND
MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND
REVIEW REPORT
FOR THE PERIOD ENDED MARCH 31, 2017**

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED MARCH 31, 2017

INDEX	PAGE
Report on reviewing the interim Financial statements	1
Interim statement of financial position	2
Interim statement of comprehensive income	3
Interim statement of owners' equity	4
Interim statement of cash flows	5
Notes to the interim Financial Statements	6 – 9

REPORT ON REVIEWING THE INTERIM FINANCIAL STATEMENTS

To the shareholders

Poultry Processing and Marketing Company P.L.C

Introduction

We have reviewed the accompanying Interim Statement of Financial Position for Poultry Processing and Marketing Company (P.L.C) as of March 31, 2017, and the related statements of Interim Comprehensive income, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures to financial data .The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, Getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, Hence, We don't express an opinion regarding in this regard.

Conclusion

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

Ghosheh & Co

Sinan Ghosheh
License No.(580)

Ghosheh & Co. (CPA's)

A member of
Nexia
International

غوشه و شركاه (محاسبين قانونيين)

Amman -Jordan
April 26, 2017

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
ASSETS			
Non-current assets			
Property and equipments		52,987,474	52,486,799
Total non-current assets		52,987,474	52,486,799
Current assets			
Prepaid expenses and other receivables		370,286	415,555
Spare parts warehouse		934,109	889,921
Inventory		3,649,864	4,088,956
Account Receivables		11,400,950	9,956,920
Cheques under collection		530,974	507,553
Cash and cash equivalents		122,329	57,520
Total current assets		17,008,512	15,916,425
TOTAL ASSETS		69,995,986	68,403,224
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share Capital	1	23,558,305	23,558,305
Statutory reserve		280,850	280,850
Accumulated losses		(1,341,524)	(1,093,288)
Total owners' equity		22,745,867	22,497,631
Non- current liabilities			
Due to related parties		27,867,603	26,219,651
Long term loans		5,454,100	5,339,482
Total non – current liabilities		33,321,703	31,559,133
Current liabilities			
Accrud expenses and other payables		933,536	1,079,654
Deferred cheques		1,308,933	716,798
Account payables		4,900,921	5,442,436
Current portion of long term loans		3,692,049	3,729,722
Due to Banks		3,341,213	3,129,614
Total current liabilities		14,176,652	14,098,224
TOTAL LIABILITIES AND OWNERS' EQUITY		69,995,986	68,403,224

The accompanying notes are an integral part of these financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Note	For the period ended March 31,2017	For the period ended March 31,2016
Poultry Revenues		9,298,444	8,434,353
Poultry cost		(9,694,163)	(8,701,966)
Total loss for the period		(395,719)	(267,613)
Protein gross profit		104,309	133,107
Poultry farms gross profit		883,294	458,808
Gross profit		591,884	324,302
Selling and Marketing expenses		(565,934)	(408,083)
General and administrative expenses		(223,488)	(166,656)
Financial Charges		(50,698)	(53,932)
Net Loss for the Period		(248,236)	(304,369)
 Other comprehensive income:		 -	 -
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(248,236)	(304,369)
 Loss per share:		 	
Loss per share- JD/ share		(0.011)	(0.013)
Outstanding weighted average share		23,558,305	23,325,678

The accompanying notes are an integral part of these financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF OWNERS' EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Note	Share Capital	Statutory Reserve	(Accumulated Losses) Retained earnings	Total
Balance at January 1, 2017		23,558,305	280,850	(1,093,288)	22,745,867
Comprehensive income for the period		-	-	(248,236)	(248,236)
Balance at March 31, 2017		23,558,305	280,850	(1,341,524)	825,590
Balance at January 1, 2016		14,024,000	280,850	781,111	15,085,961
Increase in capital	1	9,534,305	-	-	9,534,305
Comprehensive income for the period		-	-	(304,369)	(1,874,399)
Balance at March 31, 2016		23,558,305	280,850	476,742	22,745,867

The accompanying notes are an integral part of these financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the period ended March 31,2017	For the period ended March 31,2016
OPERATING ACTIVITIES		
Loss for the period	(248,236)	(304,369)
Adjustments on the loss for the period:		
Depreciation	347,966	322,640
Financial Charges	50,698	53,932
Changes in operating assets and liabilities:		
Account receivable	(1,444,030)	(179,770)
Spares warehouses	(44,188)	(81,421)
Inventory	439,092	1,091,062
Prepaid expenses and other receivables	45,269	(8,026)
Cheques under collection	(23,421)	(577,857)
Account payables	(541,515)	(470,509)
Deferred Cheques and notes payable	592,135	126,684
Due to related parties	1,647,952	(8,859,750)
Accrued expenses and other payables	(146,118)	5,628
Cash available from / (used in) operating activities	675,604	(8,881,756)
Financial charges paid	(50,698)	(53,932)
Net cash available from / (used in) operating activities	624,906	(8,935,688)
INVESTING ACTIVITIES		
Change in property and equipments	(848,641)	(1,481,453)
Net cash used in investing activities	(848,641)	(1,481,453)
FINANCING ACTIVITIES		
Paid in capital	-	9,534,305
Financing from banks overdraft	211,599	1,193,271
Financing from (repaying to) banks overdraft	76,945	(217,843)
Net cash available from financing activities	288,544	10,509,733
Net change in cash and cash equivalents	64,809	92,592
Cash and cash equivalents, January 1	57,520	69,378
Cash and cash equivalents, March 31	122,329	161,970

