General Investment Co. Ltd.

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P.O. Box 8050 Amman 11121 Jordan
Tel. 962-6-2003344
Fax 962-6-2003345
Website: www.gicjo.com

التـاريخ: 2018/03/27
الرقم: GIC 91/2018

للإيضاح
* بورصة عمان
* السيد هاني
السيد عمر
السيدة روان
السيد عبالله

٣/٢٨

السادة هيئة الأوراق المالية المحترمين
عمـان – 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 **2017/01/01** ولغاية الفترة **2017/12/31** باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام ،،،

هيئة الأوراق المالية
الدائرة الادارية / الديوان
٢٨ آذار ٢٠١٨
الرقم المتسلسل ....
الجهة المختصة ....

شركة الاستثمارات العامة المساهمة المحدودة

شركة الاستثمارات العامة المساهمة المحدودة
GIC
عمان – الأردن

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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
DECEMBER 31, 2017

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Deloitte.

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Independent Auditor's Report

AM/ 4732

To the Shareholders of
General Investment Company
(A Public Shareholding Limited Company)
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of General Investment Company (A Public Shareholding Limited Company), which comprise the consolidated statement of financial position as of December 31, 2017, and the consolidated statements of income, other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the Company's consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a Matter Paragraph

Without qualifying our opinion, we draw attention to Note (9) to the accompanying consolidated financial statements which states that the financial assets include assets with an amount of JD 1,150,716 as of December 31, 2017, registered in the name of a related party, noting that the transfer of ownership procedures has been completed during the subsequent period.

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Key Audit Matters
Key audit matters, in our professional judgment, are the most significant matters in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Unlisted Financial Assets
Financial assets at fair value through other comprehensive income represent around 45% of the Company's total assets as of December 31, 2017. These assets include unlisted investments in the amount of JD 2,596,760. The International Financial Reporting Standards requires that these assets to be measured at fair value. The Company should determine their fair value based on a study using discounted future cash flows for these investments.

Scope of Audit to Address the Risk
The audit procedures included understanding and evaluating internal procedures relating to the determination of the fair value of the unlisted financial assets, as well as testing their efficiency of these procedures. In addition to reviewing the estimates and assumptions adopted by the Company's management to determine the fair value of unlisted financial assets. Moreover, these estimates were compared to the requirements of International Financial Reporting Standards and have been deliberated based on available information.

Balances and Transactions with Related Parties
The balances due from related parties amounted to JD 1,647,181 and represent around 6% of the Company's total assets as of December 31, 2017. The balances due to related parties amounted to JD 493,935 which represents around 15% of the Company's total liabilities as of December 31, 2017. Furthermore, sales to a related party amounted to JD 6,656,421 which represented 75% of net sales for the year ended December 31, 2017.

Scope of Audit to Address the Risk

Audit procedures included understanding the nature of the risks related to transactions with related parties, and an assessment of the effectiveness of the internal controls adopted by the Company. Moreover, we have discussed with the management the accuracy and adequacy of the disclosures and the Company's extent of use to the requirements of the International Accounting Standard (24) "Balances and transactions with related parties".

Provision for Accounts Receivable
The provision for impairment of accounts receivable is a key audit matter for our audit. It requires the Company's management to use assumptions to assess their collectability based on the customers' financial conditions and related credit risks. The net balance of accounts receivable amounted to JD 314,021, representing 1% of the total assets as of December 31, 2017.

The nature and characteristics of accounts receivable are varied. They include export sales, local receivables, rent receivables, and other receivables. This requires making assumptions and using estimates to take the provision for the impairment for these receivables.

Scope of Audit to Address the Risk
Our audit procedures included understanding the nature of accounts receivable and the performance of an internal control testing for following up and monitoring credit risks. The procedures also included reviewing the internal controls procedures relating to calculating provision for accounts receivable impairment. As such, we have evaluated the factors affecting the calculation, as well as discussed those factors with Executive Management. Furthermore, we have selected a sample of these receivables after taking into consideration the risks related to the payment and guarantees, also we have discussed with management some receivables with regard to the customers' expected cash inflows and the adequacy of the guarantees. Moreover, we recalculated the provisions to be taken, and reviewed the aging of receivables and the related disclosures.

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

Other Information
Management is responsible for other information which comprise of information stated in the annual report excluding the consolidated financial statements and the independent auditor's report thereon. Furthermore, we expect the annual report to be made available to us after the date of our audit report. Our opinion on the financial statements does not cover other information, and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available to us. In doing so, we consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines necessary to enable the preparation of 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard procedures.

From the matters communicated with those charged with governance, we determine those matters of most significance in the audit of the consolidated financial statements of the current year, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
The Company maintains proper accounting records, duly organized and in line with the accompanying consolidated financial statements from all material respects, and we recommend their approval by the General Assembly of Shareholders.

Deloitte & Touche (M.E.) – Jordan

Amman – Jordan
March 14, 2018

ديلويت آند توش (الشرق الأوسط)
010103
Deloitte & Touche (M.E.)

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

	Note	December 31, 2017	December 31, 2016
ASSETS		JD	JD
Current Assets:			
Cash on hand and balances at banks	4	3,436,403	3,126,026
Cheques under collection	5	4,924	216,505
Accounts receivable - net	6	314,021	305,119
Due from related parties	24	1,647,181	1,405,471
Inventory - net	7	2,746,000	2,636,772
Other debit balances	8	810,645	272,383
Total Current Assets		8,959,174	7,962,276
Non-Current Assets:			
Financial assets at fair value through other comprehensive income	9	12,911,126	12,088,547
Property and equipment - net	10	6,768,383	6,965,620
Intangible assets - net	11	39,111	37,811
Investment property	12	284,862	290,574
Total Non-current Assets		20,003,482	19,382,552
TOTAL ASSETS		28,962,656	27,344,828
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities:			
Current Liabilities:			
Payables and other credit balances	13	1,833,768	1,500,389
Due to related parties	23	493,935	252,354
Income tax provision	15	192,389	519,831
Other current liabilities	14	590,822	541,076
Obligation Towards Lease Agreement-Short term	16	31,740	-
Total Current Liabilities		3,142,654	2,813,650
Obligation Towards Lease Agreement-Long term	16	55,554	-
Total Liabilities		3,198,208	2,813,650
Shareholders' equity:			
Paid-up capital	17.a	10,000,000	10,000,000
Statutory reserve	17.b	5,792,126	5,589,899
Voluntary reserve	17.c	2,155,018	2,155,018
Financial assets at fair value valuation reserve	17.d	3,179,602	2,536,391
Retained earnings	17.e	4,637,702	4,249,870
Total Shareholders' Equity		25,764,448	24,531,178
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		28,962,656	27,344,828

