



General Investment Co. Ltd.

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هيئة الأوراق المالية الادارة الادارية / الديوان ٢٠٢٠ ب ١٠ الرقم التسلسلي ٤٠١٤ الجهة المختصة ١٤٠١٤٠١٤
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السادة هيئة الأوراق المالية المحترمين
عمان - الأردن

تحية واحتراماً وبعد ،،،

نرفق لكم القوائم المالية للشركة (قائمة المركز المالي، قائمة الدخل، قائمة الدخل الشامل، قائمة التغييرات في حقوق المساهمين، قائمة التدفقات النقدية) للفترة من تاريخ 2020/01/01 ولغاية الفترة 2020/06/30 باللغتين العربية والانجليزية.

وتفضلوا بقبول فائق الاحترام ،،،

شركة الاستثمارات العامة المساهمة المحدودة

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

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE SIX-MONTH PERIOD
ENDED JUNE 30, 2020
TOGETHER WITH THE REVIEW REPORT

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
JUNE 30, 2020

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Review Report

AM/ 007319

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of General Investment Company (A Public Shareholding Limited Company), as of June 30, 2020 and the related condensed consolidated interim statement of profit or loss and comprehensive income, changes in shareholders' 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 consolidated 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.

Other Matter

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
August 5th, 2020


Deloitte & Touche (M.E.) – Jordan
ديلويت أند توش (الشرق الأوسط)
010103

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

	Note	June 30, 2020 (Reviewed not Audited) JD	December 31, 2019 (Audited) JD
<u>ASSETS</u>			
Current Assets:			
Cash on hand and balances at banks	4	1,272,587	2,766,769
Cheques under collection		515,667	455,782
Accounts receivable - net	5	2,217,672	2,349,920
Due from related parties - net	12	187,501	141,683
Inventory - net		3,932,961	3,425,530
Other debit balances		807,729	677,414
Total Current Assets		<u>8,934,117</u>	<u>9,817,098</u>
Non-Current Assets:			
Financial assets at fair value through comprehensive income	6	9,837,073	11,503,380
Financial assets at amortized cost	7	110,000	110,000
Property and equipment - net		6,611,694	6,699,314
Rights of use assets		29,907	34,893
Intangible assets - net		53,098	62,224
Deferred tax assets	11	115,885	118,514
Investment property	8	272,605	273,592
Total Non-current Assets		<u>17,030,262</u>	<u>18,801,917</u>
TOTAL ASSETS		<u>25,964,379</u>	<u>28,619,015</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>Liabilities:</u>			
Current Liabilities:			
Accounts payable		2,667,671	2,088,700
Due to related parties	12	935,098	772,098
Income tax provision	11	314,794	432,383
Other credit balances		592,944	574,059
Obligation against lease contract-short term		7,933	23,805
Obligation against finance lease contract-short term		3,190	3,190
Total Current Liabilities		<u>4,521,630</u>	<u>3,894,235</u>
Non-Current Liabilities:			
Obligation against finance lease contract-long term		<u>18,415</u>	<u>17,617</u>
Total Non-Current Liabilities		<u>18,415</u>	<u>17,617</u>
Total Liabilities		<u>4,540,045</u>	<u>3,911,852</u>
<u>Shareholders' equity:</u>			
Paid-up capital	9/A	10,000,000	10,000,000
Statutory reserve	9/B	6,261,251	6,261,251
Voluntary reserve	9/C	2,155,018	2,155,018
Financial assets at fair value reserve	9/D	(572,822)	1,094,547
Retained earnings	9/E	3,196,347	5,196,347
Profit for the Period		<u>384,540</u>	<u>-</u>
Total Shareholders' Equity		<u>21,424,334</u>	<u>24,707,163</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>25,964,379</u>	<u>28,619,015</u>

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

GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
(REVIEWED NOT AUDITED)

