شـركـة الأردن الدولـيـة للإستثـمـار
Jordan International Investment Co.

الرقم : 38/1/2/102

To: Jordan Securities Commission Amman Stock Exchange Date:- 07/04/2019 **Subject:** Audited Financial Statements for the fiscal year ended 31/12/2018	السادة هيئة الاوراق المالية السادة بورصة عمان التاريخ:- 2019/04/07 <u>الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في 2018/12/31</u>
Attached the Audited Financial Statements of Jordan International Investment Co. for the fiscal year ended 31/12/2018 in English.	مرفق طيه نسخة من البيانات المالية المدققة لشركة الأردن الدولية للإستثمار عن السنة المالية المنتهية في 2018/12/31 باللغة الإنجليزية.
Kindly accept our high appreciation and respect Jordan International Investment Co. Sami Gammoh Chairman	وتفضلوا بقبول فائق الإحترام،،، شركة الأردن الدولية للإستثمار سامي قموه رئيس مجلس الإدارة

هيئـــة الأوراق الماليـــة
الدائـــرة الادارية / الديوان
٧ نيسان ٢٠١٩
الرقم المتسلسل ....٢....٦....٣....
الجهة المختصة ....١....

هاتف: ٥٥ ٦٦٩٩ ٥٦ (٦ ٩٦٢+) فاكس: ١٩ ٦٧٤ ٥٦ (٦ ٩٦٢+) ص.ب: ٨٤٠٥٣٦ عمان ١١١٨١ الأردن
Tel.: (+962 6) 5669955 Fax: (+962 6) 5667419 P.O.Box: 840536 Amman 11181 Jordan E-mail: jiic@hallabat.net www.jiig.com

JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONSOLIDATED FINANCIAL
STATEMENT FOR THE YEAR ENDED
ENDED DECEMBER 31, 2018

TOGETHER WITH THE INDEPENDENT AUDITOR'S
REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS

JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

FOR THE YEAR ENDED DECEMBER 31, 2018

Kawasmy & Partners CO.
Amman - Jordan
Shmeisani, Al-Shareef Abdul Hameed Sharaf Str. BLD # 28
Tel : +962 6 5650700, Fax : +962 6 5688598

Independent Auditor's Report on the consolidated financial statements

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

Opinion

We have audited the accompanying consolidated financial statements of **Jordan International Investment Company – Public Shareholding Limited Company- and its subsidiary ("the Group")** which comprise consolidated statement of financial position as at December 31, 2018 and the related consolidated statements of profit or loss and other comprehensive income, changes in Shareholders' equity and cash flows for the Year ended and the notes about consolidated financial statements, including the summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of December 31, 2018, and its financial performance and its consolidated cash flows for the year then ended in according to the International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board of Accountant Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance 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. Key audit matters are described below:

Valuation of Investment Properties	Audit program to face risks
The Group has investment properties amounting to JOD 7,543,045 as at December 31, 2018 representing 79% of the Group's total assets. Under IFRS, the Group is required to disclose the fair values of these assets and to assess impairment in value (if any), The management requires a lot of judgment and estimation to determine fair value, where judgments and estimates are applied to inputs to the fair value / impairment measurement	An audit involves evaluating the internal control procedures in determining the fair value of investment properties and comparing them with the carrying amounts to determine whether there is any impairment in value. In addition to the Group's management estimates of fair value / impairment of investment properties, we compared these estimates with the

process, including real estate appraisals from real estate valuers. Accordingly, the process of estimating the fair value / impairment of these assets by management was key to our audit. The accounting policies and the key accounting estimates relating to investment properties are set out in notes 2, 3 and 8 to the consolidated financial statements.	requirements of IFRS and discussed under the available information. The audit procedures included evaluating the methodology used and the appropriateness of the valuation models and inputs used to determine the fair value / impairment of investment properties and reviewing the reasonableness of the key inputs in the valuation process by reviewing future discounted cash flows and real estate valuations provided by real estate valuers and other inputs that have been reviewed. We have also assessed the adequacy of the Group's disclosures about key estimates.

Other Matter

The consolidated financial statements for the year ended December 31, 2017, which appear for comparison purposes were audited by another auditor who expressed unqualified audit opinion on March 18, 2018.

Other Information

Management is responsible for other information. Other information consists of information provided in the annual report except for the consolidated financial statements and the independent auditor's report thereon. We expect that the annual report will be provided to us later than the date of our report. Our opinion on the consolidated financial statements does not include other information and we do not express any kind of assurance or conclusion.

