



General Investment Co. Ltd.

Abujaber Bldg. 188, Zahran Street
P.O. Box 8050 Amman 11121 Jordan
Tel. 962-6-2003344
Fax 962-6-2003345
Website: www.gicjo.com

<p>To: Jordan Securities Commission To: Amman Stock Exchange Date:- 26/07/2017 Subject: Semi- Annual Report as of 30/06/2017</p>	<p>السادة هيئة الاوراق المالية السادة بورصة عمان التاريخ:- 2017/07/26 الموضوع: التقرير نصف السنوي كما هو في 2017/06/30</p>
<p>Attached the company's Semi- Annual Report of (General Investment Co. LTD.) As of 30/06/2017.</p>	<p>مرفق طيه نسخة من التقرير نصف السنوي لشركة (الاستثمارات العامة المساهمة المحدودة) كما هو بتاريخ 2017/06/30.</p>
<p>Kindly accept our highly appreciation and respect,,, General Investment Co. LTD. General Manager's Signature</p>	<p>وتفضلوا بقبول فائق الاحترام... شركة الاستثمارات العامة المساهمة المحدودة توقيع المدير العام</p>

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٢٧ لـ ٢٠١٧
الرقم المتسلسل: 3931
رقم الملف: 41689
الجهة المختصة: 211461

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX MONTHS
ENDED JUNE 30, 2017
TOGETHER WITH THE REVIEW REPORT

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
JUNE 30, 2017

TABLE OF CONTENTS

	<u>Page</u>
Review Report	1
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Income	3
Condensed Consolidated Interim Statement of Comprehensive Income	4
Condensed Consolidated Interim Statement of Changes in Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Statements	7 - 16

Review Report

AM/ 4732

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 June 30, 2017 and the related condensed consolidated interim statement of income and comprehensive income, changes in equity, and statement of cash flows for the six-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 interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed consolidated interim financial statements 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.

Emphasis of a Matter

Without qualifying our opinion, we draw attention to Note (6) to the accompanying condensed consolidated interim financial statements, which state that the financial assets include assets with an amount of JD 1,150,716 as of June 30, 2017, registered in the name of a related party. Noting that the transfer of ownership procedures has not been completed until the date of the accompanying condensed consolidated interim financial statements.

Explanatory paragraph

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 only.

Other Matters

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
July 18, 2017



Deloitte & Touche
Deloitte & Touche (M.E.) - Jordan

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

		June 30, 2017 (Reviewed not Audited)	December 31, 2016 (Audited)
	Note	JD	JD
ASSETS			
Current Assets:			
Cash on hand and at banks			
Cheques under collection	4	3,898,103	3,126,026
Accounts receivable - net		5,000	216,505
Due from related parties	5	652,322	453,462
Inventory - net	11	956,230	1,405,471
Other debit balances		2,889,777	2,636,772
Total Current Assets		<u>162,640</u>	<u>115,836</u>
		<u>8,564,072</u>	<u>7,954,072</u>
Non-Current Assets:			
Financial assets at fair value through other comprehensive income			
Property and equipment - net	6	12,119,553	12,088,547
Intangible assets - net		7,032,688	7,087,319
Investment property		38,879	37,811
Total Non-current Assets	7	<u>165,869</u>	<u>168,875</u>
TOTAL ASSETS		<u>19,356,989</u>	<u>19,382,552</u>
		<u>27,921,061</u>	<u>27,336,624</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liability:			
Current Liabilities:			
Trade payables			
Due to related parties		503,380	324,574
Income tax provision	11	279,029	252,354
Other current liabilities	10	94,701	519,831
Total Liabilities		<u>2,672,164</u>	<u>1,708,687</u>
		<u>3,549,274</u>	<u>2,805,446</u>
Shareholders' equity:			
Paid-up capital	8/A	10,000,000	10,000,000
Statutory reserve	8/B	5,589,899	5,589,899
Voluntary reserve	8/C	2,155,018	2,155,018
Financial assets at fair value valuation reserve	8/C	2,385,925	2,536,391
Retained earnings		3,062,284	4,249,870
Profit for the period		<u>1,178,661</u>	<u>-</u>
Total Shareholders' Equity		<u>24,371,787</u>	<u>24,531,178</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>27,921,061</u>	<u>27,336,624</u>