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

GENERAL INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF INCOME

	Note	For the Year Ended December 31, 2017	2016
		JD	JD
Net sales	26	8,831,190	8,162,831
Cost of Sales:			
Finished goods - beginning of the year	7	122,757	157,552
Cost of production	18	5,329,665	4,442,104
Finished goods - end of the year	7	(358,254)	(122,757)
Cost of Sales		5,094,168	4,476,899
Gross Profit		3,737,022	3,685,932
Less: Selling and distribution expenses	19	(1,530,408)	(965,844)
General and administrative expenses	20	(816,864)	(702,511)
Provision for slow-moving inventory	7	(59,942)	-
Provision for doubtful debts	6	1,832	(76,524)
Net Income from Operations		1,331,640	1,941,053
Investment revenue and not other revenue	21	752,777	586,907
Other expenses	22	(62,147)	(31,650)
Income for the Year before Income Tax		2,022,270	2,496,310
Income tax provision	15	(242,745)	(292,380)
Income for the Year		1,779,525	2,203,930
Earnings per Share (Basic and Diluted)	23	0.18	0.22

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

GENERAL INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2017	2016
	JD	JD
Profit for the year	1,779,525	2,203,930
Other Comprehensive Income Items:		
Items that will not be reclassified subsequently to the statement of income:		
Net gain from the revaluation of financial assets at fair value through other comprehensive income	643,211	292,550
Gain (loss) from the sale of financial assets at fair value through other comprehensive income	10,534	(90,099)
Total Other Comprehensive Income Items	653,745	202,451
Total Comprehensive Income for the Year	2,433,270	2,406,381

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

GENERAL INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Financial Assets at Fair Value Valuation Reserve	Retained Earnings	Total Shareholders' Equity
For the Year Ended December 31, 2017		JD	JD	JD	JD	JD	JD
Balance - beginning of the year		10,000,000	5,589,899	2,155,018	2,536,391	4,249,870	24,531,178
Profit for the year		-	-	-	-	1,779,525	1,779,525
Gain from the revaluation of financial assets at fair value through		-	-	-	-	-	-
other comprehensive income		-	-	-	643,211	-	643,211
Gain from the sale of financial assets at fair value through other		-	-	-	-	-	-
comprehensive income		-	-	-	-	10,534	10,534
Total Comprehensive Income		-	-	-	643,211	1,790,059	2,433,270
Transferred to statutory reserve		-	202,227	-	-	(202,227)	-
Dividends	17.e	-	-	-	-	(1,200,000)	(1,200,000)
Balance - End of the Year		10,000,000	5,792,126	2,155,018	3,179,602	4,637,702	25,764,448
For the Year Ended December 31, 2016							
Balance - beginning of the year		10,000,000	5,340,268	2,155,018	2,243,841	3,885,670	23,624,797
Profit for the year		-	-	-	-	2,203,930	2,203,930
Gain from the revaluation of financial assets at fair value through							
other comprehensive income		-	-	-	292,550	-	292,550
(Loss) from the sale of financial assets at fair value through other							
comprehensive income		-	-	-	-	(90,099)	(90,099)
Total Comprehensive Income		-	-	-	292,550	2,113,831	2,406,381
Transferred to statutory reserve		-	249,631	-	-	(249,631)	-
Dividends	17.e	-	-	-	-	(1,500,000)	(1,500,000)
Balance - End of the Year		10,000,000	5,589,899	2,155,018	2,536,391	4,249,870	24,531,178

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

GENERAL INVESTMENT COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2017	2016
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before tax		2,022,270	2,496,310
Adjustments:			
Provision for doubtful debts	6	26,786	76,524
Reversed from doubtful debts provision	6	(28,618)	-
Provision for slow-moving inventory	7	59,942	-
Depreciation of property and equipment	10	911,520	814,863
Depreciation of investment property	12	6,012	6,012
Amortization of intangible assets	11	22,440	16,109
Net bank interest income	21	(112,694)	(62,286)
Dividends distributed from securities	21	(575,734)	(486,630)
(Gain) from the sale of property and equipment	21	(5,611)	(17,332)
Net Cash Flows from Operating Activities before Changes in Working Capital		2,326,313	2,843,570
Decrease (increase) in cheques under collection		211,581	(213,700)
(Increase) decrease in accounts receivable		(7,070)	139,129
(Increase) in due from related parties		(241,710)	(224,955)
(Increase) decrease in inventory		(169,170)	128,651
(Increase) in other debit balances		(498,478)	(40,831)
Increase (decrease) in accounts payable and other credit balances		224,393	(77,022)
Increase in due to related parties		241,581	125,944
Increase (decrease) in other liabilities		49,746	(583,241)
Increase in obligation towards lease agreement-short term		31,740	-
Increase in obligation towards lease agreement-long term		55,554	-
Net Cash Flows from Operating Activities before Income Tax Paid		2,224,480	2,097,545
Income tax paid	15	(570,187)	(136,287)
Net Cash Flows from Operating Activities		1,654,293	1,961,258
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment	10	(731,036)	(867,782)
Proceeds from the sale of property and equipment		22,364	53,182
(Purchase) of intangible assets	11	(23,740)	(28,920)
(Purchase) of investment property		(300)	-
(Purchase) of financial assets at fair value through other comprehensive income		(231,025)	(509,165)
Proceeds from the sale of financial assets at fair value through other comprehensive income		62,191	27,439
Bank interest received		72,910	62,286
Dividend distributed from securities	21	575,734	486,630
Net Cash Flows (used in) Investing Activities		(252,902)	(776,330)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributed dividends		(1,091,014)	(1,487,978)
Net Cash Flows (used in) Financing Activities		(1,091,014)	(1,487,978)
Net Increase (Decrease) in Cash		310,377	(303,050)
Cash on hand and at banks - beginning of the year		3,126,026	3,429,076
Cash on Hand and at Banks - End of the Year	4	3,436,403	3,126,026

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

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General

a. General Investment Company was established and registered at the Ministry of Industry and Trade as a public shareholding limited 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 accompanying consolidated financial statements were approved by the Board of Directors on March 5, 2018, and are subject to the approval of the General Assembly of shareholders.

2. Significant Accounting Policies

Basis of Preparation of the Consolidated Financial Statements

- The consolidated financial statements comprise the consolidated financial statements of the Company and its subsidiary where the Company holds control over the subsidiary. The control exists when the company controls the subsidiary significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All balances, transactions, income and expenses between the Company and the subsidiaries are eliminated.

- The consolidated financial statements of the subsidiary are prepared for the same reporting period as the Company, using consistent accounting policies. If different accounting policies were applied by the subsidiary, adjustments shall be made on their consolidated financial statements in order to comply with those of the company.

- The subsidiary is consolidated from the date on which control is transferred to the Company. The results of subsidiary acquired or disposed of during the year is included in the consolidated income statement from the date of acquisition and up to the date of disposal, as appropriate.

- During 2017, The Company established "Al-Motamizeh for Distribution and Agency Services" in Amman- Jordan with a paid capital of 30,000 (Fully owned by the Company). The registration with the regulatory authorities was finalized on January 12, 2017.

  The main objectives of the subsidiary are exports, import, distribution, whole sale and retail trade in food, consumables and soft drinks trade.