In assessing the consolidated financial statements, it is our responsibility to read the above-mentioned information as it becomes available to us. We assess whether the other information is not materially consistent with the consolidated financial statements or information obtained through our audit or that other information includes errors In the event that we find that there are material errors in this information, it is necessary to report that information. We have not been provided with the annual report of the group or any other information related to this paragraph until the date of preparation of this report.

Management responsibility on the consolidated financial statements

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

Management is responsible for assessing the Company's ability to continue, and disclosing about the matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to stop it operations, or no had realistic alternative but to do it.

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

Auditor responsibility for the audit of 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 auditors' 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 ISAs, we exercise professional judgment 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- 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 the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Obtain sufficient appropriate audit evidence regarding the consolidated financial statements of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 safeguards.

From the matters communicated with those charged with governance, we determine those matters that were 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 auditors' report unless law or regulation precludes 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 Group maintains proper accounting records. The accompanying consolidated financial statements are, in all material aspects, in agreement with the Company's accounting records, and we recommend that the General Assembly to approve these financial statements.

This financial information is a translated copy to the English language of the original consolidated financial statements issued in Arabic language.

Kawasmy and Partners
KPMG

Hatem Kawasmy
License no. (656)

Amman - Jordan
February 25, 2019

KPMG
Kawasmy & Partners Co.

JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Jordanian Dinar	Note	As of December 31,	
Assets		**2018**	**2017**
Current Assets			
Cash on hand and at bank	5	1,701,022	970,758
Cheques under collection		9,305	-
Financial assets at fair value through other comprehensive income	6	134,750	114,136
Trade and other receivables	7	90,373	84,803
Due from related parties	13	-	404
Total Current Assets		**1,935,450**	**1,170,101**
Non-Current Assets			
Investment properties - Net	8	7,543,045	8,155,406
Deferred tax assets	12-B	33,661	32,058
Property and equipment	9	28,535	31,057
Total Non-Current Assets		**7,605,241**	**8,218,521**
Total Assets		**9,540,691**	**9,388,622**
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and other credit balances	10	81,557	84,521
Income tax provision	12-A	20,059	-
Total Current Liabilities		**101,616**	**84,521**
Shareholders' Equity			
Paid-up capital	1	10,000,000	10,000,000
Statutory reserve		47,346	29,806
Special reserve		2,225	2,225
Financial asset valuation reserve		(45,856)	(23,539)
Accumulated (losses)		(564,640)	(704,391)
Total Shareholders' Equity		**9,439,075**	**9,304,101**
Total Liabilities and Shareholders' Equity		**9,540,691**	**9,388,622**

The companying notes on pages (9) to (29) are an integral part of these consolidated financial statements and should be read with it and with the independent auditor's report.

Chairman of Board of Directors | **Financial Manager**

JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

In Jordanian Dinar	Note	As of December 31, 2018	2017
Cash flows from operating activities			
Profit (loss) for the year before income tax		175,400	(34,540)
Adjustments:			
Interest revenue		(62,776)	(41,172)
Depreciation expense of property and equipment and investment properties	8 , 9	16,240	16,448
(Gain) on sale of investment properties	8	(214,517)	(12,811)
(Gain) on sale of property and equipment		-	(18,499)
Net cash flows (used in) operating activities before changes in working capital items		**(85,653)**	**(90,574)**
Changes in:			
Cheques under collection		(9,305)	10,000
Trade and other receivables		(5,570)	5,910
Due from related parties		404	6,404
Accounts payable and other credit balances		(2,964)	(27,387)
Net cash flows (used in) operating activities		**(103,088)**	**(95,647)**
Cash flows from investing activities			
Proceeds from sale of property and equipment		-	18,499
Proceeds from sale of investment properties	8	813,160	34,000
(Purchase) fixed assets		-	(3,446)
(Purchase) of financial assets at fair value through other comprehensive income		(47,656)	(106,987)
Proceeds from sale of financial assets at fair value through other comprehensive income		5,072	-
Bank Interest received		62,776	41,172
Net cash flow from (used in) investing activities		**833,352**	**(16,762)**
Net changes in cash on hand and at bank during the year		730,264	(112,409)
Cash on hand and at bank at the beginning of the year		970,758	1,083,167
Cash on Hand and at Bank at the End of the year	5	**1,701,022**	**970,758**

The companying notes on pages (9) to (29) are an integral part of these consolidated financial statements and should be read with it and with the independent auditor's report.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1) GENERAL

A- Jordan International Investment Company was established as a Jordanian Public Shareholding Limited Company and registered at the Companies Controller Department under Number (412) on July 13, 2006. The Company is the result of the merger between Jordan International Industries Company, a Public Shareholding Limited Company, and the Jordan International Company for Tourism and Real Estate Investments, a Limited Liability Company. The Company's paid-up capital amounted to JOD 10 million, distributed among by 10 million shares at a par value of one Jordanian Dinar per share.