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

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
(REVIEWD NOT AUDITED)

	For the Three Months		For the Six Months	
	Ended June 30,		Ended June 30,	
Note	2017	2016	2017	2016
	JD	JD	JD	JD
Net sales	1,604,131	1,980,655	3,690,590	3,747,375
Less: Cost of Sales:				
Finished goods - beginning of the period	191,604	191,604	122,757	157,552
Cost of production	1,103,564	961,219	2,460,534	2,079,184
Total goods available for sale	1,295,168	1,152,823	2,583,291	2,236,736
Less: Finished goods - end of the period	(477,105)	(135,061)	(477,105)	(135,061)
Cost of Sales	818,063	1,017,762	2,106,186	2,101,675
Gross Profit for the Period	786,068	962,893	1,584,404	1,645,700
Less: Selling and distribution expenses	(321,503)	(198,343)	(592,211)	(324,843)
General and administrative expenses	(187,074)	(202,695)	(370,555)	(416,150)
Net Income from Operations for the Period	277,491	561,855	621,638	904,707
Investment revenue and net other revenue	507,891	419,439	680,861	538,850
Less: Other expenses	(11,951)	10,840	(21,947)	(6,660)
Profit for the Period before Income Tax	773,431	992,134	1,280,552	1,436,897
Income tax provision	(50,726)	(65,769)	(101,891)	(98,689)
Profit for the Period	722,705	926,365	1,178,661	1,338,208
Earnings per Share (Basic and Diluted)			0.12	0.13

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

GENERAL INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWD NOT AUDITED)

	<u>For the Three Months Ended</u> <u>June 30,</u>		<u>For the Six Months Ended</u> <u>June 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Profit for the period	722,705	926,365	1,178,661	1,338,208
<u>Other Comprehensive Income Items:</u>				
<u>Items that will not be reclassified subsequently to the condensed</u>				
<u>interim statement of income:</u>				
Net (loss) from the revaluation of financial assets at fair value through other comprehensive income	(601,889)	(99,011)	(150,466)	(366,215)
Gain from the sale of financial assets at fair value through other comprehensive income	-	-	12,414	-
Total Other Comprehensive Income Items	(601,889)	(99,011)	(138,052)	(366,215)
Total Comprehensive Income for the Period	120,816	827,354	1,040,609	971,993

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

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

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

	Financial				Profit for	Total
	Paid-up	Statutory	Voluntary	Assets at Fair	the Period	Shareholders'
	Capital	Reserve	Reserve	Value Reserve		Equity
	JD	JD	JD	JD	JD	JD
For the Six Months Ended June 30, 2017						
Balance - beginning of the period	10,000,000	5,589,899	2,155,018	2,536,391	-	24,531,178
Profit for the period	-	-	-	-	1,178,661	1,178,661
Net change in financial assets valuation reserve	-	-	-	(150,466)	-	(150,466)
Gain from the sale of financial assets at fair value through other comprehensive income	-	-	-	-	-	12,414
Total Comprehensive Income for the Period	-	-	-	(150,466)	1,178,661	1,040,609
Dividends	-	-	-	-	-	(1,200,000)
Balance - End of the Period	10,000,000	5,589,899	2,155,018	2,385,925	1,178,661	24,371,787
For the Six Months Ended June 30, 2016						
Balance - beginning of the period	10,000,000	5,340,268	2,155,018	2,243,841	-	23,624,797
Profit for the period	-	-	-	-	1,338,208	1,338,208
Net change in financial assets valuation reserve	-	-	-	(366,215)	-	(366,215)
Total Comprehensive Income for the Period	-	-	-	(366,215)	1,338,208	971,993
Dividends	-	-	-	-	-	(1,500,000)
Balance - End of the Period	10,000,000	5,340,268	2,155,018	1,877,626	1,338,208	23,096,790

