



General Investment Co. Ltd.

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الرقم: GIC 211/2019

السادة بورصة عمان المحترمين

عمان - الأردن

تحية واحتراماً وبعد ،،،

نرفق لكم القوائم المالية للشركة (قائمة المركز المالي، قائمة الدخل، قائمة الدخل الشامل، قائمة التغييرات في حقوق المساهمين، قائمة التدفقات النقدية) للفترة من تاريخ 2019/01/01 ولغاية الفترة 2019/03/31 باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام ،،،

شركة الاستثمارات العامة المساهمة المحدودة



بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٥ أيار ٢٠١٩
الرقم المتسلسل: ٤٤١
رقم الملف: ٤١٢٩
الجهة المختصة: مكتب المدراء

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE THREE-MONTH PERIOD
ENDED MARCH 31, 2019
TOGETHER WITH THE REVIEW REPORT

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
MARCH 31, 2019

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Review Report

AM/ 007319

To the Chairman and Members of the Board of Directors
General Investment Company
(A Public Shareholding Limited Company)
Amman - Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of General Investment Company (A Public Shareholding Limited Company), as of March 31, 2019 and the related condensed consolidated interim statements of income and comprehensive income, changes in equity, and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim 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 Company". A review of 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, 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 the accompanying condensed consolidated interim financial statements for General Investment Company (A Public Shareholding Limited Company) are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Other Matters

1. The fiscal year for the Company ends on December 31, of each year. The accompanying condensed consolidated interim financial statements, have been prepared for the management and Jordan Securities Commission purposes only.
2. The accompanying condensed consolidated interim financial statements are a translation of the statutory financial statements which are in the Arabic Language to which references should be made.

Amman - Jordan
April 30, 2019

Deloitte & Touche (M.E.) Jordan
ديلويت أند توش (الشرق الأوسط)

010103

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2019 (Reviewed not Audited)	December 31, 2018 (Audited)
		JD	JD
ASSETS			
Current Assets:			
Cash on hand and balances at banks	4	1,020,537	537,065
Cheques under collection		364,993	22,159
Accounts receivable - net	5	1,451,610	1,457,424
Due from related parties - net	13	775,144	2,016,239
Inventory - net		3,403,618	2,857,272
Rights of use assets - net short term	2/b	6,400	-
Other debit balances		1,411,814	893,925
Total Current Assets		8,434,116	7,784,084
Non-Current Assets:			
Financial assets at fair value through comprehensive Income	6	13,628,622	13,910,190
Financial assets at amortized cost	7	110,000	610,000
Property and equipment - net		6,306,800	6,359,985
Right of use assets - net	2/b	44,787	-
Intangible assets - net		56,375	62,308
Deferred tax assets		92,738	92,738
Investment property	8	277,390	278,850
Total Non-current Assets		20,516,712	21,314,071
TOTAL ASSETS		28,950,828	29,098,155
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Current Liabilities:			
Payables and other credit balances	12	1,725,042	1,849,504
Due to related parties	13	577,094	433,786
Income tax provision	11	204,153	228,563
Other current liabilities		585,457	616,316
Obligation against lease agreements-short term	2/b	20,197	-
Obligation against finance lease agreement-short term		31,740	31,740
Total Current Liabilities		3,143,683	3,159,909
Obligation against lease agreements-long term	2/b	18,175	-
Obligation against finance lease agreement-long term		15,875	23,811
Total Liabilities		3,177,733	3,183,720
Shareholders' equity:			
Paid-up capital	9/A	10,000,000	10,000,000
Statutory reserve	9/B	5,914,384	5,914,384
Voluntary reserve	9/C	2,155,018	2,155,018
Financial assets at fair value valuation reserve	9/D	3,219,789	3,501,357
Retained earnings	9/E	4,343,676	4,343,676
Profit for the Period		140,228	-
Total Shareholders' Equity		25,773,095	25,914,435
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		28,950,828	29,098,155