- Jordan International Insurance Company has 90.70% ownership of the Company's shares which is a Public Shareholding Limited Company listed in Amman Stock Exchange.

B- The Company's main objectives are:

- Acquiring lands and establishing industrial projects, crafts estates, housing cities, touristic hotels and residential buildings.
- Dealing in movable and immovable properties according to the applicable laws and regulations.
- Obtaining and implementing commercial agencies and carrying out brokerage activities.
- Importing, exporting, marketing and distributing all types of commodities by all means.
- Establishing, purchasing, and fully or partially owning any company, corporation, goodwill, or trade name, whether local or international.
- Establishing and licensing car park lots.

C- The Board of Directors approved the consolidated financial statements on February 7, 2019.

2) BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

a) Statement of compliance

The consolidated financial statements have been prepared in accordance to International Financial Reporting Standards (IFRS).

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for financial assets at fair value through other comprehensive income which are measured at fair value.

c) Functional and presentation currency

The consolidated financial statements are presented in Jordanian Dinar, which is the company's functional currency

d) Basis of consolidating the financial statements

The consolidated financial statements include the consolidated financial statements for the Company and its following subsidiary, after the elimination of transactions and balances between them, the Company has the following subsidiary as of December 31, 2018:

Company Name	Paid-In Capital	Ownership Percentage	Nature of operation	Country of operation	Year of acquisition
Tellal Salem Real Estate Company	150,000	100%	Investment in properties	Jordan	2012

The following is the most important information about the subsidiary as of December 31, 2018, 2017:

	As of December 31, 2018			
In Jordanian Dinar	Assets	Liabilities	Revenues	Expenses
Tellal Salem Real Estate Company	727,132	481,602	101,983	1,688

	As of December 31, 2017			
In Jordanian Dinar	Assets	Liabilities	Revenues	Expenses
Tellal Salem Real Estate Company	625,150	479,315	-	1,180

The Group accounts for business combinations of a subsidiary in the consolidated statement of profit and loss and other comprehensive income starting from the date of the acquisition which is the date when control is transferred to the Company.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in the consolidated statement of profit or loss and other comprehensive income immediately. Transaction costs are expensed as incurred in the consolidated statement of profit or loss and other comprehensive income except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in the consolidated statement of profit or loss and other comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as Shareholders' equity, then it is not re-measured and settlement is accounted for within Shareholder's equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the consolidated statement of profit or loss and other comprehensive income.

Non-controlling interest are measured at their proportionate share of the acquire identifiable net assets at the acquisition date.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the consolidated statement of profit or loss and other comprehensive income.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these consolidated financial statements.

e) Use of judgments and estimates

The preparation of consolidated financial statements in conformity with IFRSs require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated financial statements is summarized as follows:

- Determination of expected credit loss allowance for financial assets is based on assumptions adopted by the Group's management in estimating the allowance in accordance with the requirements of IFRSs.
- Management estimates the provision for income tax in accordance with the prevailing laws and regulations.
- Management periodically reassesses the economic useful lives of property and equipment based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management periodically reviews investment properties to determine any impairment and recognizes the impairment loss in the consolidated statement of profit and loss.

- Management frequently reviews the lawsuits raised against the Company based on a legal study prepared by the company's legal advisors. This study highlights potential risks that the Company may incur in the future.
- Management should determine and disclose the level of fair value hierarchy in which fair value measurements are classified, and to separate fair value measurements at the levels specified in the IFRSs. The Company is required to differentiate between Level 2 and Level 3 fair value measurements, meaning that assessing whether inputs are observable and whether unobservable inputs are important, this may require insights and careful analysis of inputs used to measure fair value, including the study of the factors of specifying assets or liabilities.

Management believes that its estimates and judgments are reasonable and adequate.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in preparing the consolidated financial statements are consistent with those adopted for the year ended December 31, 2017 except for the following new and amended standards which became applicable from January 1st, 2018:

- International Financial Reporting Standard (9): Financial Instruments.
- International Financial Reporting Standard (15): Revenue from Contracts with Customers.
- IFRS (2): Classification and Measurements of Share-Based Payments.
- IAS (40): Clarify Transfers of Investment in Property.
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments on IFRS (1) adopting IFRS for the first time and IAS (28) Investment in associate and joint venture.
- IFRIC (22) Foreign Currency Transactions and Advance Consideration

The adoption of the above standards has not affected the amounts or disclosures in the consolidated financial statements. The following is a summary of the most important new standards applied during the year:

*** IFRS 9 Financial Instruments**

The Group has adopted IFRS (9) as from January 1st 2018. IFRS (9) defines requirements for the recognition and measurement of both financial assets and liabilities and certain contracts for the purchase or sale of non-financial items. This standard replaces IAS (39) “Recognition and Measurement”.