		For the Three Months		For the Six Months	
		Ended June 30,		Ended June 30,	
	Note	2020	2019	2020	2019
		JD	JD	JD	JD
Net sales		<u>1,445,476</u>	<u>3,001,034</u>	<u>3,419,727</u>	<u>4,595,062</u>
<u>Less:</u> Cost of Sales:					
Finished goods - beginning of the period		940,861	606,135	903,414	455,877
Cost of production and purchase of finished goods		<u>871,943</u>	<u>1,629,017</u>	<u>2,028,213</u>	<u>2,625,105</u>
Total goods available for sale		1,812,804	2,235,152	2,931,627	3,080,982
<u>Less:</u> Finished goods - end of the period		<u>(975,786)</u>	<u>(518,498)</u>	<u>(975,786)</u>	<u>(518,498)</u>
Cost of Sales		<u>837,018</u>	<u>1,716,654</u>	<u>1,955,841</u>	<u>2,562,484</u>
Gross Profit for the Period		608,458	1,284,380	1,463,886	2,032,578
<u>Less:</u> Selling and distribution expenses		(206,577)	(315,828)	(518,371)	(613,143)
General and administrative and financial expenses		(307,954)	(406,117)	(642,955)	(858,400)
Provision for expected credit losses		<u>-</u>	<u>(50,000)</u>	<u>(3,526)</u>	<u>(50,000)</u>
Income from Operations for the Period		93,927	512,435	299,034	511,035
Investment revenue and net other revenue		211,035	569,437	218,705	732,803
<u>Less:</u> Other expenses		<u>(22,731)</u>	<u>(3,010)</u>	<u>(38,246)</u>	<u>(7,008)</u>
Profit for the period before income tax		282,231	1,078,862	479,493	1,236,830
Income tax expense	11	<u>(45,328)</u>	<u>(218,662)</u>	<u>(94,953)</u>	<u>(236,402)</u>
Profit for the period		<u>236,903</u>	<u>860,200</u>	<u>384,540</u>	<u>1,000,428</u>
Earnings per Share of the period (Basic and Diluted)	10	<u>0.02</u>	<u>0.09</u>	<u>0.04</u>	<u>0.10</u>

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GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	<u>For the Three Months Ended June 30,</u>		<u>For the Six Months Ended June 30,</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	JD	JD	JD	JD
Profit for the period	236,903	860,200	384,540	1,000,428
<u>Other Comprehensive Income Items:</u>				
<u>Items that will not be reclassified subsequently to the condensed consolidated interim statement of profit or loss:</u>				
Net (loss) from the revaluation of financial assets at fair value through other comprehensive income	(809,953)	(195,788)	(1,667,369)	(477,356)
Total Other Comprehensive Income Items	(809,953)	(195,788)	(1,667,369)	(477,356)
Total Comprehensive Income for the Period	<u>(573,050)</u>	<u>664,412</u>	<u>(1,282,829)</u>	<u>523,072</u>

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GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Financial					
	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Assets at Fair Value Reserve	Retained Earnings	Profit for the Period
	JD	JD	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2020</u>						
Balance - beginning of the period	10,000,000	6,261,251	2,155,018	1,094,547	5,196,347	-
Profit for the period	-	-	-	-	-	384,540
Change in financial assets at fair value reserve	-	-	-	(1,667,369)	-	-
Total Comprehensive Income for the Period	-	-	-	(1,667,369)	-	384,540
Distributed Dividends - Note 14	-	-	-	-	(2,000,000)	-
Balance - End of the Period	10,000,000	6,261,251	2,155,018	(572,822)	3,196,347	384,540
						21,424,334
<u>For the Six Months Ended June 30, 2019</u>						
Balance - beginning of the period	10,000,000	5,914,384	2,155,018	3,501,357	4,343,676	-
Profit for the period	-	-	-	-	-	1,000,428
Change in financial assets at fair value reserve	-	-	-	(477,356)	-	-
Total Comprehensive Income for the Period	-	-	-	(477,356)	-	1,000,428
Distributed Dividends - Note 14	-	-	-	-	(1,200,000)	-
Balance - End of the Period	10,000,000	5,914,384	2,155,018	3,024,001	3,143,676	1,000,428
						25,237,507