  Information regarding the subsidiary:

	December 31, 2017		From Inception as of January 12, 2017 until December 31, 2017
	JD		JD
Total assets	79,870	Total revenue	30,923
Total liabilities	80,086	Total expense	(61,139)
Net assets	(216)	Loss for the year	(30,216)

Basis of Preparation of the Consolidated Financial Statements

- The consolidated financial statements have been prepared in accordance to the International Financial Reporting Standards and their related interpretations.

- The consolidated financial statements of the Company are presented in Jordanian Dinar, which is also its functional currency.

- The consolidated financial statements have been prepared according to the historical cost convention except for financial assets at fair value through other comprehensive income which are stated at fair value at the date of consolidated financial statements.

- The accounting policies adopted in the preparation of the consolidated financial statements in the year ended December 31, 2017 are consistent with those applied in the year ended December 31, 2016, except for the effect of adopting the new and modified standards stated in Note (30/a).

  The following are the most significant accounting policies adopted by the Company:

a. Revenue Recognition

1. Sales

Sales is calculated at fair value except for sales tax when all of the following conditions are met:

a. The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

b. The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

c. Revenue is likely to be calculated reliably;

d. It is probable that the economic benefits associated with the transaction will flow to the Company; and

e. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

2. Interest income

Interest income is recognized on a timely basis by reference to the balance outstanding and the effective interest rate applicable.

3. Dividend income

Dividend is recorded in the consolidated statement of income when it is realized (Approved by the General Assembly).

b. Taxes

1. Current taxes

Income tax expenses are accounted for on the basis of taxable income. Moreover, taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years (temporary differences), or do not include items not subject to tax or can be decreased (permanent differences). The income tax due for the current year is calculated, using the tax rates at the date of the consolidated statement of financial position.

2. Deferred taxes

- Deferred taxes are taxes expected to be paid or recovered as a result of the temporary timing differences between the value of assets or liabilities in the consolidated financial statements and the value on the basis of which taxable income is calculated. Moreover, deferred taxes are calculated, based on the liability method in the consolidated statement of financial position, according to the tax rates expected to be applied upon the settlement of the tax liability or realization of the deferred tax assets.

- Deferred income tax assets and liabilities are calculated according to the tax rates expected to be applied during the year that the liabilities are settled or assets realized, according to the tax rates (and tax laws) imposed or significantly imposed as of the date of the consolidated statement of financial position.

- Deferred tax assets and liabilities calculation reflects the subsequent tax effects arising from the manner in which the Company expects to recover or settle the carrying value of its assets and liabilities as at the date of the consolidated statement of financial position. Moreover, deferred tax assets and liabilities are offset when there is a legal right to do so and when they relate to income taxes levied by the same taxation authority. The Company intends to settle current tax assets or current tax liabilities at net.

- The deferred tax balance is reviewed as of the date of the consolidated financial statements, and reduced in case no benefit is expected to arise therefrom, partially or totally.

3. Current and deferred taxes for the year
The current and deferred taxes are recognized as an expense or income in the consolidated statement of income, except for items booked directly to shareholders' equity.

c. Rent contracts
The expense or income for operating leases is recorded based on the straight-line method over the life of the rent.

d. Foreign Currencies Translation
When preparing the consolidated financial statements of the Company, transactions in foreign currencies are recorded at the exchange rates prevailing at the date of these transactions. Moreover, monetary items in foreign currencies are retranslated in accordance with the exchange rates prevailing at the date of the consolidated statement of financial position. In addition, non-monetary items in foreign currencies are re-translated in accordance with the fair value based on the exchange rates prevailing at the date the fair value is determined. Non-monetary items in foreign currency measured on the basis of historical cost are not re-translated. Furthermore, currency exchange differences resulting from the settlement of monetary items and the re-translation of monetary and non-monetary items carried at fair value are recorded in the consolidated statement of income.

e. Property and Equipment
- Property and equipment are stated at the historical cost less accumulated depreciation and any accumulated impairment losses. The cost includes all costs directly related to the purchase. When an item of property and equipment consists of parts with different useful lives, the parts are treated as separate items of property and equipment.

- Depreciation is recorded, using the straight line method, at rates ranging from 2% to 25%, in order to reduce the cost of property and equipment over their useful lives, except for land and property under construction. In addition, land is not depreciated.

- Assets under construction are stated at cost less any accumulated impairment losses. Depreciation on these assets starts when they are ready for use.

- Property and equipment are disposed of when there are no expected future benefits from their use or disposal.

- The useful lives of property and equipment are reviewed at the date of the consolidated statement of financial position, and the change outcome is calculated prospectively.

f. Intangible Assets
Intangible assets are stated at cost and classified on the basis of useful life estimates for a definite or an indefinite period. Intangible assets with a specific useful life are amortized during this timeframe, and amortization is booked in the consolidated statement of income.

Any indication of impairment in the value of intangible assets as of the date of the consolidated financial statements is reviewed. Furthermore, the estimated useful lives of the impaired intangible assets are reassessed, and any adjustments are made in the subsequent period.

Systems and programs are amortized over the estimated useful lives at a rate of 25%.

g. Investment Property
Investments property owned for gains and/or rental income or appreciation in their value, are stated at their historical cost less accumulated depreciation, and are depreciated over their useful lives. Any impairment in their value is recorded in the consolidated statement of income, and their fair value is disclosed in the notes to the consolidated financial statements.

h. Inventory
Finished goods and work-in-process are stated at cost (using the first – in, first-out method) or net realizable value, whichever is lower, net of the provision for expired and slow-moving items. Raw materials, Spare parts, and other materials at cost (weighted average), after deducting slow-moving items provision. Moreover, a provision for slow-moving inventory items is booked, based on management's estimates of their net realizable value.

i. Accounts Receivable
Accounts receivable are stated at net realizable value after deducting the provision for doubtful debts. The provision is taken in the consolidated statement of income according to management's estimates of the amounts recoverable from these receivables. The provision is taken to the consolidated statement of income for the year.

j. Financial Assets at Fair Value through Other Comprehensive Income
- These financial assets represent strategic investments in the equity instruments for the purpose of keeping them for the long term, and not for trading purposes

- These financial assets are initially stated at fair value plus acquisition costs at the date of purchase. Subsequently, they are revalued at fair value, and the changes in fair value are recognized in the consolidated statement of other comprehensive income and within shareholders' equity, including the changes in the fair value resulting from the translation of non-monetary assets in foreign currency. The gain or loss from the sale of these investments or part of them should be recognized in the consolidated statement of comprehensive income and within shareholders' equity, and the balance of the revaluation reserve for these sold financial assets should be transferred directly to retained earnings, and not to the consolidated statement of income.

- Dividends are recorded in the consolidated statement of income.

- These financial instruments are not subject to impairment test.

k. Provisions
Provisions are recognized when the Company has an obligation on the date of the consolidated financial statements arising from a past event and the costs to settle the obligation are both probable and can be reliably measured.

l. Provision for End-of-Service Indemnity
The Company follows a policy of taking a provision for employees' end-of-service indemnities in the consolidated statement of income, in accordance with the requirements of the law, for the prior periods service not covered by the Social Security Law, at one month's salary for every year of service.

m. Fair Value
The closing prices, in the consolidated financial statements, in active markets represent the fair value of the financial assets with market prices.