The details of the new significant accounting policies, the nature and the impact on the previous accounting policies, are set out below:

A- Classification and measurement of financial assets and financial liabilities:

IFRS (9) largely retains the existing requirements in IAS (39) for the classification and measurement of financial liabilities. However, but eliminates the classification of held-to-maturity financial assets, loans and receivables and available-for-sale assets that fall under the criteria International Accounting standards No. (39).

- Financial assets

The Group has early adopted the first phase of IFRS (9) as of January 1st, 2011 based on the request of Jordan Securities Commission. There were no material differences between the first phase of the Standard and the final version of the Standard issued on July 24, 2014.

Under IFRS (9), on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It's held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The accounting policies applied are similar to the accounting policies adopted by the Group (considering that the Group has applied early to the first phase of IFRS (9) with the exception of the following accounting policies that became effective from January 1st, 2018:

Debt investments at fair value through other comprehensive income.	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statements of profit or loss. Other net gains and losses are recognized in the consolidated statements of other comprehensive income. On derecognition, accumulated gains and losses transferred from the consolidated statement of other compressive income to consolidated statement of profit or loss.

The adoption of IFRS (9) on the carrying amounts of the financial assets at January 1, 2018 only relates to the new impairment requirements.

In Jordanian Dinar	Original classification under IAS 39	New classification under IFRS 9	Original carrying amount under IAS 39	New carrying amount under IFRS 9
Financial Assets				
Cash on hand and at bank	Loans and Receivables	At Amortized Cost	970,758	970,758
Trade receivables	Loans and Receivables	At Amortized Cost	63,170	63,170
Due from related parties	Loans and Receivables	At Amortized Cost	404	404

- Financial liabilities:

The adoption of IFRS (9) has no material impact on the Group's accounting policies relating to financial liabilities. IFRS (9) has maintained the requirements of IAS (39) regarding the classification of financial liabilities.

IAS (39) requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through profit or loss in the consolidated statement of profit or loss, whereas IFRS 9 requires:

- Recognition of differences in valuation of financial liabilities classified as financial liabilities at fair value through profit and loss as a result of changes in credit risk in the consolidated statement of comprehensive income.
- The remaining amount of fair value valuation differences is recognized in the consolidated statement of profit or loss:

The Group has not classified any financial liabilities in financial liabilities at fair value through profit or loss. Accordingly, there is no impact of applying IFRS 9 to the consolidated financial statements with relation to financial liabilities.

B- Impairment on financial assets:

IFRS (9) replaces the "loss recognition" model adopted in IAS (39) to calculate the impairment of financial assets over "expected credit loss" model, which requires the use of estimates and judgments to estimate economic factors. The simplified approach model will be applied to financial assets - debt instruments classified at amortized cost or at fair value through other comprehensive income but not to investments in equity instruments. Where credit losses are recognized in accordance with IFRS (9), which is earlier than IAS (39).

The expected impairment of the life of the financial instrument to maturity is calculated based on the requirements of IFRS 9.

If the financial instrument is impaired or there is objective evidence of impairment as a result of a loss or default after initial recognition with a negative impact on the future cash flow, the financial instrument is transferred to the third level. The expected credit loss model requires recognition of the expected loss over the life of the asset debt instruments are very similar to the requirements of IAS (39).

When determining whether the credit risk of financial assets has increased significantly since initial recognition and in estimating the expected credit loss, the Group relies on reasonable and supportive information available and relevant, including quantitative and qualitative information and analysis of this information based on the Group's past experience and credit study, as the Group estimates that he credit risk of financial assets increases signifcantly when it is matured for more than 60 days or if the credit rating of the financial asset decreased by 2 points.

The expected credit loss mechanism depends on the probability of default, which is calculated according to the credit risk and future economic factors, the loss given default, which depends on the value of the existing collateral, the exposure at default, The expected credit loss is discounted at the effective interest rate of the financial asset.

In each financial year, the Group evaluates the credit rating of financial assets at amortized cost and debt securities at fair value through other consolidated statement of comprehensive income. The credit rating of financial assets is considered to be impaired when one or more events that have a negative impact on the estimated future cash flows of the financial asset occur.