Board of Directors Chairman

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

(REVIEWD NOT AUDITED)

	For the Three-Month Period	
	Ended March 31,	
Note	2019	2018
	JD	JD
Net sales	1,594,028	2,174,152
<u>Less: Cost of Sales:</u>		
Finished goods - beginning of the period	455,877	358,254
Cost of production	996,088	1,557,678
Total Goods Available for Sale	1,451,965	1,915,932
<u>Less: Finished goods - end of the period</u>	(606,135)	(496,553)
Cost of Sales	845,830	1,419,379
Gross Profit for the Period	748,198	754,773
<u>Less: Selling and distribution expenses</u>	(297,315)	(384,506)
Administrative, general and finance expenses	(452,283)	(232,821)
(Loss) Income from Operations for the Period	(1,400)	137,446
Investment revenue and net other revenue	163,366	164,910
<u>Less: Other expenses</u>	(3,998)	(10,561)
Profit for the Period before Income Tax	157,968	291,795
<u>Less: Income tax provision</u>	(17,740)	(32,146)
Profit for the Period	140,228	259,649
Earnings per Share (Basic and Diluted)	10 0.014	0.026

Board of Directors Chairman

General Manager

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INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three-Month Period Ended March 31,	
	2019	2018
	JD	JD
Profit for the period	140,228	259,649
 <u>Other Comprehensive Income Items:</u>		
<u>Items that will not be reclassified subsequently to the consolidated condensed interim statement of income:</u>		
Net (Loss) gain from the revaluation of financial assets at fair value through other comprehensive income	(281,568)	809,905
Total Other Comprehensive Income for the Period	(281,568)	809,905
Total Comprehensive (Loss) Income for the Period	(141,340)	1,069,554

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED, NOT AUDITED)

	Notes	Financial Assets at Fair Value						Retained Earnings	Profit for the Period	Total Shareholders' Equity
		Paid-up Capital		Statutory Reserve		Voluntary Reserve				
		JD	JD	JD	JD	JD	JD			
For the Period Ended March 31, 2019										
Balance - beginning of the period		10,000,000	5,914,384	2,155,018	3,501,357	4,343,676	-	25,914,435		
Profit for the period		-	-	-	-	140,228	140,228	140,228		
Change in financial assets valuation reserve		-	-	-	(281,568)	-	-	(281,568)		
Total Comprehensive Income for the Period		-	-	-	(281,568)	140,228	140,228	(141,340)		
Balance - End of the Period		10,000,000	5,914,384	2,155,018	3,219,789	4,343,676	140,228	25,773,095		
For the Three Month Period Ended March 31, 2018										
Balance - beginning of the period		10,000,000	5,792,126	2,155,018	3,179,602	4,637,702	-	25,764,448		
Profit for the period		-	-	-	-	259,649	259,649	259,649		
Net change in financial assets valuation reserve		-	-	-	809,905	-	-	809,905		
Total Comprehensive Income for the Period		-	-	-	809,905	259,649	259,649	1,069,554		
Balance - End of the Period		10,000,000	5,792,126	2,155,018	3,989,507	4,637,702	259,649	26,834,002		

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
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GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Reviewed not Audited)