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

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(Reviewed not Audited)

	For the Six Months Ended	
	June 30,	
	Note	
	2017	2016
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period before tax	1,280,552	1,436,897
Adjustments:		
Depreciation of property and equipment and investment property	442,466	437,061
Amortization of intangible assets	10,569	6,943
Bank interest income	(49,309)	(28,746)
Dividends revenue	(575,734)	(477,414)
(Gain) from the sale of property and equipment	(2,630)	(17,332)
Net Cash Flows from Operating Activities before Changes in Working Capital	1,105,914	1,357,409
(Increase) in inventory	(253,005)	(4,847)
(Increase) in accounts receivable - net	(198,860)	(85,474)
Decrease (Increase) in due from related parties	449,241	(1,037,799)
Decrease in cheques under collection	211,505	2,805
(Increase) in other debit balances	(46,804)	(64,274)
Increase (decrease) in due to related parties	26,675	(141,495)
Increase (decrease) in trade payable	178,806	(434,772)
Increase in other liabilities	963,477	169,934
Net Cash Flows from (used in) Operating Activities before Income Tax Paid	2,436,949	(238,513)
Income tax paid	10 (527,021)	(94,305)
Net Cash Flows from (used in) Operating Activities	1,909,928	(332,818)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase) of property and equipment	(384,829)	(124,493)
(Purchase) of intangible assets	(11,637)	(17,045)
(Purchase) of financial assets at fair value through other comprehensive income	(231,025)	(26,441)
Proceeds from the sale of property and equipment	2,630	17,332
Bank interest received	49,309	28,746
Proceeds from the sale of financial assets at fair value through other comprehensive	61,967	-
Dividends revenue received	575,734	477,414
Net Cash Flows from Investing Activities	62,149	355,513
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distributed dividends	(1,200,000)	(1,230,745)
Net Cash Flows (used in) Financing Activities	(1,200,000)	(1,230,745)
Net Increase (Decrease) in Cash	772,077	(1,208,050)
Cash on hand and at banks - beginning of the period	3,126,026	3,429,076
Cash on Hand and at Banks - End of the Period	4 3,898,103	2,221,026

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

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 the Ministry of Industry and Trade as a limited liability company 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 Jabber's Building, Zahran Street, Jabal Amman, 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 Factory 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 Factory 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, 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 their local exclusive dealer; Saed Abu Jaber Company (A shareholder).
- f. The Company manufactures some of its products under a franchise agreement with Heineken - Holland (a 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 and to 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 July 18, 2017.

2. Significant Accounting Policies

Basis of Consolidation of the Condensed Interim 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. 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 consolidated 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 subsidiaries 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 companies.
- During the year 2017, the Company has established Al Urdoniah Al Motamayizah Lil Tawzee Wal Wakalat (limited liability company) in Amman - Jordan, with a paid up capital of JD 30,000 distributed over 30,000 share fully owned by the Company, the registration procedures of the subsidiary have been completed by the regulatory authorities on January 12, 2017.

The subsidiary company main objectives are export and import, distribution, and wholesale and retail trade in food, consumables, and soft drinks.

The following is the main financial information of the subsidiary:

	June 30, 2017		For the Period from its Inception on January 12, 2017 until 30 June 2017
	JD		JD
Total Assets	29,909	Total Revenue	1,474
Total Liabilities	2,114	Total Expenses	(3,679)
Net Assets	27,795	(Loss) for the Period	(2,205)

Basis of Preparation of the Condensed 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 interim 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. In addition, the results of the Company's operations for the six months ended June 30, 2017 do not necessarily represent an indication of the expected results for the year ending December 31, 2017.
- The Company did not deduct any statutory reserves for the profit of the six months ended June 30, 2017 in accordance with the Companies Laws and the Regulations issued, as these financial statements are interim statements and the deduction is made at the end of the fiscal year.