The accompanying notes are an integral part of these financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

1. ORGANIZATION AND ACTIVITIES

Jordan Poultry Processing and Marketing Company is a Public Shareholding company ("the company") is registered under registration no. (201) on June 28, 1987. The company's capital is JD 23,000,000 divided into 23,000,000 shares of JD 1 each.

The General Assembly in its extraordinary meeting on August 13, 2015 decided to decrease the Capital from JD 23,000,000 shares to JD 14,024,000 by amortizing the issuance discount by 8,976,000, and increase the capital by 9,976,000 shares \ by under-writing the share of shareholders, so the declared capital amounts 24,000,000 shares of JD 1 each, and covering JD 9,534,305 from shares declared and paid capital amounts JD 23,558,305 shares \ up until the preparation of the financial statement.

The principal activity of the entity is owning, establishing and operating of butcheries for poultry processing and marketing and renting warehouses in order to keep poultry and eggs and establishing and managing plants in order to trade poultry locally and regionally and renting ordinary transportations for the entity's purposes, and other industries related to poultry processing and marketing.

The Company's headquarter is in Azzarqa in Dhleel City.

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

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

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

Board of Directors anticipates that the adoption of these IFRSs in future periods is not likely to have a material impact on the financial statements of the company.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

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

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

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

The interim statement do not include all the information and notes needed in the annual financial statement and must be reviewed with the ended financial statement at December 31, 2016, in addition to that the result for the three months ended in March 31, 2017 is not necessarily to be the expected results for the financial year ended December 31, 2017.

Significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the audited financial statements for the period ended 31 December 2016.

Sales

Sales are recognized upon delivery of goods to customers and issuing invoice.
Sales revenues are stated net of trade or quantity discounts.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the distribution and sale of the Company's products, all other expenses are classified as general and administrative expenses. General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts receivable

Account receivable are stated at invoice amount less any provision for doubtful.

Inventories

Inventories are stated at cost, is caculated by weighted average cost basis.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

Property and equipment

Property and equipments are stated at cost less accumulated depreciation. Expenditures on maintenance and repairs are expensed, while expenditures that increase the useful life and/or the assets productivity are capitalized. Depreciation is computed over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation are as follows:

Jordan Poultry Processing And Marketing Company	Annual depreciation rate
Buildings and constructions	1%
Office Furniture	6 – 7.5%
Butchery equipment	2.5 – 3.5%
Boxes and Cages	7.5%
Resturant equipments	5%
Tools and equipment	5%
Clothes	7.5%
Lab equipment	5%
Water well	5%
Pallets	10%
Vehicles	7.5 – 12.5%
Furniture and fixture	10 - 20%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment. Impairment test is performed to the value of the property and equipment that appears in the interim consolidated Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

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

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

Income tax

The company is subject to Income Tax Law and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom Of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income, According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the interim financial statements since it's immaterial.

Loan interests capitalization

Interset loans that are related to expansion projects to be available to produce are capitalized.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

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

Foreign currency transactions

Foreign currency transactions are translated into Jordanian Dinars at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of comprehensive income.

4- FINANCIAL INSTRUMENTS

Capital Risk Management

The Company's objectives when managing capital are safeguarding the company's ability to continue as a going concern in order to provide returns for shareholders (partners/owners) and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's strategy doesn't change from 2016.

The Debt Ratio

The board of directors is reviewing the share capital structure periodically. As a part of this reviewing, the board of directors consider the cost of share capital and the risks that is related in each faction from capital and debt factions. The company's capital structure includes debts from the borrowing. The Company doesn't determine the highest limit of the debt ratio and it doesn't expect increase in the debt ratio during 2017.

The management of the financial risks

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

Interest rate risk

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

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

Credit risk management

The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses. However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks. The significant credit exposed for any parts or group of parts that have a similar specification have been disclosed in note No.14. The Company classified the parts which have similar specifications as a related parties. Except the amounts which are related in the cash money. The credits risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks have good reputations and have been controlled from control parties.

Liquidity risk

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

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

5- APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Directors and authorized for issuance on April 26, 2017.