	For the Three-Month Period	
	Ended March 31,	
Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:	JD	JD
Profit for the period before tax	157,968	291,795
Adjustments:		
Depreciation of property, equipment and Investment property	246,970	176,077
Amortization of intangible assets	7,533	6,415
Interest against lease obligations	2/b 752	-
Bank interest income	-	(22,083)
Dividends revenue	<u>(143,952)</u>	<u>(131,385)</u>
Net Cash Flows from Operating Activities before Changes in Working Capital	269,271	320,819
(Increase) in inventory	(546,346)	(377,160)
Decrease (Increase) in due from related parties	1,241,095	(87,419)
Decrease (increase) in accounts receivable	5,814	(107,749)
(Increase) in other debit balances	(533,056)	(205,965)
(Increase) in cheques under collection	(342,834)	(165,785)
Increase in due to related parties	143,308	84,507
(Decrease) in accounts payable and other credit balances	(124,462)	(171,710)
(Decrease) in other liabilities	<u>(30,859)</u>	<u>(99,180)</u>
Net Cash Flows (used in) from Operating Activities before Income Tax Paid	81,931	(809,642)
Income tax paid	11 <u>(42,150)</u>	<u>(51,856)</u>
Net Cash Flows from (used in) Operating Activities	<u>39,781</u>	<u>(861,498)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase) of property and equipment	(192,325)	(69,948)
(Purchase) of financial assets through comprehensive income	-	(248,496)
(Purchase) of financial assets at amortized cost	500,000	(500,000)
Bank Interest received	-	22,083
Dividends revenue received	<u>143,952</u>	<u>131,385</u>
Net Cash Flows from (used in) Investing Activities	<u>451,627</u>	<u>(664,976)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Decrease) in obligations towards lease agreement - long term	<u>(7,936)</u>	<u>(7,936)</u>
Net Cash Flows (used in) Financing Activities	<u>(7,936)</u>	<u>(7,936)</u>
Net Increase (Decrease) in Cash	483,472	(1,534,410)
Cash on hand and at banks - beginning of the period	<u>537,065</u>	<u>3,436,403</u>
Cash on Hand and at Banks - End of the Period	4 <u>1,020,537</u>	<u>1,901,993</u>
Non-cash Items:		
(Increase) in right of use assets	<u>(51,187)</u>	-
Increase in obligations towards lease agreements	<u>38,372</u>	-

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. General

- a. General Investment Company was established and registered at public shareholding companies' register under No. (117) on November 26, 1977, in accordance with the Companies Law No. (13) for the year 1964. The Company has increased its capital, on several stages, to reach 10 million shares at a par value of JD 1 per share.
- b. The Company's headquarters is located in Amman, and its address is: Abu Jaber's Building, Zahran Street, Jabal Amman, B.O. Box 8050, Amman 11121 Jordan.
- c. On July 16, 2007, the Company obtained the approval of the Ministry of Industry and Trade to merge the Arabian Beer Factories with the Company noting that, the General Assembly of Shareholders agreed to merge the two companies on October 15, 2006, and the Company's shares were returned for trading on Amman Stock Exchange on May 28, 2008. In addition, the registration of the Arabian Beer Factories Company as regards to the general and private sales tax was canceled as of February 28, 2008. Based on the decision of the Board of Directors, in their meeting No. (135) dated July 8, 2008, the actual merger of the accounts took place on January 1, 2008.
- d. The Company's objectives are to conduct all industrial activities, real estate activities, and any other related investing activities that aim to make profit, including the following:
1. To carry out the production, manufacturing and distribution of regular refreshments, soft drinks, mineral water, beer, malt, ice and carbon dioxide; and to import any complementary raw materials.
 2. To own and use any trademarks, invention rights or royalties, as the Company deems appropriate to accomplish its objectives.
 3. To own and manage movable and immovable properties provided that acquisition of land is not intended for trade or gain purposes.
 4. To conduct commercial, manufacturing and agricultural business, as the Company deems necessary, to achieve its objectives.
- e. The Company sells its products in the local market through Saed Abu Jaber and Sons Company (shareholder) who is the exclusive distributor for the Company in the local market until March, 2019.
- f. The company manufactures some of its products under a franchise agreement with Heineken - Holland (shareholder), in addition to Henninger - Germany for a specific franchise fee, granting the company the exclusive franchise to use trademarks in geographical areas designated for the sale of some products the company produces.
- The Agreement obligates the company to market some of its produced products according to the franchise agreement based on an annual marketing plan that aims to increase sales and to meet demand appropriately.
- g. The condensed consolidated interim financial statements were approved by the Board of Directors on April 23rd, 2019.