Provisions loss for financial assets measured at amortized cost are deducted from the total carrying amount of the financial asset. For debt securities at fair value through other comprehensive income, the provision for impairment is recognized in other consolidated statement of comprehensive income and is not deducted from the carrying amount of the financial asset. The losses of other financial assets are presented under 'Financing expenses' in the same manner of disclosure used in accordance with IAS (39). Such disclosure is not included in the consolidated statement of profit or loss and other consolidated statement of comprehensive income based on material considerations.

There was no material impact on the application of IFRS 9 on the consolidated financial statements of the Group in relation to expected credit losses.

IFRS (15) Revenue from Contracts with Customers

IFRS (15) revenue from contracts with customers, which sets out a comprehensive framework for determining the value and timing of revenue recognition, applies to all entities entering into contracts for the supply of services and goods with customers except for contracts subject to other accounting standards such as the International Financial Reporting Standards (9) and International Standard And IAS (17), which superseded IAS (11), Construction Contracts, IAS (18) Revenue and the Report Standards Committee's Interpretation (13): Customer Loyalty Program, Interpretations Committee Report Criteria (15): Agreements creation of real estate, and the interpretation of the Standards Committee reports (18): operations of assets from customers transfer, interpretation (31) - barter transactions involving advertising services, were no material impact of the application of the standard on the summary of the Group's consolidated financial statements.

The following are significant accounting policies implemented:

a) **Financial instruments (Policy applicable before January 1, 2018)**

- **Non-derivative financial assets**

The Company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date, which is the date when the Company is a contractual party of the financial instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

Financial assets and financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets include cash on hand and at bank, accounts receivable and due from related parties.

Derivatives are initially measured at fair value, recognizing any transaction costs that are directly attributable to the consolidated statement of profit or loss as they are due. Subsequent to initial recognition, derivatives are measured at fair value and changes are recognized in the consolidated statement of profit or loss.

- **Receivables**

Receivables are financial assets with fixed or determinable payments that are not traded in an active market. Such assets are recognized initially at fair value plus any transaction costs directly attributable to them. Subsequent to initial recognition, receivables are measured at amortized cost less any impairment losses. Accounts receivable consist of accounts receivable and other debit balances.

- **Cash and cash equivalent**

Cash and cash equivalent consist of cash balances and demand deposits with maturities of three months or less from the date of linkage and are not exposed to a high degree of risk of change in fair value and are used by the Company to meet its short-term liabilities.

- **Non-derivative financial liabilities**

Financial liabilities are initially recognized on the trade date, in which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes financial liabilities when the Company is discharged of its contractual obligations, or if it is canceled or terminated.

A reconciliation is made between financial assets and financial liabilities and the net amount is recognized in the consolidated statement of financial position only when the required legal rights are available. Or when they are settled on an accrual basis or the asset is realized and the liability settled at the same time.

Financial liabilities include accounts payable, accrued expenses and other credit balances.

These financial liabilities are initially recognized at fair value plus direct transaction costs, after initial recognition, these financial liabilities are measured at amortized cost using the effective interest method.

b) <u>Impairment (Policy applicable before January 1, 2018)</u>

Financial Assets

- A financial asset is assessed at the end of each financial year to determine whether there is objective evidence that it is impaired.
- A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.
- An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. These assets are assessed collectively for impairment testing. If any exists, the impairment of the non-significant financial assets is tested for the aggregation of these assets at low risk.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the consolidated statement of profit or loss.

Non-Financial Assets

- The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
- An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount.
- Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

All impairment losses are recognized in the consolidated statement of profit or loss.

c) <u>Property and equipment</u>

Recognition and measurement:

- Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.
- Cost includes expenditures that are directly attributable to the acquisition of the asset.
- When parts of an item of property and equipment have different useful lives, they are accounted for as separated items of property and equipment.

- Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognized net within "other income" or "other expense" in the consolidated statement of profit or loss and other comprehensive income.

– **Subsequent costs:**
The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The daily costs and expenses servicing of property and equipment are recognized in the consolidated statement of profit or loss and other comprehensive income as incurred.

– **Depreciation:**
Depreciation is recognized in the consolidated statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of each part of an item of property and equipment except lands which not depreciated.

All property and equipment's are recorded at their historical cost depreciated later according to the straight line method, as for the below useful lives:

Property and Equipment	**Depreciation Percentage**
	%
Buildings	2
Machine and Equipment	5-10
Furniture	10
Vehicles	15
Posters and Water wells	10-20

d) Investment Properties
Investment properties are those assets held for the purpose of income from leasing or for capital appreciation or both. The sale does not include the Company's normal activities, use in production, supply of goods and services, or for administrative purposes. Investment properties are recognized at the initial recognition at cost and its fair value is being disclosed in the notes to the consolidated financial statements. Investment properties are assessed by two independent real estate valuers based on market prices in an active market and discounted expected cash flows.