The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those applied in the year ended December 31, 2016 except for the following:

- Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS (12).
- Amendments to IAS 12 Income Taxes relating to the recognition of deferred tax assets for unrealized losses.
- Amendments to IAS 7 Statement of Cash Flows to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The adoption of the above new standards had no impact on the amounts reported and disclosures made in the condensed consolidated interim financial statements.

3. Use of Estimates

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 estimated and assumption may affect revenues, expenses and provisions. 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 assumptions and factors with varying degrees of consideration and uncertainty. In addition, 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, 2016.

4. Cash on Hand and at Banks

This item consists of the following:

	June 30, 2017	December 31, 2016
	JD	JD
Cash on hand	6,000	6,000
Current accounts at banks	1,498,899	756,074
Time deposits at banks*	2,393,204	2,363,952
	<u>3,898,103</u>	<u>3,126,026</u>

The average interest rates for time deposits was 4.25% with maturity of six months.

5. Accounts Receivable - Net

This item consists of the following:

	June 30, 2017	December 31, 2016
	JD	JD
Trade receivables	822,835	623,975
<u>Less: Provision for doubtful debts</u>	<u>(170,513)</u>	<u>(170,513)</u>
	<u>652,322</u>	<u>453,462</u>

The ageing of these receivables is as follows:

	June 30, 2017	December 31, 2016
	JD	JD
Less than 30 days	146,002	40,647
From 31 days to 60 days	40,993	122,290
From 61 days to 90 days	303,315	32,821
From 91 days to 180 days	92,800	66,681
From 181 days to 270 days	2,916	63,411
From 271 days to 360 days	25,712	106,303
More than 360 days	<u>211,097</u>	<u>191,822</u>
	<u>822,835</u>	<u>623,975</u>

The movement on the provision for doubtful debts is as follows:

	For the Six Months Ended June 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance – beginning of the period / year	170,513	93,989
Provision booked during the period / year	-	76,524
Balance – End of the Period / Year	<u>170,513</u>	<u>170,513</u>

Accounts receivable include balances outstanding for more than 360 days in the amount of JD 211,097 as of June 30, 2017 (JD 191,822 as of December 31, 2016).

6. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	June 30, 2017	December 31, 2016
	JD	JD
Shares of listed companies *	10,387,235	10,556,229
Shares of unlisted companies **	<u>1,732,318</u>	<u>1,532,318</u>
	<u>12,119,553</u>	<u>12,088,547</u>

- * This item includes an investment with a fair value of JD 2,700 as of June 30, 2017, restricted against the Board of Directors' membership in the investee company (JD 2,700 as of December 31, 2016). It also includes shares registered in the name of a related party with a commitment to transfer the shares to the Company, and the fair value of these shares is JD 1,150,716 as of June 30, 2017 (JD 1,086,430 as of December 31, 2016). The transfer ownership procedures of these shares have not been completed as of the date of the accompanying condensed consolidated interim financial statements.

- ** The shares of companies not listed in financial markets are valued according to the most recent financial statements available to the investee companies, and we believe that there is no impairment in the value of these investments.

The shares of companies not listed in financial market includes an amount of JD 200,000 paid by the Company for an investment in one of the financial companies in Jordan. The registration procedures of the investment in the Company's name was not completed until the date of the accompanying condensed consolidated interim financial statements.

7. Investment Property

The fair value of real estate investments is estimated at JD 610,222 according to the latest real estate valuation available at the end of the year 2015.

8. Shareholders' equity

a. Paid – up capital

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

b. Statutory reserve

Statutory reserve represents accumulated amounts transferred from the annual net income before tax at a rate of 10%, 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% up to the end of year 2016. 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 June 30, 2017 and December 31, 2016.

e. Retained earnings

The General Assembly of shareholders in their ordinary meeting held on March 29, 2017 approved the board of director's recommendation to distribute cash dividends of JD 1,200,000 to shareholders at a rate of 12% of the capital for the year 2016.