In case declared market prices do not exist, active trading of some financial assets and derivatives is not available, or the market is inactive, fair value is estimated by one of several methods including the following:

- Comparison with the present market value of a very similar financial instrument.

- Analysis of future cash flows and expected, discounted cash flows at a rate used for a similar financial instrument.

The valuation methods aim to obtain a fair value that reflects market expectations, taking into consideration market factors and any risks or expected benefits when estimating the value of financial assets. If a financial asset's fair value cannot be reliably measured, it is stated at cost less any impairment in its value.

n. Impairment in Financial Assets

The Company reviews the value of financial assets recorded at the date of the consolidated statement of financial position in order to determine if there are any indications of impairment in their value individually or in the form of a portfolio. In case such indication exists, the recoverable value is estimated so as to determine the impairment loss.

The value of the impairment loss is determined as follows:

- Impairment in the value of financial assets carried at amortized cost: represents the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

- Impairment loss is recorded in the consolidated statement of income, and any surplus arising from the previous year's impairment is recorded in the subsequent period in the consolidated statement of income and consolidated statement of comprehensive income.

o. Offsetting

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

3. Use of Estimates

Preparation of the consolidated financial statements and application of the accounting policies require from the Company's management to perform assessments and assumptions that affect the amounts of assets, liabilities, revenues, expenses and consolidated financial assets at fair value valuation reserve in addition to assessments. In particular, this requires from 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.

Management periodically revises its estimates and assumptions, and the effect of such revision is recorded in the period in which the estimate is revised, if it affects that period, or every period in which the revision is made as well as future periods, if it affects both.

We believe that the estimates adopted in the consolidated financial statements are reasonable, and the details are follows:

- The Company's management takes a provision for doubtful debts as regards to the expected losses that may arise from the debtors' inability to repay. Upon assessing the adequacy of the provision for the impairment in accounts receivable, management, in conducting its assessments, relies on several factors such as the aging of receivables and its previous debt write-off experience.

- The Company's management assesses income tax according to the prevailing laws, including the calculation of the net exposure to the expected tax for each tax item. Moreover, it assesses the temporary differences arising from the various transactions on some items of the consolidated financial statements prepared accordingly to International Financial Reporting Standards and for tax purposes. In addition, deferred taxes are recorded based on the extent of the ability to benefit from them, depending on whether the Company can achieve adequate taxable income for utilizing these deferred tax assets.

- Management periodically reassesses the economic useful lives of tangible assets for the purpose of calculating annual depreciation based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is charged to the consolidated statement of income.

- A provision is taken for lawsuits raised against the Company. This provision is subject to an adequate legal study prepared by the Company's legal advisor. Moreover, the study highlights potential risks that the Company may encounter in the future. Such legal assessments are reviewed periodically.

- Fair value hierarchy: The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability. When evaluating the fair value of the financial assets and liabilities, management utilizes market information, if available. In case Level 1 inputs are not available, management deals with independent, qualified parties to perform the evaluation study. Moreover, the proper evaluation methods and inputs used for evaluation are reviewed by management.

4. Cash on Hand and Balances at Banks

This item consists of the following:

	December 31,	
	2017	2016
	JD	JD
Cash on hand	6,000	6,000
Balance at banks – current accounts	575,448	756,074
Balance at banks – Time deposits	2,854,955	2,363,952
	3,436,403	3,126,026

The average Interest rates for time deposits was 5.4% with maturities ranging between six months to one year.

5. Cheques under Collection

Cheques under collection due date extends to January 30, 2018.

6. Accounts Receivable - Net

This item consists of the following:

	December 31, 2017	December 31, 2016
	JD	JD
Trade receivables	482,702	475,632
Less: Provision for doubtful debts	(168,681)	(170,513)
	314,021	305,119

The ageing of these receivables is as follows:

	December 31, 2017	December 31, 2016
	JD	JD
Less than 30 days	100,366	32,820
From 31 days to 60 days	33,440	59,691
From 61 days to 90 days	72,375	24,119
From 91 days to 180 days	47,596	62,454
From 181 days to 270 days	31,598	33,040
From 271 days to 360 days	22,364	106,303
More than 360 days	174,963	157,205
	482,702	475,632

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

	2017	2016
	JD	JD
Balance - beginning of the year	170,513	93,989
Provision booked during the year	26,786	76,524
Reversed provision during the year	(28,618)	-
Balance - End of the Year	168,681	170,513

Accounts receivable include outstanding balances for more than 360 days in the amount of JD 174,963 as of December 31, 2017 (JD 157,205 as of December 31, 2016). Management believes that the reaming amounts are recoverable.

7. Inventory - Net

This item consists of the following:

	December 31, 2017	December 31, 2016
	JD	JD
Finished goods	358,254	122,757
Goods under production	155,561	176,165
Raw materials	269,991	483,696
Packaging materials and supplies	1,352,759	1,402,789
Spare parts	451,938	438,266
Goods in transit	157,302	1,226
Fuel	14,746	11,213
Marketing products	107,551	62,820
	2,868,102	2,698,932
Less: Provision for slow-moving items *	(122,102)	(62,160)
	2,746,000	2,636,772

* The movement on the provision for slow-moving items during the year is as follows:

	2017	2016
	JD	JD
Balance - beginning of the year	62,160	62,160
Provision booked during the year	59,942	-
Balance - End of the Year	122,102	62,160

8. Other Debit Balances

This item consists of the following:

	December 31,	
	2017	2016
	JD	JD
Prepaid expenses	65,420	64,938
Unearned revenue	39,784	23,714
Employees receivable	23,543	25,027
Refundable deposits	12,307	10,361
Advance payment from suppliers	669,591	148,343
	810,645	272,383

9. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	December 31,	
	2017	2016
	JD	JD
Shares of listed companies *	10,314,366	10,556,229
Shares of unlisted companies **	2,596,760	1,532,318
	12,911,126	12,088,547

* This item includes an investment with a fair value of JD 2,700 as of December 31, 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. The fair value of these shares is JD 1,150,716 as of December 31, 2017 (JD 1,086,430 as of December 31, 2016). The transfer of ownership procedures of these shares have been completed during the subsequent period.

