

**The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan**

**Condensed Interim Financial Statements
and Report on Review as of March 31, 2018
(Reviewed Not Audited)**

**The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan**

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Report on the review of the condensed interim financial statements

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To the Board of Directors of

The Arab International Food Factories And Investment Co. (P.S.C)

Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying condensed interim financial statements of **The Arab International Food Factories And Investment Co. (P.S.C)** comprising of condensed interim statement of financial position as at 31 March 2018, and the related condensed interim statements of comprehensive income, changes in owners' equity and cash flows for three months ended 31 March 2018 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with *IAS 34 –interim Financial Reporting ("IAS 34")*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed 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. Consequently, it 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 condensed interim financial statements are not prepared, in all material respects in accordance with IAS 34.

Other matters:

- Condensed interim financial statements were prepared for Instructions for listing the securities in the Amman Stock Exchange & for management's purposes.

Al Abbasi & Partners Co.

Nabeel Moh'd Obaidat

License No. 877



Amman in

25 April 2018

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Condensed Interim Financial Position as of March 31, 2018

Reviewed not audited

	Note	31-Mar-2018	31-Dec-2017
<u>Assets</u>		JD	JD
<u>Non - Current Assets</u>		(Reviewed)	(Audited)
Property , plant & equipments - net	5	99,832	103,410
Financial assets at fair value through comprehensive	6	25,019,042	23,952,461
Investments in associates		340,697	340,697
Total Non - Current Assets		25,459,571	24,396,568
<u>Current Assets</u>			
Cash on hand and at banks		102,206	223,081
Due from related parties	12	802	802
Other debit balances		2,393	1,095
Total Current Assets		105,401	224,978
Total Assets		25,564,972	24,621,546
<u>Current Liabilities</u>			
accounts payable		1,158	1,818
Due to related parties	12	55,272	54,071
Other credit balances		145,035	144,887
Total Current Liabilities		201,465	200,776
<u>Owners' Equity And Liabilities</u>			
<u>Owners' Equity</u>			
Capital		10,500,000	10,500,000
Statutory reserve		1,934,017	1,934,017
Fair value reserve		9,317,572	8,322,533
Retained earning	7	3,664,220	3,664,220
(Loss) for the period		(52,302)	-
Total Owner's Equity		25,363,507	24,420,770
Total owners' Equity And Liabilities		25,564,972	24,621,546

The accompanying notes form is an integral part of these statements

The Arab International Food Factories And Investment Co
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Condensed Interim Statement of Comprehensive Income
For the Three Months Ended March 31, 2018

Reviewed not audited

	31-Mar-2018	31-Mar-2017
	JD	JD
<u>Revenues</u>		
Gain from selling Property and Equipment	6,209	-
Total Revenue	6,209	-
<u>Expenses</u>		
Staff benefits	8 (26,863)	(19,663)
General & administrative expenses	9 (28,000)	(25,840)
Depreciation	(3,648)	(3,707)
Total Expenses	(58,511)	(49,210)
Profit for the period	(52,302)	(49,210)
 <u>Add: Other comprehensive income items</u>		
Net changes in fair value for financial assets through comprehensive income	995,039	(24,072)
Total Comprehensive income for the period	942,737	(73,282)
	Fils/Dinar	Fils/Dinar
Basic and diluted earnings per share	10 (0.005)	(0.005)

The accompanying notes form an integral part of these statements

The Arab International Food Factories And Investment Co
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Condensed Interim Statement Of Changes In Owners' Equity For the Three Months Ended March 31, 2018

Reviewed not audited

Description	Capital	Statutory Reserve	Fair Value Reserve	Retained earning			(Loss) Of The Period	Total
				Realized	Unrealized	Total		
				JD	JD	JD		
<u>For the three months ended March 31,2018</u>								
Balance as of January 1,2018 (Audited)	10,500,000	1,934,017	8,322,533	3,412,911	251,443	3,664,354	-	24,420,770
(Loss) of the period	-	-	-	-	-	-	(52,302)	(52,302)
change in Fair value	-	-	995,039	-	-	-	-	995,039
Total Comprehensive income for the period	-	-	995,039	-	-	-	(52,302)	942,737
Balance as of March 31,2018 (Exhibit A) - Reviewed	10,500,000	1,934,017	9,317,572	3,412,911	251,443	3,664,354	(52,302)	25,363,507
<u>For the three months ended March 31,2017</u>								
Balance as of January 1,2017 (Audited)	10,500,000	1,789,515	11,687,546	3,486,591	235,861	3,722,318	-	27,699,379
(Loss) of the period	-	-	-	-	-	-	(49,210)	(49,210)
change in Fair value	-	-	(24,072)	-	-	-	-	(24,072)
Total Comprehensive income for the period	-	-	(24,072)	-	-	-	(49,210)	(73,282)
Balance as of March 31,2017 (Exhibit A) - Reviewed	10,500,000	1,789,515	11,663,474	3,486,591	235,861	3,722,318	(49,210)	27,626,097