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GENERAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	For the Six Months Ended	
	June 30,	
	Note	
	2020	2019
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit for the period before tax	479,493	1,236,830
Adjustments:		
Depreciation of property and equipment and investment property	350,488	464,512
Amortization of intangible assets	16,732	18,698
Interest against lease obligations	798	752
Bank interest income	(31,620)	(23,501)
Dividends revenue	(184,194)	(708,564)
(Gain) from the sale of property and equipment	(12,423)	(7,000)
Provision for expected credit losses	3,526	50,000
Net Cash Flows from Operating Activities before Changes in Working Capital	622,800	1,031,727
(Increase) in inventory	(507,431)	(315,640)
Decrease (increase) in accounts receivable - net	132,248	(791,912)
(increase) decrease in due from related parties	(49,344)	1,303,285
(Increase) in cheques under collection	(59,885)	(435,670)
(Increase) in other debit balances	(130,314)	(732,442)
Increase in due to related parties	163,000	183,383
Increase (decrease) in accounts payable	578,971	(860,751)
(Decrease) increase in other credit balances	(920,014)	622,413
Net Cash Flows (Used in) from Operating Activities before Income Tax Paid	(169,969)	4,393
Income tax paid	11 (209,913)	(243,332)
Net Cash (Used in) Operating Activities	(379,882)	(238,939)
CASH FLOWS FROM INVESTING ACTIVITIES:		
(Purchase) of property and equipment	(260,081)	(333,520)
(Purchase) of intangible assets	(2,621)	-
(Purchase) of investment property	(1,800)	(5,828)
(Purchase) of financial assets through other comprehensive income	(1,062)	-
Maturity of financial assets at amortized cost	-	500,000
Proceeds from the sale of property and equipment	12,423	7,000
Bank interest received	31,620	23,501
Dividends revenue received	184,194	708,564
Net Cash (Used in) Flows from Investing Activities	(37,327)	899,717
CASH FLOWS FROM FINANCING ACTIVITIES:		
Distributed dividends	(1,061,101)	(259,963)
(Decrease) in obligations towards finance lease contract - long term	(15,872)	(15,872)
Net Cash (Used in) Financing Activities	(1,076,973)	(275,835)
Net (Decrease) Increase in Cash	(1,494,182)	384,943
Cash on hand and balances at banks - beginning of the period	2,766,769	537,065
Cash on hand and balances at banks - end of the period	4 1,272,587	922,008
Non-cash items:		
Decrease (Increase) in right of use assets	4,986	(42,676)
Increase in obligations towards lease contract	798	37,620
Decrease in other debit balances	-	5,056

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1. General

- a. General Investment Company was established and registered at publicly listed Company's report 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 Company 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 cancelled 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 the acquisition of land is not intended for trade or gain purposes.
 4. To conduct commercial, manufacturing and agricultural businesses, as the Company deems necessary, to achieve its objectives.
- e. During the year 2019 the Company terminated its agreement with Saad Abu Jaber and Sons Company (Shareholder) who was the exclusive distributor for the Company in the local market. The Company became the main distributor of all its products after that date.
- 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 information were approved by the Board of Directors on July 29, 2020.

2. Significant Accounting Policies

Basis of Consolidation:

- The condensed consolidated interim financial information include the financial statement 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. Major intra-group transactions, balances, income and expenses are eliminated.
- The financial information 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 information 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 profit or loss from the effective date of acquisition which is the date when 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 profit or loss up to the effective date of disposal which is the date when the Company loses control over the subsidiary companies.
- During the year 2017, the Company has established Jordanian Mutamayizah for Distribution and Agencies (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. During the year 2018, the mother Company has increased the Paid-up Capital by JD 45,000 which became JD 75,000.