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

10. Property and Equipment - net

This item consists of the following:

	Land	Headquarters Building*	Plant Building	Water Well	Tools and Equipment	Furniture and Computers	Air Conditioning	Cell Phones	Vehicles	Forklifts	Fire Alarm System	Silos	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2017													
Cost:													
Balance - beginning of the year	948,870	3,321,782	1,586,076	80,131	15,776,728	219,830	142,496	21,081	520,395	99,918	20,420	691,781	23,429,508
Additions	-	6,896	73,708	-	291,945	32,311	3,323	3,017	290,537	29,299	-	-	731,036
Disposals	-	-	-	-	(4,200)	(431)	-	-	(31,272)	-	-	-	(35,903)
Balance - End of the Year	948,870	3,328,678	1,659,784	80,131	16,064,473	251,710	145,819	24,098	779,660	129,217	20,420	691,781	24,124,641
Accumulated depreciation:													
Balance - beginning of the year	-	90,501	1,262,799	68,766	13,814,102	168,704	53,940	16,191	218,150	58,534	20,420	691,781	16,463,888
Additions	-	66,508	52,980	6,604	645,583	24,716	11,541	1,836	94,731	7,021	-	-	911,520
Disposals	-	-	-	-	(4,200)	-	-	-	(14,950)	-	-	-	(19,150)
Balance - End of the Year	-	157,009	1,315,779	75,370	14,455,485	193,420	65,481	18,027	297,931	65,555	20,420	691,781	17,356,258
Net Book Value as of December 31, 2017	948,870	3,171,669	344,005	4,761	1,608,988	58,290	80,338	6,071	481,729	63,662	-	-	6,768,383
For the Year Ended December 31, 2016													
Cost:													
Balance - beginning of the year	948,870	2,897,081	1,571,666	80,021	15,485,871	201,160	140,686	19,601	518,859	62,239	20,420	691,781	22,638,255
Additions	-	424,701	14,410	110	298,122	18,670	1,810	1,480	66,500	41,979	-	-	867,782
Disposals	-	-	-	-	(7,265)	-	-	-	(64,964)	(4,300)	-	-	(76,529)
Balance - End of the Year	948,870	3,321,782	1,586,076	80,131	15,776,728	219,830	142,496	21,081	520,395	99,918	20,420	691,781	23,429,508
Accumulated depreciation:													
Balance - beginning of the year	-	28,971	1,211,751	62,175	13,223,709	151,384	41,182	14,836	183,271	61,662	20,420	690,343	15,689,704
Additions	-	61,530	51,048	6,591	597,658	17,320	12,758	1,355	63,993	1,172	-	1,438	814,863
Disposals	-	-	-	-	(7,265)	-	-	-	(29,114)	(4,300)	-	-	(40,679)
Balance - End of the Year	-	90,501	1,262,799	68,766	13,814,102	168,704	53,940	16,191	218,150	58,534	20,420	691,781	16,463,888
Net Book Value as of December 31, 2016	948,870	3,231,281	323,277	11,365	1,962,626	51,126	88,556	4,890	302,245	41,384	-	-	6,965,620
Annual Depreciation Rate %	-	2	4-10	10	10 - 20	2.5 - 25	10 - 20	15	15	15	10	10	

* This item represents the value of the fourth floor area plus one third of the sixth floor of the United Insurance Company building (Related Party) in Zahran Street - Fifth Circle. The ownership transfer procedures of the building was completed on August 3, 2016. The Company paid the costs of transferring the ownership which amounted to JD 386,440 in addition to additional costs amounting JD 25,450, which were paid to United Insurance Company (Note 24).

- The Company had zero value assets in an amount of JD 11,230,616 as of December 31, 2017 (JD 11,244,369 as of December 31, 2016).

11. Intangible Assets - Net

This item consists of the following

	For the Year Ended December 31, 2017	2016
	JD	JD
Cost:		
Balance - beginning of the year	78,920	50,000
Additions during the year	23,740	28,920
Balance – End of the Year	102,660	78,920
Accumulated Amortization:		
Balance – beginning of the year	41,109	25,000
Amortization for the year	22,440	16,109
Balance – End of the Year	63,549	41,109
Net Book value –as of December 31,	39,111	37,811
Annual amortization rate %	25	25

12. Investment Property

This item includes the following:

	December 31, 2017	2016
	JD	JD
Land	121,699	121,699
Amstel building - cost	302,305	302,005
Less: Accumulated depreciation *	(139,142)	(133,130)
	284,862	290,574

* The movement on accumulated depreciation during the year is as follows:

	For the Year Ended December 31, 2017	2016
	JD	JD
Balance – beginning of the year	133,130	127,118
Depreciation for the year	6,012	6,012
Balance – End of the Year	139,142	133,130

- Investment property depreciation is recorded based on rates ranging from 2% to 15% annually.

- The fair value has been estimated by a real-estate evaluator. The fair value of these investments amounted to JD 610,222 as of December 31, 2017.

13. Payables and Other Credit Balances

This item includes the following:

	December 31, 2017	December 31, 2016
	JD	JD
Trade accounts payable	416,651	324,574
Income and sales tax department	1,031,523	785,430
Undistributed dividends deposit	367,416	376,043
Social security corporation	18,178	14,342
	1,833,768	1,500,389

14. Other Current Liabilities

This item consists of the following:

	December 31, 2017	December 31, 2016
	JD	JD
Notes payable	-	92,665
Jordanian universities fees	274,685	274,685
Scientific research and training fees	67,349	74,018
Remunerations of the Board of Directors	74,974	53,316
Accrued expenses	147,192	30,053
Rent revenue received in advance	7,650	8,135
Other	18,972	8,204
	590,822	541,076

15. Tax

A. Income Tax Expense:

The item consists of the following:

	2017	2016
	JD	JD
Accrued income tax on the current year's profit	242,745	256,116
Accrued income tax on prior years profit	-	36,264
	242,745	292,380

B. Income Tax Provision:

The movement on the income tax provision is as follows:

	2017	2016
	JD	JD
Balance – beginning of the year	519,831	363,738
Accrued income tax on the current year's profit	242,745	256,116
Accrued income tax on the prior years profit	-	36,264
	762,576	656,118
Less: Income tax paid during the year	(570,187)	(136,287)
Balance – End of the Year	192,389	519,831

- Income tax is calculated based on taxable income at a rate of 14%.

- Deferred tax assets amounted JD 48,722 have not been booked as they are immaterial, furthermore, the Company's management does not expect to benefit from these assets in the near future.

C. 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 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. Subsequent to the consolidated financial statements date, the Company paid amount of JD 316,264 on January 5, 2017 for those 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.

The Company has also filed a lawsuit against the Income and Sales Tax Department to prevent claiming an amount of JD 578,063 which represents part of the sales tax from November 1, 2009 to December 31, 2011, in addition to double tax penalties and legal penalty. The court of first instance issued an irrevocable final decision on October 24, 2016 to reject the decision of the objection board in the full amount, and reacting the file back to the court of appeal for their approval, and to issue a new decision from a competent body.

The Company Has Appealed the Income and Sales Tax Department's claim for part of the sales tax from October 1, 2009 to December 31, 2011, in addition to double tax penalties and legal penalty for the period from July 1, 2010 to August 31, 2010 and the period from September 1, 2010 to November 31, 2011, which amounted to JD 228,361 and it's in the experts phase.

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

16. Lease Obligations

This sections represents the following:

	2017	2016
	JD	JD
Obligations towards lease agreement - short-term	31,740	-
Obligations towards lease agreement - long-term	55,554	-
	87,294	-

A lease agreement was signed for ten cars in the year 2017. The lease term is for 36 months with monthly Installments of JD 2,645 starting from October 25, 2017. The average interest rate included in the lease agreements is 5% annually which is fixed at the date of the agreements, therefore the Company is subject to the average interest fair value risk as all lease agreements are made based on fixed repayments and no arrangements are made for the expected lease repayments.