2. Significant Accounting Policies

Basis of Consolidation of the Financial Statements

- The condensed consolidated interim financial statements include the financial statements of the Company and the subsidiary controlled by it. Control is achieved when the Company has the power to govern the financial and operating policies of the subsidiary company so as to obtain benefits from its activities. All intra-group transactions, balances, income and expenses are eliminated.
- The financial statements of the subsidiary company were prepared using the same accounting policies adopted by the Company. Even if the accounting policies adopted by the subsidiary are different from those used by the Company, the necessary adjustments to the financial statements of the subsidiary company are made to comply with the accounting policies used by the Company.
- The results of operations of the subsidiary company are consolidated into the accompanying condensed consolidated interim statement of income from the effective date of acquisition which is the date on which actual control over the subsidiary company is obtained. Moreover, the results of operations of the disposed of subsidiary are incorporated into the condensed consolidated interim statement of income up to the effective date of disposal which is the date on which the Company loses control over the subsidiary company.
- During the year 2017, the Company has established Jordanian Excellence for Distribution and Agencies (limited liability Company) in Amman – Jordan, with a paid up capital of JD 30,000 distributed over 30,000 shares fully owned by the Company, the registration procedures of the subsidiary have been completed by the regulatory authorities on January 12, 2017. During the year 2018, the mother Company has increased the Paid-up Capital by JD 45,000 which became JD 75,000.

The main objectives of the subsidiary are export, import, distribution, wholesale and retail trade in food, consumables and the trade of carbonated drinks, and import, export and distribute cosmetics, and trade sterilizers and detergents, as well as renting possess the warehouses necessary to store goods in addition to general trade.

The following are the main financial information of the subsidiary:

	March 31, 2019		For the Period Ended March 31, 2019
	JD		JD
Total Assets	502,568	Total Revenue	94,954
Total Liabilities	662,123	Total Expenses	221,591
Net Assets	(159,555)	(Loss) for the Period	(126,637)

Basis of Preparation of the Condensed Consolidated Interim Financial Statements

- The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting.
- The condensed consolidated financial statements of the Company are presented in Jordanian Dinar, which is also its functional currency.

- The condensed consolidated interim financial statements have been prepared according to the historical cost convention except for the financial assets and liabilities that appear at fair value at the date of the condensed consolidated interim financial statements.
- The accompanying condensed consolidated interim financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and should be read with the Company's annual report as of December 31, 2018. In addition, the results of the Company's operations for the three-month period ended March 31, 2019 do not necessarily represent an indication of the expected results for the year ending December 31, 2019.
- The Company did not deduct any statutory reserves for the profit of the three-month period ended March 31, 2019 in accordance with the Companies Laws and the Regulations issued, as these financial statements are condensed interim statements and the deduction is made at the end of the fiscal year.
- The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of the new and revised standards which are applied on or after the first of January of 2018 as follow:

A. Amendments with no material effect on the condensed consolidated interim financial statements of the company:

Annual Improvements to IFRS Standards for financial statement issued in 2015 – 2017

The annual Improvements includes Amendments to IFRS 3 "Business Combinations", IFRS 11 "Joint Arrangements", IAS 12 "Income Taxes" and IAS 23 "Borrowing Costs."

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS 12 and specifically addresses:

- Whether the tax treatment should be considered in aggregate;
- Assumptions regarding the procedures for the examination of tax authorities;
- determine taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances

Amendments in IFRS 9 "Financial Instruments"

These amendments are related to Prepayment Features with Negative Compensation. The current requirements of IFRS 9 regarding termination rights have been amended to allow for the measurement at amortized cost (or, based on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Amendments to IAS 28 "Investment in Associates and Joint Ventures"

These amendments relate to long-term shares in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 "Financial Instruments" to long-term shares in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendment to IAS 19 "Employee Benefits"

These amendments are related to amendment, curtailment or settlement of a defined benefit plan.