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

The following is the main financial information of the subsidiary:

	June 30, 2020	December 31, 2019		For the Period Ended June 30, 2020	For the Period Ended June 30, 2019
	JD	JD		JD	JD
Total Assets	885,546	750,256	Total Revenue	307,193	249,278
Total Liabilities	1,729,000	1,357,307	Total Expenses	(540,159)	(499,783)
Net Assets	885,546	(607,051)	Loss for the Period	232,966)	(250,505)

Basis of Preparation

- The accompanying condensed consolidated interim financial information for the six months ended June 30, 2020 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting"
- The condensed consolidated interim financial information of the Company are presented in Jordanian Dinar, which is also its functional currency.
- The condensed consolidated interim financial information 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 information.

- The condensed consolidated interim financial information do not present all necessary disclosures and information needed for the yearly financial statements presented according to international financial reporting standards and should be read along with the annual report of the Company for the year ended December 31, 2019. Also the financial results presented for the six-month period ended June 30, 2020 do not necessarily present the anticipated financial results for the year ending December 31, 2020.
- The Company has not booked statutory reserve amounts as required by the Jordanian companies' law for the six-month period ended June 30, 2019 as these are interim financial results, and deductions are booked at the end of the entity's fiscal period.
- The accounting policies adopted in preparing the condensed consolidated interim financial information are consistent with those applied in the year ended December 31, 2019 except for the effect of the adoption of the new and revised standards which are applied on or after the current period with no impact on the current period. Through its understanding of these standards, management believes that these standards will have no impact in subsequent periods.

3. Judgments, estimates and risk management

The preparation of the condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual consolidated financial statements for the year ended December 31, 2019, except as mentioned in Note (2) and the following:

The Coronavirus (COVID-19) outbreak in early 2020 in many geographical regions around the world has caused widespread disruptions to business, with a consequential negative impact on economic activity. Also, this event is witnessing continuous and rapid developments, which required the Company's management to conduct an evaluation of the expected effects on the Company's business inside and outside the kingdom, perform a study to review and evaluate potential risks, in addition to providing additional disclosures in the condensed consolidated interim financial information as of June 30, 2020. Accordingly, the Company has taken the following measures to contain the crisis:

a. The Company's plan in facing outbreak of the novel coronavirus (COVID-19):

The Company has taken all necessary measures to ensure business continuity and customer service in the event of any emergency to ensure the implementation of a set of procedures, the most important of which are the following:

- Providing alternative locations for staff distribution to ensure work continuity and to maintain social distancing among employees.
- Activating new work strategies to ensure the continuity of customer service.
- Maintaining the safety of both employees and clients by taking all measures related to the sterilization of workplaces.

b. The impact of the novel coronavirus (COVID-19) outbreak on the results of the Company's operations:

In the aspect of monitoring the impact of the COVID 19 crisis on the results of the Company's operations specifically in assessing the adequacy of provisions and / or the extent of the need for additional provisions and evaluation of going concern assumption of the Company within 12 months from the date of the issuance of the financial statements, a set of assumptions was used, based on the interplay of two main pillars that enable the Company to monitor the impact of the crisis on its business. These two pillars are the following:

Global practices for calculating credit losses based on International Financial Reporting Standard No. (9), and amendment of the calculation models developed for this purpose in a manner that leads to taking into account the impact of (COVID-19) event, and reaching reasonable expectations for the expected outputs of the impact. In addition to Management's overlay in assessing the impact on specific sectors or specific clients based on the study of each customer separately. And the Company ability to continue as a going concern on its operations during 12 months period from the date of the financial statements issuance of the financial statements. Noting that the Group has a strong financial position and a strong capital base that enables it to absorb these traumas.

c. The effect of the novel coronavirus (COVID-19) outbreak on the Company's liquidity levels:

The Company has prepared all scenarios related to stressful situations, noting that the Company has comfortable levels that enable it to respond to market conditions.

4. Cash on Hand and Balances at Banks

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Cash on hand	14,285	4,221
Balances at banks – current accounts	1,258,302	2,762,548
	<u>1,272,587</u>	<u>2,766,769</u>

Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of Jordan. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month expected credit loss and the current credit ratings of the bank, the management of the Company have assessed that there is no impairment, and hence have not recorded any loss provisions on these balances.