17. 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% from 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 revaluating these assets at their fair value as of December 31, 2017 and 2016.

e. Retained earnings
The Board Directors recommended in their meeting held on March 5, 2018, to distribute cash dividends of JD 1,200,000 to the shareholders, which is equivalent to 12% of paid-up capital and its subject to the General Assembly of shareholders' approval.

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

18. Cost of Production
This item consists of the following:

	Notes	2017	2016
		JD	JD
Raw materials - beginning of the year	7	483,696	451,389
Purchases during the year		503,799	781,431
Raw materials - end of year	7	(269,991)	(483,696)
Raw materials used in production		717,504	749,124
Packaging materials - beginning of the year	7	1,402,789	1,556,809
Purchases during the year		1,957,474	1,734,375
Packaging materials - end of the year	7	(1,352,759)	(1,402,789)
Packaging materials used in production		2,007,504	1,888,395
Materials used in production		2,725,008	2,637,519
Salaries, wages and other employees' benefits		538,388	526,558
Other production expenses:			
Water, fuel and electricity		642,907	513,476
Professional fees		104,003	74,537
Equipment, devices and buildings maintenance		100,838	60,801
Security		21,600	21,267
Health insurance		20,378	21,157
Cleaning		19,802	10,364
License and tax fees		17,389	8,878
Hospitality		8,689	6,082
Transportation		7,783	4,737
Workers uniforms		7,137	4,140
Mail and telephone		2,923	3,320
Vehicle expenses		13,129	3,093
Stationery and publications		1,016	1,368
Damaged inventory		53,992	-
Others		82,152	6,151
Total other production expenses		1,103,738	739,371
Depreciation of property and equipment		709,411	656,612
Goods under production – beginning of year	7	176,165	58,209
Imported Purchases		232,516	-
Goods under production – end of year	7	(155,561)	(176,165)
Cost of Production		5,329,665	4,442,104

19. Selling and Distribution Expenses

This item consists of the following:

	2017	2016
	JD	JD
Employees' Salaries	288,668	152,139
Promotions advertisement and selling expenses	730,091	492,588
Trade mark cost (Amstel) (Note 24)	153,976	142,284
Franchise fees (Heineken) (Note 24)	82,478	48,396
Shipping fees	82,293	43,114
Depreciation and amortization	69,765	27,243
Transportation expenses	25,393	23,170
Vehicle expenses	39,213	13,906
Telecommunication	7,549	4,889
Franchise fees (Henninger) (Note 24)	4,737	3,805
Electricity	8,647	2,445
Others	37,598	11,865
	1,530,408	965,844

20. General and Administrative Expenses

This item consists of the following:

	2017	2016
	JD	JD
Employees' salaries	433,180	370,168
Depreciation of property and equipment	132,412	131,008
Subscriptions	27,960	43,320
Professional fees	28,221	27,648
Vehicle expenses	33,531	25,950
Telecommunication expense	17,334	16,589
Amortization of intangible assets	22,372	16,109
Travel and transportation	23,461	13,990
Stationery	23,408	13,565
Electricity expense	12,146	13,364
Lawsuits expenses	37,646	10,679
Hospitality	6,099	6,998
Bank expenses	7,279	4,976
Information technology fees	7,529	2,855
Others	4,286	5,292
	816,864	702,511

21. Investment Revenue and Other Revenues

This item consists of the following:

	2017	2016
	JD	JD
Rents received	40,034	53,036
Amstel Building Operating Costs:		
Salaries	6,712	6,448
Water, fuel and electricity	2,752	3,726
Building maintenance	1,146	956
Insurance fees	-	313
General tax	113	136
Depreciation of property and equipment	6,012	6,012
Total operating cost	16,735	17,591
Net building revenue	23,299	35,445
Gain from financial assets at fair value through other comprehensive income – distributed dividends	575,734	486,630
Bank interest	112,694	62,286
Other revenue	35,329	3,906
Foreign currency exchange differences	110	(18,692)
Gain on sale of property and equipment (capital gain)	5,611	17,332
	752,777	586,907

22. Other Expenses

This item consists of the following:

	2017	2016
	JD	JD
Board of Directors' remunerations	30,821	15,825
Board of Directors' transportations	30,821	15,825
Others	505	-
	62,147	31,650

23. Earnings per Share for the Year

Earnings per share for the year is as following:

	December 31,	
	2017	2016
	JD	JD
Income for the year	1,779,525	2,203,930
Weighted average of outstanding shares	10,000,000	10,000,000
Earnings per Share for the Year:		
Basic	18%	22%
Diluted	18%	22%

24. Balances and Transactions with Related Parties

The details of balances and transactions with related parties is as follows:

	For the Year Ended December 31, 2017		December 31, 2017	
	Revenues	Expenses	Accounts receivable	Accounts payable
	JD	JD	JD	JD
Saed Abu Jaber and Sons Company *	6,656,421	104,000	1,478,481	-
Advanced Telecommunications Company	4,080	-	8,180	-
United Insurance Company***	-	115,922	-	93,797
Paper and Cardboard Factory	-	-	1,661	-
Heineken Company - Holland **	-	318,722	-	394,380
Radeberger Group Company	-	4,738	-	4,357
Abu Jaber and Sons Company	-	5,409	-	1,401
Ziad and Marwan Abu Jaber	-	-	158,859	-
Board of directors	-	61,642	-	-
	6,660,501	610,433	1,647,181	493,935

	For the Year Ended December 31, 2016		December 31, 2016	
	Revenues	Expenses	Accounts receivable	Accounts payable
	JD	JD	JD	JD
Saed Abu Jaber and Sons Company *	6,392,407	303,637	1,345,633	-
Advanced Telecommunications Company	4,070	20	9,100	-
United Insurance Company***	-	120,755	-	58,310
Paper and Cardboard Factory	-	41,447	1,661	-
Heineken Company - Holland **	-	258,007	-	190,620
Radeberger Group Company	-	3,424	-	3,424
Abu Jaber and Sons Company	-	-	2,432	-
Ziad and Marwan Abu Jaber	-	-	46,645	-
Board of directors	-	31,650	-	-
	6,396,477	758,940	1,405,471	252,354

* 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.

*** During the year 2013, the Company signed an agreement with United Insurance Company to purchase the 4th floor and one third of the 6th floor of the building in Zahran Street - 5th Circle for a total amount of JD 2,922,681, Noting that the management started using the building during the year 2015. Moreover, the Company settled during 2016 the remaining balance due to United Insurance Company as of December 31, 2015, which amounted to JD 631,458.

The ownership transfer procedures of the building was completed on August 3, 2016. The company paid the costs of transferring the ownership which amounted to JD 386,440 in addition to additional costs amounting to JD 25,450, which were paid to United Insurance Company.