B. Amendments with material effect on the condensed consolidated interim financial statements of the company:

IFRS 16 "Leases"

The Company adopted IFRS 16 'Leases' the standard replaces the existing guidance on leases, including IAS 17 "Leases". IFRIC 4 "Determining whether an Arrangement contains a Lease". SIC 15 "Operating Leases - Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease". IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS 16 stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS 17 "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has opted for the simplified approach application permitted by IFRS 16 upon adoption of the new standard. During the first time application of IFRS 16 to operating leases, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at December 31, 2018, there were no adjustments on the returned earnings using the simplified approach, there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to leased properties as of March 31, 2019 and January 1st, 2019.

The movement on the right-of-use assets and lease liabilities during the period is as follow:

	<u>Right-of- Use Assets</u>	<u>Lease Liabilities</u>
	JD	JD
Balance at January, 2019	52,787	52,787
Amortization of prepaid rent expense at January 1st, 2019	-	(15,167)
Interest during the period	-	752
Paid amount during the period	-	-
Depreciation during the period	(1,600)	-
Balance at March 31, 2019	<u>51,187</u>	<u>38,372</u>
Balances that mature within 12 months	6,400	20,197
Balances that mature in more than 12 months	<u>44,787</u>	<u>18,875</u>
	<u>51,187</u>	<u>38,372</u>

The Company's Leasing Activities and How these are Accounted for:

The Company leases properties to be used in its activities. Rental contracts are typically made for fixed periods ranged between 1 to 30 years and may have extension options, lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions, the lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of properties were classified as either finance or operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From January 1, 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and;
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs, and;
- Restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

In applying IFRS 16 for the first time, the Company has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous

- The accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease.

3. Use of Estimates

The Preparation of the condensed consolidated interim financial statements and application of the accounting policies require the Company's management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities and disclosing contingent liabilities. In addition, these estimates and assumptions may affect revenues, expenses and provisions and expected credit losses. In particular, this requires the Company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the mentioned assessments are necessarily based on multiple assumptions and factors with varying degrees of consideration and uncertainty. In addition, the actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

We believe that the estimates adopted in the condensed consolidated interim financial statements are reasonable and consistent with the estimates adopted in the financial statements for the year ended December 31, 2018.

4. Cash on Hand and at Banks

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Cash on hand	4,344	2,549
Balances at banks – current accounts	1,016,193	534,516
	<u>1,020,537</u>	<u>537,065</u>

5. Accounts Receivable - Net

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Trade receivables	1,648,171	1,653,985
<u>Less: Expected credit loss provision</u>	<u>(196,561)</u>	<u>(196,561)</u>
	<u>1,451,610</u>	<u>1,457,424</u>

The aging of these receivables is as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Less than 30 days	879,866	561,433
From 31 days to 60 days	188,974	372,007
From 61 days to 90 days	39,385	187,404
From 91 days to 180 days	265,263	210,365
From 181 days to 270 days	53,288	54,399
From 271 days to 360 days	47,354	21,766
More than 360 days	174,041	246,611
	<u>1,648,171</u>	<u>1,653,985</u>

The movement on the expected credit loss provision for accounts receivable is as follows:

	For the Three- Month Period Ended March 31, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance – beginning of the period / year	196,561	168,681
Expected credit loss provision booked during the period / year	-	27,880
Balance – End of the Period / Year	<u>196,561</u>	<u>196,561</u>

- Accounts receivable include balances outstanding for more than 360 days in the amount of JD 174,041 as of March 31, 2019 (against JD 246,611 as of December 31, 2018).

6. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Shares of listed companies	10,637,316	10,918,884
Shares of unlisted companies *	<u>2,991,306</u>	<u>2,991,306</u>
	<u>13,628,622</u>	<u>13,910,190</u>

- * The shares of unlisted companies are valued according to the most recent available issued financial statements of the investee companies, and we believe that there is no impairment in the value of these investments.