- Estimated annual depreciation rates for real estate investments during the current and prior years are as follows:

Investment properties items	**Depreciation Percentage**
	%
Buildings, Apartments and Offices	2

e) Revenue recognition and recognition of expenses
- Revenue represents sales and purchase commissions for brokerage and margin clients. Revenue is recognized when the sale or purchase is made and the service is rendered to the customer on an accrual basis.
- Interest and interest on margin financing are recognized as income in the year in which they are realized on an effective interest basis.
- Revenue from other activities is recognized on an accrual basis.
- Expenses are recognized on an accrual basis.

f) **Foreign Currency Transaction**

Transactions denominated in foreign currencies are recorded in Jordanian Dinar at the exchange rates at the date of the transaction and at the consolidated statement of financial position date, the financial assets and liabilities denominated in foreign currencies are translated to the Dinar at the end of the period using the exchange rates prevailing at 31 December. Gains or losses are presented in the consolidated statement of profit or loss.

g) **Provisions**

A provision is recognized at the date of the consolidated statement of financial position, if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

h) **Offsetting**

Financial liabilities are off-set against financial assets, and the net amount is shown in the financial position only when the obliging legal rights are available and when settled on net basis or the realization of assets or settlement of liabilities is done at the same time.

i) **Income tax**

- Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in the consolidated statement of profit or loss except, to the extent that, it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

- Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

- Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

- Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

- Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

- A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized .

- Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized .

- Current accrued income taxes are calculated based on the income tax law prevailing at the tax rate of 20% in the Hashemite Kingdom of Jordan.

4) New Standards and Interpretation not yet adopted and available for early adoption:

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

- International Financial Reporting Standards (16): Leases (effective on January 1st, 2019 with earlier application permitted).
- International Financial Reporting Standards (17): Insurance Contracts (effective on January 1st, 2021 with earlier application permitted).
- IFRIC 23 Uncertainty over Income Tax Treatments (effective on January 1st, 2019).
- Repayment features with negative confirmation – Amendments to IFRS 9 (effective on January 1st, 2019).
- Plan amendments, Curtailment or Settlement – Amendments to IAS 19 (effective on January 1st, 2019).
- Annual improvements on IFRSs 2015-2017 (amendments on IFRS 3, IFRS 11, IFRS 12 and IFRS 23) – (effective on January 1st, 2019).
- IFRS (10) and IAS (28): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Effective date to be determined).

The Group's management anticipates that each of the above standards and amendments will be adopted in the financial statements by its date mentioned above without having any material impact on the Company's financial statements. The following are the key application matters:

<u>IFRS 16 Leases</u>

IFRS 16 was issued as a replacement of existing leases guidance, including IAS 17 Leases and IFRICs and is applicable for the financial periods on or after January 1, 2019. IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees and the following are the key application matters:

i. Leases in which the Group is a lessee

The lessee will recognize an asset, representing its Right of Use (RoU) and liability representing rental payments discounted along the expected period of the use. As a result, the Group will recognize a depreciation charge for right-of-use (RoU) assets and interest expenses on lease liabilities.

If, previously, the Group recognized operating lease expense on straight-line basis over the term of the lease, and recognized the asset and liabilities only to the extent that there was a timing difference between actual lease payments and the expenses recognized.

In addition, the Group will no longer recognize provisions for operating leases that it assesses to be onerous. Instead, the Group will include the payments due under the lease in its lease liability in the consolidated statement of financial position.

No significant impact is expected for the Group's finance leases.

Based in the information currently available, the Group estimates that there will be no impact on its consolidated financial statements.

ii. Leases in which the Company is a lessor

No significant impact is expected from applying IFRS 16 for other leases in which the Group is a lessor.

iii. Effect of implementation

The Group has assessed the estimated financial impact of the initial application of this standard on the consolidated financial statements as at 31 December 2018 and has not had a material impact, as this effect may change when the effective implementation is effective on 1 January 2019, as the Group has not completed the testing and evaluation of IT systems controls The new accounting policies are subject to change until the Company presents its first consolidated financial statements, which include the effective date of implementation.

iv. Transition

The Group plans to apply IFRS 16 initially on January 1, 2019, using the second option of the modified retrospective approach. Therefore, only the remaining periods of the existing contracts will be recognized as assets and liabilities with no impact on opening balances.

