

## Independent Auditors' Report

AM/ 014591

**To the Shareholders'  
Jordan Cement Factories Company  
(A Public Shareholding Limited Company)  
Amman – The Hashemite Kingdom of Jordan**

### Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of the Jordan Cement Factories Company and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of profit or loss and comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying consolidated financial statements of the Group. Because of the significance of the matters described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

### Basis for Disclaimer of Opinion

Property, plant and equipment and inventory, which is carried at JD 60 million and JD 19.9 million in the statement of financial position respectively, includes property, plant and equipment and spare parts located in Rashadiyah of JD 35.5 million and JD 2.7 million respectively which exhibits indicators of impairment. Due to the current situation, management has not determined if the recoverable amounts of the property, plant and equipment and spare parts located in Rashadiyah is greater than their carrying amount, which constitutes a departure from International Financial Reporting Standards ('IFRSs'). We were unable to determine the adjustments necessary to these amounts, if any.

Note (34) in the consolidated financial statements indicates that the Group incurred a loss before tax of JD 48.7 million during the year ended December, 31 2019, had net current liabilities of JD 88 million and net cash used in operations of JD 5.3 million for the year then ended. The Company had also defaulted on some of its outstanding financial obligations as at December 31, 2019.

In performing their assessment of the use of the going concern basis of accounting, the Board of Directors have considered the Company's ability to settle its current and expected monetary obligation for a period of 12 months from the financial statements date, and based on this assessment, the Company will commence the process of filing for insolvency with the intention to reorganize the Company. The Group's ability to continue as a going concern is dependent on the outcome of this process being successful.

As stated in Note (34), these events or conditions, along with other matters as set forth in Note (34), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.



#### **Other Matter**

The accompanying consolidated financial statements are a translation of the original consolidation financial statements which are in the Arabic language, to which reference should be made.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Company's management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's consolidated financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

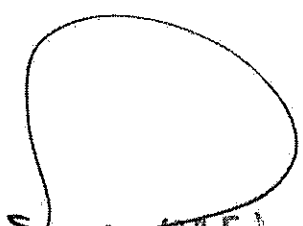
Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with International Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### **Report on Other Legal and Regulatory Requirements**

Due to limitations of our work referred to in the Basis for Disclaimer of Opinion section of our report, we were unable to determine whether the Company maintained proper books of accounts.

**Amman – Jordan**  
**July 4, 2020**

  
~~Deloitte & Touche (M.E.)~~ (M.E.) – Jordan  
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