7. Financial Assets at Amortized Cost

This item consists of the following;

	March 31, 2019	December 31, 2018
	JD	JD
Jordan Trade Facilities Company bonds *	-	500,000
Ithmaar Investment & Financial consultancy Company bonds **	<u>110,000</u>	<u>110,000</u>
	<u>110,000</u>	<u>610,000</u>

- * During the month of February 2018, the Company invested in bonds from Jordan Trade Facilities Company with a nominal value of JD 500,000. Issued on February 9, 2018 for 359 days at a fixed interest rate of 6.75%, calculated on the basis of the number of actual days divided by 360 days and it has matured and was collected during in the first quarter of the year 2019.
- ** During the month of October 2018, the Company invested in a 22 bonds from Ithmaar Investment and Financial Consultancy Company with a nominal value of JD 110,000. Issued on 10 October 2018 for 5 years and at a fixed interest rate of 8.25% calculated on the basis of the number of actual days divided by 365 from the date of issue until maturity date.

8. Investment Property

The fair value of the investments property is estimated at JD 610,222 according to the latest real estate valuation available at the end of the year 2018.

9. Shareholders' Equity

a. Paid - Up Capital

The Company's paid-up capital consists of 10 million shares at a par value of JD 1 per share.

b. Statutory Reserve

Statutory reserve represents accumulated amounts transferred from the annual net income before tax at a rate of 10% up to the end of year 2018, in accordance with the Jordanian Companies Law, this reserve may not be distributed to shareholders.

c. Voluntary Reserve

Voluntary reserve represents accumulated amounts transferred from the annual net income before tax at a rate not exceeding 20% during the prior years. This reserve is used for the purposes determined by the Board of Directors, and the General Assembly of Shareholders has the right to distribute it, in whole or part, as dividends to shareholders.

d. Financial Assets at Fair Value Valuation Reserve

This item represents a valuation reserve for financial assets at fair value through other comprehensive income which resulted from revaluing these assets at their fair value as of March 31, 2019 and December 31, 2018.

10. Earnings per Share

Earnings per share from the profit for the period was as following:

	For the Three-Month Period Ended March 31,	
	2019	2018
	JD	JD
Income for the period	<u>140,228</u>	<u>259,649</u>
Weighted Average Shares	<u>Share 10,000,000</u>	<u>Share 10,000,000</u>
Earnings per share from the profit for the period - basic and diluted	<u>JD/Share 0.014</u>	<u>JD/Share 0.026</u>

11. Tax

a. Income Tax Expense:

Income tax expense for the period was recorded based on taxable income at a rate of 15% in addition to 1% National Contribution Tax which represents the tax rates imposed on the Company.

b. Income Tax Provision:

The movement on the income tax provision is as follows:

	For the Three- Month Period Ended March 31, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance - beginning of the period/year	228,563	192,389
Accrued income tax on the profit of the current period/year	17,740	287,086
	246,303	479,475
Less: Income tax paid during the period/year	(42,150)	(250,912)
Balance - End of the Period/Year	204,153	228,563

d. Tax Status:

The Company appealed the Income and Sales Tax Department's claim for the sales tax from November 1, 2009 till December 31, 2011 in addition to double tax and legal penalties for the periods from July 1, 2010 till October 31, 2010 and from July 1, 2011 till October 31, 2011 which amounted to JD 228,361. The certified expert appointed by the court has submitted his report which the court has accepted resulting in a total due amount of JD 111,201. The Company have paid the amount due to the Income and Sales Tax Department during December 2018.

The Company has reached a final settlement with Income and Sales Tax Department up to the end of the year 2016. The Company submitted its income tax for the year 2017 and it has not been reviewed by the Income and Sales Tax Department till the date of the accompanying condensed consolidated interim financial statements. In the Management's opinion, the income tax provision booked in the condensed consolidated interim financial statements is sufficient and there is no need for additional provision.