5. Accounts Receivable - Net

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Trade receivables	2,578,856	2,711,104
<u>Less: Provision for expected credit losses</u>	<u>(361,184)</u>	<u>(361,184)</u>
	<u>2,217,672</u>	<u>2,349,920</u>

The movement on the provision for expected credit losses is as follows:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance – beginning of the period / year	361,184	196,561
Provision booked during the period / year	-	164,623
Balance – end of the period / year	<u>361,184</u>	<u>361,184</u>

The Company always measures the loss allowance for trade receivables at an amount equal to lifetime ECL using the simplified approach. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

6. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Shares of listed companies *	7,095,062	8,524,984
Shares of unlisted companies **	<u>2,742,011</u>	<u>2,978,396</u>
	<u>9,837,073</u>	<u>11,503,380</u>

* This item includes an investment with a fair value of JD 19,900 as of June 30, 2020, restricted against the Board of Directors' membership in the investee Company (JD 13,800 as of December 31, 2019).

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

7. Financial Assets at Amortized Cost

This item consists of the following:

	June 30, 2020	December 31, 2019
	JD	JD
Ithmaar Investment & Financial consultancy		
Company bonds *	<u>110,000</u>	<u>110,000</u>
	<u>110,000</u>	<u>110,000</u>

* During the month of October 2018, the Company invested in a 22 bonds from Ithmaar Investment and Financial Consultancy Company with a nominal value of JD 110,000. Issued on 10 October 2018 for 5 years and at a fixed interest rate of 8.25% calculated on the basis of the number of actual days divided by 365 from the date of issue until maturity date.

8. Investment Property

The fair value of real estate investments is estimated at JD 610,222 according to the latest real estate valuation available at the end of the year 2019.

9. Shareholders' equity

a. Paid – up capital

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

b. Statutory reserve

Statutory reserve represents accumulated amounts transferred from the annual net income before tax at a rate of 10% till the end of the year 2019. In accordance with the Jordanian Companies Law, this reserve may not be distributed to shareholders.

c. Voluntary reserve

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

d. Financial assets at fair value 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 June 30, 2020 and December 31, 2019.

e. Retained earnings

The General Assembly of shareholders in their ordinary meeting held on June 8, 2020 approved the board of directors' recommendation to distribute cash dividends of JD 2 Million to the shareholders at a rate of 20% of the capital for the year 2019 (JD 1.2 Million as cash dividends to the shareholders at a rate of 12% of the capital for the year 2018).

10. Earnings per Share

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
	JD	JD	JD	JD
Profit for the period	236,903	860,200	384,540	1,000,428
	Share	Share	Share	Share
Weighted average of outstanding shares	10,000,000	10,000,000	10,000,000	10,000,000
	JD/Share	JD/Share	JD/Share	JD/Share
Earnings per share for the period –basic and diluted	0.02	0.09	0.04	0.10

11. Tax

a. Income tax expense:

This item consists of the following:

	For the Six Months Ended June 30, 2020	For the Six Months Ended June 30, 2019
	JD	JD
Income tax for period	92,324	244,198
Deferred tax assets	2,629	(7,796)
	<u>94,953</u>	<u>236,402</u>

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

b. Income tax provision:

The movement on the income tax provision is as follows:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance – beginning of the period / year	432,383	228,563
Income tax for the period/year	92,324	517,341
	<u>524,707</u>	<u>745,904</u>
<u>Less:</u> Income tax paid during the period/year	<u>(209,913)</u>	<u>(313,521)</u>
Balance – end of the period/year	<u>314,794</u>	<u>432,383</u>

c. Deferred Tax Assets:

This item consists of the following:

	For the Six Months Ended June 30, 2020				For the Year Ended December 31, 2019
	Balance- Beginning of the Period	Additions	Released Amounts	Balance- End of the Period	Deferred Tax assets
	JD	JD	JD	JD	JD
Expected credit loss provision (receivables & due from related parties)	388,611	3,526	(19,956)	372,181	59,549
Provision for slow-moving inventory	352,102	-	-	352,102	56,336
	<u>740,713</u>	<u>3,526</u>	<u>(19,956)</u>	<u>724,283</u>	<u>115,885</u>
					<u>118,514</u>

- The Company did not calculate deferred tax liabilities as the management believes that there will be no future tax liabilities.

d. Tax Status:

The Company has reached a final settlement with Income and Sales Tax Department up to the end of the year 2016. The Company submitted its income tax for the years 2017 till 2019, and they have not been reviewed by the Income and Sales Tax Department till the date of the accompanying condensed consolidated interim financial information.

In management's opinion, the income tax provision booked in the condensed consolidated interim financial information is sufficient and there is no need for additional provisions.

12. Balances and Transactions with Related Parties

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

	Employees, Shareholders and Members of the Board of Directors	Related Companies	Expected Credit Losses Provision *	Total
<u>June 30, 2020</u>	JD	JD	JD	JD
Accounts receivable	21,526	176,972	(10,997)	187,501
Accounts payable	822,921	112,177	-	935,098
Investments	-	3,952,440	-	3,952,440
Obligations against lease	-	7,933	-	7,933
<u>December 31, 2019</u>				
Accounts receivable	43,396	125,714	(27,427)	141,683
Accounts payable	753,221	18,877	-	772,098
Investments	-	4,286,970	-	4,286,970
Obligations against lease	-	23,805	-	23,805
<u>For the Six-Month Period Ended</u>				
<u>June 30, 2020</u>				
Expenses	9,616	134,133	-	143,749
<u>For the Six-Month Period Ended</u>				
<u>June 30, 2019</u>				
Sales	1,964,873	-	-	1,964,873
Expenses	326,365	25,395	-	351,760

- The Company used to sell its products in the local market through Saad Abu Jaber and Sons Company (Shareholder) who was the exclusive distributor for the Company in the local market. During the first quarter of 2019, the agreement with Saad Abu Jaber and Sons Company was terminated. The Company became the main distributor of all its products.
- The Company manufactures some of its products under a franchise agreement with Heineken - Holland (shareholder), in addition to Henninger - Germany for a specific franchise fee, granting the Company the exclusive franchise to use trademarks in geographical areas designated for the sale of some products the Company produces.

- The agreement obligates the Company to market some of its manufactured products according to the franchise agreement based on an annual marketing plan that aims to increase sales and to meet demand appropriately.
- The salaries and bonuses of executive management amounted to JD 208,171 for the six-month period ended June 30, 2020 (JD 185,624 for the six-month period ended June 30, 2019).
- * The movement on expected credit loss related to balances with related parties is as follows:

	For the Six Months Ended June 30, 2020	For the Year Ended December 31, 2019
	JD	JD
Balance – beginning of the period / year	27,427	30,952
Provision for the period / year	3,526	60,000
Reversed during the period/year	(19,956)	(63,525)
Balance – end of the period/year	<u>10,997</u>	<u>27,427</u>

13. Contingent Liabilities

At the date of the financial position, the Company was contingently liable for bank guarantees with an amount of JD 238,276 as of June 30, 2020, (JD 240,977 as of December 31, 2019), in addition to lawsuits against the Company amounted to JD 12,198 and lawsuits held by the Company amounted to JD 605,829. In management and the Company's legal consultant's opinion, the Company will not bear any obligations against any lawsuits except one case with the amount of JD 12,198 of which a provision has been booked for.