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Condensed Interim Statement of Cash Flows For the Three Months Ended March 31, 2018

Reviewed not audited

	Note	31-Mar-2018 JD	31-Mar-2017 JD
<u>Cash Flows From Operating Activities</u>			
(Loss) for the period		(52,302)	(49,210)
Depreciation		3,648	3,707
Operating (Loss) Income before changes in working capital		(48,654)	(45,503)
<u>(Increase) decrease in current assets</u>			
Due from related parties		-	(3,223)
Other debit balances		(1,298)	24
<u>Increase (decrease) in current liabilities</u>			
Accounts payable & Due to related parties		541	1,200
Other credit balances		148	(1,038)
Net Cash (Used in) Operating Activities		(49,263)	(48,540)
<u>Cash flows from investing activities</u>			
Changes of property, plant and equipment		(70)	-
Changes at Financial assets at fair value		(71,542)	(40,913)
Net cash flows (used in) investing activities		(71,612)	(40,913)
Net (decrease) increase in cash balances		(120,875)	(89,453)
Cash balances at beginning of the Period		223,081	144,450
Cash balances at end of the Period		102,206	54,997

The accompanying notes form is an integral part of these statements

The Arab International Food Factories And Investment Co
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Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

1- Company's Registration and Objectives

The Arab International Food Factories And Investment Co was established as a Public Shareholding Company and It was registered at the Public Shareholding companies' registry at the Ministry of Commerce and Trade under the number of(256) at september 13,1994 .

The objective of the company is Establishment and management of milk kids production Factory and Health food and Other industries , Plus Invested its money.

The Condensed interim financial statements were approved by the board of directors at its meeting held on April 23,2018 , these financial statements aren't subject to the approval of the general assembly of shareholders .

2- Basis of Preparation of Interim Financial Statements

General

These condensed interim financial statement have been prepared in accordance with international accounting standards ((IFRS) IAS 34))(Interim Financial Reporting).

The condensed interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

The condensed interim financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

These condensed interim financial statements do not include all the information required for a complete set of IFRS financial statements, However , selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of December 31,2017 , in addition, The results for the three months period ended March 31,2018 are not necessarily indicative of the results that may be expected for the financial year ending December 31,2018 .

3- Significant accounting estimates and assumptions

There are no material changes to the nature and amount of the changes in the estimate of amounts recognized in the interim financial statements as compared to the financial statements for 2017 In addition to :

The management of the Company estimates the impairment loss of financial assets in accordance with IFRS 9 as this process requires the use of several assumptions and estimates when calculating future cash flows, collateral values, default rates and balances of financial assets at default and determining whether there is an increase In the degree of credit risk of financial assets

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Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

4- Changes in accounting policies

During the current period, the Group adopted the below new and amended International Financial Reporting Standards (“IFRS”) and improvements to IFRS that are effective for periods beginning on 1 January 2018:

- * IFRS 15 “Revenue from Contracts with Customers”
- * IFRS 9 “Financial Instruments”
- * Amendments to IFRS 2 “Classification and Measurement of Share-based Payment Transactions”.

- * Amendments to IFRS 4 “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts”.
- * Amendments to IAS 40 “Transfers of Investment Property”
- * Annual improvements to IFRS 2014-2016 Cycle “Amendments to IFRS 1 and IAS 28”.
- * IFRIC 22 Foreign Currency Transactions and Advances consideration.

The adoption of the above new and amended IFRS and improvements to IFRS had no significant impact on the condensed consolidated interim financial statements, except for IFRS 9, which led an increase in the provision for impairment of trade and other receivables (Note 4 (2)).

IFRS 9 "Financial Instruments"

IFRS 9 sets out requirements for recognizing and measuring financial assets and financial liabilities this standard replaces IAS 39 “Financial Instruments: Recognition and Measurement”.

The following table summarizes the impact of transition to IFRS 9 on the opening balance of retained earnings (for a description of the transition method,

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Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

1- Classification and measurements for recognizing and measuring financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurements of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available-for-sale financial assets.

The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

On initial recognition a financial asset is classified as:

- Amortized cost;
- Fair Value Through Other Comprehensive Income (FVOCI) debt investment;
- FVOCI equity investment; or
- Fair Value Through Profit or Loss (FVTPL).

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Group only has financial assets measured at amortized cost which are amortized using the effective interest method. The amortized cost is reduced by any impairment losses see note (4/2)

The effect of adopting IFRS 9 on the carrying amounts of the Company's financial assets at 1 January 2018 relates solely to the impairment requirements, as described further below.

Trade and other receivables which were previously classified as loans and receivables under IAS 39 have been classified at amortized cost as per IFRS 9. An increase of xxxxxxxxx in the provision for impairment of these receivables was recognized in opening retained earnings at 1 January 2018 on transition to IFRS9.