9. Earnings per Share

Earnings per share in profit of the period was as following:

	For the Six Months Ended June 30,	
	2017	2016
	JD	JD
Income for the period	1,178,661	1,338,208
	Share	Share
Weighted Average of outstanding shares	10,000,000	10,000,000
	JD/Share	JD/Share
Earnings per share for the period –basic and diluted	0.12	0.13

10. Tax

A. Income Tax expense:

Income tax expense for the period was recorded based on taxable income at a rate of 14% which represent the tax rate imposed on the Company.

B. Income tax provision:

The movement on the income tax provision is as follows:

	For the Six Months Ended June 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance – beginning of the period / year	519,831	363,738
Accrued income tax on the current period/year profit	101,891	256,116
Accrued income tax on the prior period/year profit	-	36,264
	621,722	656,118
<u>Less: Income tax paid during the period/year</u>	<u>(527,021)</u>	<u>(136,287)</u>
Balance – End of the Period/Year	94,701	519,831

C. Deferred Taxes:

Deferred tax assets and deferred tax liabilities are not accounted for as they are not substantial and the Company is not expecting to utilize it in the near future.

D. Tax Status:

The Company has reached a final settlement with the Income and Sales Tax Department until the end of the year 2014 except for the years 2010, and 2011. The Income and Sales Tax Department reviewed the years 2010 and 2011 income tax returns and imposed additional taxes on both years in an amount of JD 593,406. However, the Company has objected the tax assessor's decision for these years at the department as appropriate. On January 20, 2016, the tax court of first instance issued an appealable decision to reduce the additional taxes, for those two years, to become JD 290,962. The Income and Sales Tax Department appealed the decision, and on the first of November 2016, the court of appeal issued its decision to reject the appeal and to affirm the decision of the court of first instance. On January 5, 2017 the Company paid amount of JD 316,264 for the two years of 2010 and 2011, and accordingly, the case was closed. Moreover, the Company has submitted its income tax return for the years 2015, and 2016 and has not been reviewed by the department yet.

In the management's opinion the income tax provision booked in the condensed consolidated interim financial statement is sufficient, and there is no need to book any additional provision.

11. Balances and Transactions with Related Parties

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

	June 30, 2017		December 31, 2016	
	Revenues	Expenses	Accounts receivable	Accounts payable
Statement of Financial Position Items:	JD	JD	JD	JD
Saed Abu Jaber and Sons Company *	881,293	-	1,345,633	-
Advance Telecommunications Company	6,110	-	9,100	-
United Insurance Company	-	83,613	-	58,310
Paper and cardboard Factory	1,661	-	1,661	-
Heineken Company - Holland **	-	194,211	-	190,620
Redeberger Group Company	-	1,205	-	3,424
Abu Jaber and Sons Company	-	-	2,432	-
Marwan Abu Jaber	67,166	-	46,645	-
	<u>956,230</u>	<u>279,029</u>	<u>1,405,471</u>	<u>252,354</u>
	For the Six Months Ended June 30, 2017		For the Six Months Ended June 30, 2017	
	Revenues	Expenses	Accounts receivable	Accounts payable
Statement of Income Items:	JD	JD	JD	JD
Saed Abu Jaber and Sons Company *	6,963,598	71,982	7,140,912	57,230
Advance Telecommunications Company	2,010	-	1,011	20
United Insurance Company	-	81,435	-	40,401
Paper and Cardboard Factory	-	-	-	22,553
Heineken Company - Holland *	9,505	69,400	-	99,528
Board of Directors	-	65,821	-	6,660
	<u>6,975,113</u>	<u>288,638</u>	<u>7,141,923</u>	<u>226,392</u>

* The Company sells its products in the local market through Saed Abu Jaber Company (Shareholder) who is the exclusive distributor for the Company.

** The Company manufactures some of its products under a franchise agreement with Heineken - Holland (a 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 and to an annual marketing plan that aims to increase sales and to meet demand appropriately.