14. Operating Segments

The disclosed information related to the Company's operating segments are reported in accordance with International financial reporting standard Number 8. IFRS 8 requires the disclosure of reportable segments based on the internal reports that are regularly reviewed by the Company Chief Operation decision maker, and is used to allocate resources to the Company's segments and assess their performance. The operating sectors for 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. Importing Segment of Alcoholic and Non-Alcoholic Beverages

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

c. Importing food products and agencies

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

d. Investing Segment

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

e. 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,	
	2020	2019
<u>Manufacturing:</u>	JD	JD
Net local sales	2,145,091	2,649,662
Net export sales	236,811	322,325
Net sales of free zones / Aqaba	516,385	1,052,074
Net sales from manufactured products	2,898,287	4,024,061
<u>Less: Cost of sales for manufactured products</u>	<u>1,494,274</u>	<u>2,034,683</u>
Gross profit from sales of manufactured products	<u>1,404,013</u>	<u>1,989,378</u>
<u>Import of alcoholic and non-alcoholic beverages:</u>		
Net sales from imported products	413,585	546,113
<u>Less: Cost of sales for imported products</u>	<u>316,078</u>	<u>509,272</u>
Gross profit from imported products	<u>97,507</u>	<u>36,841</u>
<u>Import of food products and agencies:</u>		
Net sales from imported food products and agencies	107,855	24,888
<u>Less: Cost of sales for imported food products and agencies</u>	<u>145,489</u>	<u>18,529</u>
Gross (loss) profit from sale of food products and agencies	<u>(37,634)</u>	<u>6,359</u>
Total Gross profit from sales	1,463,886	2,032,578
<u>Less: Selling and distribution expenses</u>	<u>(518,371)</u>	<u>(613,143)</u>
Total Gross profit from segment	<u>945,515</u>	<u>1,419,435</u>
<u>Investing:</u>		
Investment & rental revenues	218,705	730,470
Total Segment Profit	218,705	730,470
Total Segments Profit	1,164,220	2,149,905
Expenses not distributed over segments	(684,727)	(913,075)
Profit for the Period before Tax	479,493	1,236,830
Income Tax expense	(94,953)	(236,402)
Profit for the period	<u>384,540</u>	<u>1,000,428</u>

f. 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	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
	JD	JD	JD	JD
Manufacturing	10,809,029	8,290,633	3,866,647	3,116,409
Investing	10,543,524	11,886,972	-	-
Total Assets / Liabilities	21,352,553	20,177,605	3,866,647	3,116,409
Undistributed assets / liabilities	4,611,826	8,441,410	673,398	795,443
Total Assets / Liabilities	<u>25,964,379</u>	<u>28,619,015</u>	<u>4,540,045</u>	<u>3,911,852</u>

g. Revenues from Main Sales

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

	For the Six Months Ended June 30,	
	2020	2019
	JD	JD
Sales of alcoholic drinks	5,459,269	7,994,511
Sales of food products	337,827	18,529
Sales of non-alcoholic drinks	41,938	153,956
Total Sales	5,839,034	8,166,996
<u>Less: Sales tax</u>	<u>(2,419,307)</u>	<u>(3,571,934)</u>
Net Sales	<u>3,419,727</u>	<u>4,595,062</u>

15. Seasonal analysis

The seasonality had no effect on the condensed consolidated interim statement of profit or loss for the years 2019 & 2020.

16. Fair Value Hierarchy

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

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

Financial Assets/Financial Liabilities	Fair Value		The Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
	June 30, 2020	December 31, 2019				
	JD	JD				
Financial assets at fair value in other comprehensive income						
Shares with available market prices	7,095,062	8,524,984	Level I	Prices issued in market values	N/A	N/A
Shares with no available market prices	2,742,011	2,978,396	Level II	Comparing the market value with a similar financial instrument	N/A	N/A
Total	9,837,073	11,503,380				

There was no transfers between the first level and second level during the six months ended June 30, 2020 or during the year 2019.

B. The fair value of assets and 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 assets and 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, 2020		December 31, 2019		Fair Value Level
	Book Value	Fair Value	Book Value	Fair Value	
Assets with an unspecified fair value					
Property Investment	JD 272,605	JD 610,222	JD 273,592	JD 610,222	Level II
Total Assets with an Unspecified Fair Value	272,605	610,222	273,592	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.