Financial assets at fair value through other comprehensive income includes shares registered in the name of a related party, with a commitment to transfer the shares to the Company. The fair value of these shares was JD - 1,150,716 as of December 31 2017 (JD 1,086,430 as of December 31 2016). The transfer of ownership procedures of these shares has been completed in the subsequent period.

- The salaries and bonuses of executive management amounted to JD 295,084 for the year 2017 (JD 291,758 for the year 2016).

25. Financial Instruments

A- Capital risk management

The Company manages its capital to ensure its continuity and maximize return to the stakeholders through the achievement of the optimum balance between liabilities and equity.

The Company's strategy is to maintain an acceptable rate for liabilities compared to shareholders' equity. The debt to shareholders' equity ratio as of December 31, 2017 and 2016 was as follows:

	December 31,	
	2017	2016
	JD	JD
Total current liabilities	3,142,654	2,813,650
Total shareholders' equity	25,764,448	24,531,178
Liabilities to shareholders ratio	12.2%	11.40 %

The Company's policy for capital management remained the same through 2017 compared to 2016.

B. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company.

Moreover, the Company follows a policy of dealing with credit worthy parties, including related parties, in order to reduce the risk of financial losses resulting from failure to meet obligations.

Trade receivables mainly consist of three categories:

A. Debtors of local sales (Saed Abu Jabber and Sons)
B. Debtors of export sales
C. Debtors of leasing operations

In some cases, the Company obtains advance payments, bills of collection for export sales, or cheques under collection, based on the agreement with the client, equal to the value of the goods ordered (or a substantial part thereof).

The following schedule summarizes the accounts receivable risk for the three categories mentioned above:

	December 31,	
	2017	2016
	JD	JD
Local debit sales (Saed Abu Jabber and Sons)	1,478,481	1,407,425
Debtors of export sales	196,991	239,380
Debtors of leasing operations	33,504	27,686
	1,708,976	1,674,491

C. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company mainly deals with US dollar and Euro. The book value of the Company's financial assets and liabilities in foreign currencies as of the date of the consolidated statement of financial position is as follows:

	Assets		Liabilities	
	December 31		December 31	
	2017	2016	2017	2016
	JD	JD	JD	JD
Euro	398,904	275,927	48,621	63,208
US Dollars	636,604	489,089	338,197	-

Currency risk relates to the changes in the currency prices of foreign currency payments. To reduce the risk of exchange rate volatility of the Euro, the Company maintains euro current accounts and time deposits at local banks.

The following table summarizes the impact of the increase (decrease) in the Euro exchange rate by 10%, as of the consolidated statement of financial position date, on the consolidated statement of income:

	+10%		-10%	
	2017	2016	2017	2016
	JD	JD	JD	JD
(Loss) gain for the year	35,028	21,272	(35,028)	(21,272)

The Company's management believes that the US Dollar foreign currency risk is immaterial as the Jordanian Dinar (the Company's functional currency) is pegged to the US Dollar.

D. Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments.

The Company manages liquidity risk through obtaining credit facilities, maintaining constant control over actual and estimated cash flows, and matching the maturities of financial assets and financial liabilities. Moreover, part of the Company's cash is invested in bank accounts and is ready to fulfill short-and medium-term funding requirements and liquidity management.

E. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company manages its exposure to interest rate risk on an ongoing basis, so that different options are continually evaluated.

The Company's management believes that the interest rate fluctuations risk will not have a material impact on the results of the Company's operations.

F. Investments prices risk

The Company maintains an investment portfolio, mostly from shares consistently traded on Amman Stock Exchange, in addition to the unlisted shares of other companies. The Company classifies all equity investments as financial assets at fair value through other comprehensive income, thus eliminating the effect of stock price volatility on the profit for the year.

The following table summarizes the impact of the increase (decrease) in Amman Financial Market General Index by 5% over the fair value of financial assets at fair value through other comprehensive income in circulation, which affects shareholders' equity as of the date of the consolidated statement of financial position. The sensitivity analysis has been prepared on the assumption that stock prices move in the same proportion of the market index changes:

	+5%		-5%	
	2017	2016	2017	2016
	JD	JD	JD	JD
Shareholders' equity	515,718	527,811	(515,718)	(527,811)

The Company also diversifies equity investments in various economic sectors to alleviate the adverse impact of the fluctuations in the fair value of investments. The following is the distribution of investments by sector:

	December 31,	
	2017	2016
	JD	JD
Banks	7,445,111	7,625,815
Services	4,753,350	3,665,068
Manufacturing	166,851	188,228
Insurance	545,814	609,436
	12,911,126	12,088,547

G. Geographical distribution risks

The Company conducts its operations inside Jordan and abroad. The following is the is the geographical distribution information for Company's operation inside and outside the Kingdom:

	Inside the Kingdom	Outside the Kingdom	Total 2017	Total 2016
	JD	JD	JD	JD
;ales	7,040,244	1,790,946	8,831,190	8,162,831
ost of sales	3,099,697	1,994,471	5,094,168	4,476,899
s Profit	3,940,547	(203,525)	3,737,022	3,685,932
Selling and distribution expenses	(1,463,733)	(66,675)	(1,530,408)	(965,844)
ral and administrative expenses	(816,864)	-	(816,864)	(702,511)
-moving items provision	(59,942)	-	(59,942)	-
debt provision	1,832	-	1,832	(76,524)
ncome from Operations	1,601,840	(270,200)	1,331,640	1,941,053
nue from investments and other revenues	752,777	-	752,777	586,907
r expenses	(62,147)	-	(62,147)	(31,650)
ncome for the Year before Income Tax	2,292,470	(270,200)	2,022,270	2,496,310
ne tax provision	(242,745)	-	(242,745)	(292,380)
ncome for the Year	2,049,725	(270,200)	1,779,525	2,203,930

	Inside the Kingdom	Outside the Kingdom	December 31, Total 2017	December 31, Total 2016
	JD	JD	JD	JD
Assets	28,747,427	215,229	28,962,656	27,344,828
Liabilities	2,799,471	398,737	3,198,208	2,813,650

26. 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 and free zone 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).

A. 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:

	2017	2016
	JD	JD
Manufacturing:		
Net local sales	5,829,093	5,481,270
Export sales	1,790,946	1,632,256
Free Zone Sales / Aqaba	1,211,151	1,049,305
	8,831,190	8,162,831
Less: Cost of sales	(5,094,168)	(4,476,899)
Total Profits from Sale	3,737,022	3,685,932
Less: Sales and distribution expenses	(1,530,408)	(965,844)
Total Segment Profits	2,206,614	2,720,088
Investing:		
Frequent revenues	711,726	584,361
Total Segment Profits	711,726	584,361
Total Segment Income	2,918,340	3,304,449
Other expenses and revenues distributed over segments	(896,070)	(808,139)
Income for the Year before Income Tax	2,022,270	2,496,310
Income tax expense	(242,745)	(292,380)
Income for the Year	1,779,525	2,203,930

- The revenue shown above does not include any transactions between the two sectors.