5) CASH ON HAND AND AT BANK

This item consists of the following:

In Jordanian Dinar	As of December 31,	
	2018	**2017**
Cash on hand	548	1,157
Cash at bank	491	1,490
Deposit at bank *	1,699,983	968,111
	1,701,022	**970,758**

* Interest rates on deposits range from 1.7% to 6% during the year and are renewed monthly (December 31, 2017: 1.5% to 5.75%).

6) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

In Jordanian dinar	**No of shares**	**As of December 31**	
		2018	**2017**
Shares listed and traded in Amman Stock Exchange			
Cairo Amman bank	50,000	66,500	75,000
Jordan Electricity Company shares	20,600	24,514	17,700
United Cables Factory	10,000	3,300	-
Phenex Arab Holding Company	100,000	19,000	-
		113,314	**92,700**
Shares listed and not traded in Amman Stock Exchange			
International Silica Industries Company shares *	10,000	21,436	21,436
		134,750	**114,136**

* This investment has been evaluated based on the consolidated financial statements for the year ended December 31, 2017.

During the year the Company sold financial assets through other comprehensive income for JOD 5,072 which resulted in a gain of JOD 347 recorded in consolidated other comprehensive income items.

C- The income tax appearing in the consolidated statement of profit or loss represents the following:

In Jordanian Dinar	For the Year Ended December 31, 2018	2017
Income tax expense	(20,059)	-
Deferred tax assets	1,603	2,802
	(18,456)	**2,802**

13) RELATED PARTIES BALANCES AND TRANSACTIONS

Due to related parties include the main shareholders board members and main managers and affiliated company, The Company's management has approved the pricing policies and terms of transactions with related parties, balances and transactions with related parties during the year were as follows:

(13-1) Consolidated Statement of Financial Position

In Jordanian Dinar	As of December 31, 2018	2018
Due from related parties		
Jordan International Insurance Company (Parent Company)	-	229
Board members and their relatives	-	175
	-	**404**

(13-2) Consolidated Statement of Profit or Loss and Other Comprehensive Income

In Jordanian Dinar	As of December 31, 2018	2018
Revenues:		
Jordan International Insurance Company (Parent Company)	-	31,279
Expenses:		
Jordan International Insurance Company (Parent Company)	5,012	5,003
Ibda'a for financial investment Company	210	423

(13-3) Key management salaries and remunerations

Salaries and remunerations paid to the Company's key management for the year ended December 31, 2018 amounted to JOD 15,360 (December 31, 2017: JOD 15,354).

14) EARNINGS (LOSS) PER SHARE FOR THE YEAR:

Earnings (loss) per share is calculated by dividing the profit for the year by the weighted average number of shares during the year and the details are as follows:

Jordanian Dinar	As of December 31, 2018	2017
Profit (loss) for the year (JOD)	156,944	(31,738)
Weighted average for number of shares (Share)	10,000,000	10,000,000
Earnings (loss) Per Share for the year – JOD/Share	**0.0157**	**(0.0032)**

15) **Financial risk management**

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk.
- Capital management.

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk management framework

The management has overall responsibility for the establishment and oversight of company's risk management framework.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities. The company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors monitors the management's performance in monitoring compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks facing the Company. The Internal Audit Department assists the Audit Committee of the Company in the monitoring process. The Internal Audit Department performs regular and dedicated audits of risk management procedures and controls so that the results are reported to the Audit Committee.

- **Credit risk**

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's Cash and cash equevalent.

The carrying amounts of financial assets represents the maximum credit exposure, the maximum exposure to credit risk at the consolidated statement of financial position date was:

	As of December 31,	
Jordanian Dinar	2018	2017
Cash at bank	1,700,474	969,601
Cheques under collection	9,305	-
Trade and other receivables	87,440	82,043
Due from related parties	-	404
	1,797,219	1,052,048

Trade Receivable

- The Group applies IFRS 9, the simple approach that measures expected credit losses using the provision for loss of life of the expected receivables for all receivables.
- For the purposes of measuring expected credit losses, receivables are grouped based on common credit risk characteristics and on the maturity of the receivables. Therefore, the Group has summarized the expected loss rates for trade receivables as approximate and reasonable in relation to loss ratios of receivables.

- The expected loss ratios are based on payments / repayments of receivables over a period of three years and similar historical credit losses tested during this period. The historical loss ratios have been adjusted to reflect the impact of research information on macroeconomic factors, affecting the ability of customers to repay receivables.

- **Liquidity risk**

  Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

  The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation.

  Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the company maintains line of credit from its bank for sudden cash requirements.