12. Payables and Other Credit Balances

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Trade payables	797,434	758,142
Due to Income and Sales Tax Department	574,379	741,278
Unpaid dividends distributions	323,319	323,319
Due to Social Security Department	29,910	26,765
	1,725,042	1,849,504

13. Balances and Transactions with Related Parties

The details of balances and transactions with related parties (shareholders or Companies owned by shareholders) is as follows:

	Major Shareholders and Members of the Board of Directors	Related Companies	Expected Credit Losses Provision	Total
<u>March 31, 2019</u>	JD	JD		JD
Accounts receivable	648,000	158,096	(30,952)	775,144
Accounts payable	482,336	94,758	-	577,094
Investments	-	6,114,027	-	6,114,027
Obligations against financial lease	-	47,615	-	47,615
<u>December 31, 2018</u>				
Accounts receivable	1,921,916	125,275	(30,952)	2,016,239
Accounts payable	412,795	20,991	-	433,786
Investments	-	6,253,417	-	6,253,417
Obligations against financial lease	-	55,551	-	55,551
<u>For the Three-Month Period Ended</u>				
<u>March 31, 2019</u>				
Sales	2,025,850	-	-	2,025,850
Expenses	-	143,218	-	143,218
<u>For the Three-Month Period Ended</u>				
<u>March 31, 2018</u>				
Sales	1,366,280	1,010	-	1,367,290
Expenses	15,024	189,934	-	204,958

- The Company was selling its products in the local market through Saed Abu Jaber and Sons Company (Shareholder) who is the exclusive distributor for the Company in the local market. In the subsequent period ending 31 March 2019, the agreement with Saed Abu Jaber and Sons Company was terminated. The Company became the main distributor of all its products.
- The Company manufactures some of its products under a franchise agreement with Heineken - Holland (shareholder), in addition to Henninger - Germany for a specific franchise fee, granting the Company the exclusive franchise to use trademarks in geographical areas designated for the sale of some products the company produces.
- The agreement obligates the Company to market some of its produced products according to the franchise agreement based on an annual marketing plan that aims to increase sales and to meet demand appropriately.
- The salaries and bonuses of executive management amounted to JD 79,134 for the three-month period ended March 31, 2019 (JD 79,837 for the three-month period ended March 31, 2018).

14. Contingent Liabilities

At the date of the financial position, the Company was contingently liable for bank guarantees with an amount of JD 78,786 as of March 31, 2019 and December 31, 2018, in addition Lawsuits against the Company have amounted to JD 22,298. According to the Management and their legal consultant, the Company will not bear any obligations against these lawsuits expect for one case with the amount of JD 9,695 for which a provision has been booked.

15. Subsequent Events

The General Assembly of shareholders in their ordinary meeting held on April 23, 2019 approved the board of directors' recommendation to distribute cash dividends of JD 1,200,000 to the shareholders at a rate of 12% of the capital for the year 2018 (JD 1,200,000 as cash dividends to the shareholders at a rate of 12% of the capital for the year 2017).

16. Operating Segments

The operating segments of the Company are as follows:

a. Manufacturing Segment

This sector represents the Company's investment in assets in order to manufacture and sell its main products of alcoholic and non-alcoholic drinks, mainly classified into local sales, export sales and free zones and Aqaba sales.

b. Importing Segment

This sector represents the Company's investment in assets in order to import and sell products that consist of alcoholic and non-alcoholic drinks, mainly classified into local sales and free zones and Aqaba sales.

b. Importing food products and agencies

This sector represents the Company's assets related to export and import activities and retail for consumables and food products and warehouse lease activities.

d. Investing Segment

This sector represents the Company's investment in a portfolio of financial assets as well as investments in a real estate building. The revenue of this sector is classified as recurring revenues (consisting of rental income, dividends distributions and bank interest income) and non-recurring revenues (consisting of gains and losses on the disposal of investments as well as impairment).

d. Revenue and Net Profit from Operating Segments

Below is the analysis of the Company's revenues and operating results distributed according to its operating segments:

	For the Three-Month Period Ended March 31,	
	2019	2018
<u>Manufacturing:</u>	JD	JD
Net local sales	1,114,002	1,150,898
Net export sales	49,487	488,933
Net sales of free zones / Aqaba	237,734	242,528
Net sales from manufactured varieties	1,400,273	1,882,359
<u>Less: Cost of Produced varieties Sales</u>	(647,653)	(1,219,988)
Gross income from Produced varieties Sales	752,620	662,371
 <u>Import:</u>		
Net import sales	184,474	291,793
<u>Less: Cost of import sales</u>	(191,364)	(199,391)
Gross income from import	(6,890)	92,402
 <u>Import of food products and agencies:</u>		
Net food products sales	9,281	-
<u>Less: Cost of food products sales</u>	(6,813)	-
Gross income from sale of food products	2,468	-
Total Gross income from sales	748,198	754,773
 <u>Less: Selling and distribution expenses</u>	(279,315)	(384,506)
Total Gross income from segment	468,883	370,267
 <u>Investing:</u>		
Frequent Revenues	158,940	158,201
Total Segment Profit	158,940	158,201
Total Segments Profit	627,823	528,468

Expenses not distributed over segments	(469,855)	(236,673)
Profit for the Period before Tax	157,967	291,795
Income Tax expense	(17,740)	(32,146)
Profit for the period	140,228	259,649

e. Operating Segments Assets and Liabilities

The analysis of the Company's assets and liabilities distributed according to its operating segments is as follows:

	Assets		Liabilities	
	March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
	JD	JD	JD	JD
Manufacturing and Importing	9,232,508	9,635,335	2,086,448	2,283,290
Investing	14,016,012	14,799,040	-	-
Total Assets / Liabilities	23,248,520	24,434,375	2,086,488	2,283,290
Undistributed assets / liabilities	5,702,308	4,663,780	1,091,245	900,430
Total Assets / Liabilities	28,950,828	29,098,155	3,177,733	3,183,720

f. Revenues from Main Sales

Revenues of the manufacturing and importing segments (representing the major part of the Company's revenue) consist of sales of alcoholic and non-alcoholic drinks as follows:

	For the Three-Month Period Ended March 31,	
	2019	2018
	JD	JD
Sales of alcoholic drinks	3,096,728	3,718,254
Sales of non-alcoholic drinks	79,644	80,130
Total Sales	3,176,372	3,798,384
<u>Less: Sales tax</u>	(1,582,344)	(1,624,232)
Net Sales	1,594,028	2,174,152

A. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis.

Some financial assets and liabilities of the Company are measured at fair value at the end of each fiscal period. The following table shows information about how the fair value of these financial assets and liabilities is determined (valuation methods and inputs used).

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
	March 31, 2019	December 31, 2018				
	JD	JD				
Financial assets at fair value in other comprehensive income						
Quoted shares	10,637,316	10,918,884	Level I	Listed prices in the financial markets	N/A	N/A
Unquoted shares	2,991,306	2,991,306	Level II	Comparing with the market value for a similar financial instrument	N/A	N/A
Total	13,628,622	13,910,190				

There were no transfers between the first level and second level during the nine months ended March 31, 2019 or during the year 2018.

B. The fair value of financial assets and financial liabilities of the Company non-specified at fair value on an ongoing basis.

Except as set out in the table below, we believe that the carrying amount of financial assets and financial liabilities shown in the financial statements of the Company approximates their fair value, as the Company's management believes that the carrying value of the items listed below approximated their fair value, due to either their maturity or short-term interest rates repriced during the year.

	March 31, 2019		December 31, 2018		Fair value Level
	Book Value	Fair Value	Book Value	Fair Value	
Assets with an unspecified fair value					
Property Investment	JD 277,390	JD 610,222	JD 278,850	JD 610,222	Level II
Total Assets with an Unspecified Fair Value	277,390	610,222	278,850	610,222	

For the above-mentioned items, the second level financial liabilities and financial assets have been determined at fair value according to the agreed-upon pricing model, which reflects the credit risk of the parties dealt with.