Financial assets at fair value through other comprehensive income includes listed shares registered in the name of a related party, with a commitment to transfer the share to the Company, the fair value of these shares was JD 1,150,716 as of June 30 2017 (JD 1,086,430 as of December 31 2016). The transfer of ownership procedures of these shares has not yet been completed as of the date of the condensed consolidated interim financial statements.

- The salaries and bonuses of executive management amounted to JD 141,156 for the six months ended June 30, 2017 (JD 144,870 for the six months ended June 31, 2016).

12. Contingent Liabilities

At the date of the financial position the Company was contingently liable for bank guarantees with an amount of JD 8,986 as of June 30, 2017 and December 31, 2016, in addition to other labour cases against the Company amounting to JD 12,198 in addition to other not specified value labour cases. In the opinion of the legal advisor and the management of the company, the company will not have any obligations for these cases.

13. 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, classified into mainly domestic sales and export sales.

b. 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 (consisting of rental income and dividends) and non-recurring (comprised of gains and losses on the disposal of investments as well as impairment).

c. 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 Six Months Ended June 30,	
	2017	2016
	JD	JD
<u>Manufacturing:</u>		
Net local sales	2,312,043	2,340,821
Export sales	843,108	922,426
Net sales of free zones / Aqaba	535,439	484,128
	3,690,590	3,747,375
<u>Less: Cost of sales</u>	<u>(2,106,186)</u>	<u>(2,101,675)</u>
Gross income from sales	1,584,404	1,645,700
<u>Less: Sales and distribution expenses</u>	<u>(592,211)</u>	<u>(324,843)</u>
Total Segment Profit	992,193	1,320,857
<u>Investing:</u>		
Frequent revenues	588,548	495,892
Total Segment Profit	588,548	495,892
Total Segments Profits	1,580,741	1,816,749
Other expenses and revenues distributed	(300,189)	(379,852)
Income for the Period before Income Tax	1,280,552	1,436,897
Income tax expense	(101,891)	(98,689)
Income for the Period	1,178,661	1,338,208

d. Operating Segments Assets and Liabilities

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

	<u>Assets</u>		<u>Liabilities</u>	
	<u>June 30, 2017</u>	<u>December 31, 2016</u>	<u>June 30, 2017</u>	<u>December 31, 2016</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Manufacturing	8,329,069	8,266,003	2,061,496	1,362,358
Investing	12,285,422	12,257,422	10,890	8,135
Total Assets / Liabilities	20,614,491	20,523,425	2,072,386	1,370,493
Undistributed assets / liabilities	7,306,570	6,813,199	1,476,888	1,434,953
Total Assets / Liabilities	27,921,061	27,336,624	3,549,274	2,805,446

e. Revenues from Main Sales

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

	<u>For the Six Months</u>	
	<u>2017</u>	<u>2016</u>
	<u>JD</u>	<u>JD</u>
Sales of alcoholic drinks	7,915,432	7,929,870
Sales of non-alcoholic drinks	150,272	175,049
Total Sales	8,065,704	8,104,919
<u>Less: Sales tax</u>	<u>(4,375,114)</u>	<u>(4,357,544)</u>
Net Sales	3,690,590	3,747,375

14. Fair Value Hierarchy

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 as at		The Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
	June 30, 2017	December 31, 2016				
	JD	JD				
Financial assets at fair value in other comprehensive income						
Shares with available market prices	10,387,235	10,556,229	Level I	Prices issued in market values	N/A	N/A
Shares with no available market prices	1,732,318	1,532,318	Level II	Comparing the market value with a similar financial instrument	N/A	N/A
Total	12,119,553	12,088,547				

There was no transfers between the first level and second level during the six months ended June 30, 2017 or during the year 2016.

B. The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

Except as set out in the table below, we believe that the carrying value of financial assets and financial liabilities 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 short-term maturity or repricing of interest rates during the year.

	June 30, 2017		December 31, 2016		Fair value Level
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial assets with an unspecified fair value					
Property Investment	165,869	610,222	168,875	610,222	Level II
Total Financial Assets with an Unspecified Fair Value	165,869	610,222	168,875	610,222	

For the above-mentioned items, the 2nd 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.