B. 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	
	December 31,		December 31,	
	2017	2016	2017	2016
	JD	JD	JD	JD
Manufacturing	8,559,107	8,266,003	1,991,682	1,362,358
Investing	13,195,988	12,257,422	7,650	8,135
Total Assets / Liabilities	21,755,095	20,523,425	1,999,332	1,370,493
Undistributed assets / liabilities	7,207,561	6,821,403	1,198,876	1,443,157
Total Assets / Liabilities	28,962,656	27,344,828	3,198,208	2,813,650

C. 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:

	2017	2016
	JD	JD
Sales of alcoholic drinks	17,081,807	16,133,356
Sales of non-alcoholic drinks	245,088	375,065
Total Sales	17,326,895	16,508,421
Less: Sales tax	(8,495,705)	(8,345,590)
Net Sales	8,831,190	8,162,831

27. Contingent Liabilities

The Company had the following contingent liabilities at the date of the financial position:

	December 31,	
	2017	2016
	JD	JD
Letters of guarantee	59,786	8,386
Letters of credit	186,113	-
	245,899	8,386

28. Lawsuits:

Lawsuits against the company have amounted to JD 75,287 and Lawsuit raised by the company amounted to JD 35,500. According to the management and their legal consultant, the Company will not bear any obligations against these lawsuits.

29. 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 December 31, 2017	Fair Value December 31, 2016	The Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
	JD	JD				
Financial assets at fair value through other comprehensive income						
Shares of listed companies	10,314,366	10,556,229	Level I	Prices issued in market values	N/A	N/A
Shares of unlisted companies	2,596,760	1,532,318	Level II	Comparing the market value with a similar financial instrument	N/A	N/A
Total	12,911,126	12,088,547				

There were no transfers between the first level and second level during 2017 and 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 approximate their fair value, due to either their short-term maturity or repricing of interest rates during the year.

	December 31, 2017		December 31, 2016		Fair value
	Book Value	Fair Value	Book Value	Fair Value	Level
Financial assets with an unspecified fair value	JD	JD	JD	JD	
Property investment	284,862	610,222	290,574	610,222	Level II
Total Financial Assets with an Unspecified Fair Value	284,862	610,222	290,574	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.

30. Application of new and revised International Financial Reporting Standards (IFRS)

a. New and revised IFRSs applied with no material effect on the consolidated financial statements

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2017, have been adopted in these consolidated financial statements.

Amendments to IAS 12 *Income Taxes* Recognition of Deferred Tax Assets for Unrealised Losses

The Company has applied these amendments for the first time in the current year. The amendments clarify how an entity should evaluate whether there will be sufficient future taxable profits against which it can utilise a deductible temporary difference.

The application of these amendments has had no impact on the Company's consolidated financial statements.

Amendments to IAS 7 *Disclosure Initiative*

The Company has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of the consolidated financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

Annual Improvements to IFRS Standards 2014–2016 Cycle – Amendments to IFRS 12

The Company has applied the amendments to IFRS 12 included in the Annual Improvements to IFRSs 2014-2016 Cycle for the first time in the current year. The other amendments included in this package are not yet mandatorily effective and they have not been early adopted by the Group (see note 30- b).

IFRS 12 states that an entity need not provide summarised financial information for interests in subsidiaries, associates or joint ventures that are classified (or included in a disposal group that is classified) as held for sale. The amendments clarify that this is the only concession from the disclosure requirements of IFRS 12 for such interests.

The application of these amendments has had no effect on the Company's consolidated financial statements as none of the Group's interests in these entities are classified, or included in a disposal group that is classified, as held for sale.

b. New and revised IFRS in issue but not yet effective

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1 and IAS 28

The improvements include the amendments on IFRS 1 and IAS 28 and they are effective for annual periods beginning on or after January 1, 2018.

Annual Improvements to IFRS Standards 2015–2017

The improvements include the amendments on IFRS 3, IFRS 11, IAS 12 and IAS 23 and they are effective for annual periods beginning on or after January 1, 2019.

IFRIC 22 *Foreign Currency Transactions and Advance Consideration*
The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

The interpretation is effective for annual periods beginning on or after January 1, 2018.

IFRIC 23 *Uncertainty over Income Tax Treatments*
The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively;
- Assumptions for taxation authorities' examinations;
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- The effect of changes in facts and circumstances.

The interpretation is effective for annual periods beginning on or after January 1, 2019.

Amendments to IFRS 2 *Share Based Payment*
The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 4 Insurance Contracts
The amendments relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IAS 40 *Investment Property*
Paragraph 57 has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.

The Amendments are effective for annual periods beginning on or after January 1, 2018.

Amendments to IAS 28 Investment in Associates and Joint Ventures
The amendments are related to long-term interests in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

The Amendments are effective for annual periods beginning on or after January 1, 2019.

IFRS 16 *Leases*

IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

The Company will apply IFRS 16 in the effective date which is the annual periods beginning on or after January 1, 2019 The Company is in the process of evaluating the impact of IFRS 16 on the Company's consolidated financial statements.

Amendments to IFRS 9 *Financial Instruments*

The amendments are related to prepayment features with negative compensation. This amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

The Amendments are effective for annual periods beginning on or after January 1, 2019.

IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

- **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

- **Impairment**: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised

- **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- **Derecognition:** The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

The Company adopted IFRS 9 (phase 1) that was issued in 2009 related to classification and measurement financial assets, the company will adopt the finalised version of IFRS 9 from the effective date of January 1, 2018; apply it retrospectively and recognize the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings as of January 1, 2018.

The Company is continuing to analyze the impact of the changes and currently does not consider it likely to have a major impact on its adoption. This assessment is based on currently available information and is subject to changes that may arise when the Company presents its first financial statements as on December31, 2018 that includes the effects of it application from the effective date.

IFRS 15 *Revenue from Contracts with Customers*
In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 may be adopted retrospectively, by restating comparatives and adjusting retained earnings at the beginning of the earliest comparative period. - Alternatively, IFRS 15 may be adopted as of the application date on January 1, 2018, by adjusting retained earnings at the beginning of the first reporting year (the cumulative effect approach).

The Company intends to adopt the standard using the cumulative effect approach, which means that the Company will recognize the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application. The Company is continuing to analyze the impact of the changes and its impact will be disclosed in the first consolidated financial statements as of December 31, 2018 that includes the effects of it application from the effective date.

Amendments to IFRS 15 *Revenue from Contracts* with Customers
The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

The Amendments are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 7 *Financial Instruments: Disclosures*
The amendments are related to disclosures about the initial application of IFRS 9. The Amendments are effective when IFRS 9 is first applied

IFRS 7 Financial Instruments: Disclosures
The amendments are related to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Amendments are effective when IFRS 9 is first applied

IFRS 17 *Insurance Contracts*
IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of January 1, 2021.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011)
The amendments are related to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.

The Amendments effective date deferred indefinitely and the adoption is still permitted.

Management anticipates that these new standards, interpretations and amendments will be adopted in the [Company / Group]'s [consolidated] financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16 as highlighted in previous paragraphs, may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual period beginning January 1, 2018 and that IFRS 16 will be adopted in the Company's financial statements for the annual period beginning January 1, 2019.