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2- Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credited loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39

The financial assets at amortized cost comprise of trade receivables and cash at bank under IFRS 9 and loss allowances are measured on either of the following bases:

- * 12-months ECLs: these are ECLs that result from possible default events within the 12-months after the reporting date.
- * Lifetime ECLs: these are ECLs the result from all possible default events over the expected life of a financial instruments

The Company has elected to measure loss allowance its financial assets at an amount equal to lifetime ECLs.

Credit-impaired financial assets

At each reporting date, the Group assesses the financial assets carried at amortized cost A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets occurred.

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables are presented under general and administrative expenses in the condensed consolidated statement of profit or loss.

3- Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using the cumulative effect method. The Group has taken an exemption not to restate comparative of prior periods.

Difference in the carrying amounts of the financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings as at 1 January 2018. Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 but those of IAS 39.

Based on management's estimates International Financial Reporting standard no .(9) has had no material impact on the condensed interim financial statements.

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Notes to The Condensed Interim Financial Statements

reviewed Not Audited

5- Property, plant and equipment - Net

This item consists of :

	Vehicles	Office Equipments	Furniture & fixture	Total
	JD	JD	JD	JD
<u>Cost</u>				
Cost at january 1, 2018	145,000	14,333	2,209	161,542
Additions during the year	-	70	-	70
Cost at March 31, 2018	145,000	14,403	2,209	161,612
<u>Acumulated Depreciation</u>				
balance of january 1, 2018	42,292	13,636	2,204	58,132
Additions during the Period	3,625	23		3,648
balance as of March 31, 2018	45,917	13,659	2,204	61,780
Net book value as of March 31, 2018 (Reviewed)	99,083	744	5	99,832
Net book value as of December 31, 2017 (Audited)	102,708	697	5	103,410

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6- Investments in financial assets at fair value through Comprehensive income statement

This item consists of :

	31-Mar-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
<u>Listed Share</u>		
Shares listed on the financial market	23,693,909	22,627,328
Fair Value	23,693,909	22,627,328
<u>Shares in limited liability companies*</u>		
Investment in limited liability companies	1,325,133	1,325,133
Total	1,325,133	1,325,133
Total of financial assets at fair value	25,019,042	23,952,461

The investments in limited liability companies are stated at cost because the fair value can not measure reliably

7- Retained earnings

This item consists of :

	31-Mar-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Retained earnings at beginning of the period / year	3,664,220	3,722,318
Profit for the Period after tax	-	1,398,904
Dividends paid to shareholders	-	(1,312,500)
Transfer to statutory reserve	-	(144,502)
Retained earnings at ending of the period / year	3,664,220	3,664,220

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8- Employee Benefits

This item consists of :

	31-Mar-2018	31-Mar-2017
	JD	JD
	(Reviewed)	(Audited)
Salaries and wages	21,600	15,600
The company's contribution to social security	2,138	2,138
Income tax	3,125	1,925
Total	26,863	19,663

9- General and administrative expenses

This item consists of :

	31-Mar-2018	31-Mar-2017
	JD	JD
	(Reviewed)	(Reviewed)
Transportation of boards of directors	10,950	10,950
Rents	1,200	1,200
Professional fees	1,100	-
Mail and phone	707	454
Fees and subscriptions	10,250	10,569
Other expenses	1,335	217
License and insurance expenses	2,458	2,450
Total	28,000	25,840

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Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

10- Basic and diluted earningig per share

This item consists of :

	31-Mar-2018	31-Mar-2017
	JD	JD
(Loss) Profit of the period after tax	(52,302)	(49,210)
Weighted average shares (share)	10,500,000	10,500,000
Basic and diluted earningig per share	(0.005)	(0.005)

11- Income Tac

Income tax has been released and cleared with the Tax Department for 2015

- The self-assessment of the company for the years 2016 and 2017 was provided within the legal period of submission and The announced taxes have been paid and it was not audited and discussed by the Income and Sales Tax Department Up to the date of issuance of the interim financial statements

12- Related parties transactions

Realated parties include key shareholders , key management personnel , key managers , associates and subcdiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

Details of due from related parties appear on financial position

	31-Mar-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Ittihad School PLC		
Al Omana'a portfolio and investment	802	802
Total of due from related parties	802	802

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Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

B. Details of due to related parties appear on financial position

	31-Mar-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Arab international co- oman	27,857	27,857
Arab international co for educationn and investments	25,987	1,428
Ibn Al haytham hospital co	1,428	24,786
Total of due to related parties	55,272	54,071

C. Wages , Allowances and other benefits for senior excutive managements :

	31-Mar-2018	31-Mar-2017
	JD	JD
Wages & other benefits	21,000	15,750

13- Risk management

Company is facing finance , credit , liquidity and market risks , in general the main objectives and policies of company in finance risk management which financial statement is faced , it is similar to what declared in financial statements on December 31,2017 .

14- Subsequent events

There are no subsequent events may have material affects to financial position .

15- Comparative Figures

Certain comparative figures were reclassified to conform with the presentation of the current period.