  The following are the contractual maturities of financial liabilities:

Non derivatives financial liabilities

December 31, 2018 *Jordanian Dinar*	Carrying amounts	Contractual cash flows	12 months or less	More than one year
Account payable and other credit balances	81,557	(81,557)	-	-
Income tax provision	20,059	(20,059)	-	-
	101,616	**(101,616)**	-	-

December 31, 2017 *Jordanian Dinar*	Carrying amounts	Contractual cash flows	12 months or less	More than one year
Account payable and other credit balances	84,521	(84,521)	-	-
Income tax provision	-	-	-	-
	84,521	**(84,521)**	-	-

- **Market risk**

  Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the group's profit or the value of its holdings of financial instruments.

  The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

Interest rate risk is the risk associated with changes in the value of financial management as a result of changes in market interest rates.

The Company manages its interest rate risk frequently, other considerations are being assessed such as financing and renewal of current positions. Sensitivity analysis is being determined based on the interest rate exposure relating to bank current accounts at the financial statements date.

- **Currency Risk**

The Company's major transactions are in Jordanian Dinar. Furthermore, its foreign currency transactions are limited to US Dollars. The Company's currency risk is related to changes in exchange rates applicable to settlements in foreign currencies. However, due to the fact that the Jordanian Dinar (the Company's functional currency) and the US Dollar are pegged, the Company's management believes that the foreign currency risk is immaterial.

- **Capital management**

The company's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and to sustain future development of the business.

The management monitors the return on capital, which the management defined as net operation income divided by total owners' equity.

The management seeks to maintain a balance between the higher returns that might be possible with higher level of borrowings and the advantages and security afforded by a sound capital position.

There have been no changes in the company's approach to capital management during the year neither the company is subject to externally imposed capital requirements.

16) GEOGRAPHICAL SEGMENT

The Group operates its activities inside the Hashemite Kingdom of Jordan, and the Company's operations are focused on investment in land, real estates and construction projects.

17) CONTINGENT LIABILITIES

A- As of the consolidated financial statements date, the Group had contingent liabilities representing bank letters of guarantee amounting to JOD 10,000.

B- There is a claim lodged against the Group by one of the corporations with an amount of JOD 68,500. The claim represents service fees, operational costs, and penalties related to the Company-owned buildings in Halabat Industrial Zone. Consequently, the Group has filed a lawsuit to preclude a claim at Amman Court of First Instance. Furthermore, a decision was issued prohibiting the Group to claim the above-mentioned amount and dismiss the apprehend able money of the Company and guarantee the defendant to take the fees. Moreover, the defendant has presented an appeal and a response on that appeal was made. The defendant filed a cassation therefore, the lawsuit is currently going through the cassation phase. In the opinion of the Company's management and its legal consultant, the Company will not incur any amounts in excess of the provisions taken as of December 31, 2018.

18) LAWSUITS AGAINST THE COMPANY

- There are lawsuits filed against the Company at courts claiming compensation for labor issues at a total amount of JOD 2,692 as of December 31, 2018 where the case has been dropped temporarily because the claimant did not attend.
- There is a lawsuit against Tellal Salem (a Subsidiary). This lawsuit is to terminate the sale of lands' contracts the Company owned the land in prior year which appears under investment properties (Note 8). The case is currently in the court going through the presentation of the evidence. In the opinion of the company's lawyer, no need to book any lawsuits provision against this case since the legal status of the Company is good.

19) FAIR VALUE LEVELS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for financial assets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instrument evaluated based on:
Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.
Level 3: inputs for the asset or liability that are not based on observable market data (Inputs not observable).

A. Financial Assets measured at fair value in continuous basis:

In Jordanian dinar	December 31, 2018			
	Carrying amount	Fair Value		
		Level (1)	Level (2)	Level (3)
Financial Assets				
Financial assets at fair value through other comprehensive income	134,750	113,314	21,436	-

In Jordanian dinar	December 31, 2017			
	Carrying Amount	Fair Value		
		Level (1)	Level (2)	Level (3)
Financial Assets				
Financial assets at fair value through other comprehensive income	114,136	92,700	21,436	-
Cash on hand and at bank	970,758	970,758	-	-

There were no transfers between level 1 and level 2 during the year ended December 31, 2018.

B. Financial Assets not measured at fair value in recurring basis:

In Jordanian dinar		December 31, 2018		
		Fair Value		
	Carrying amount	Level (1)	Level (2)	Level (3)
Financial Assets				
Cash on hand and at bank	1,701,022	-	-	-
Accounts and other receivables	145,855	-	-	-
Cheques under collection	9,305	-	-	-
Financial Liabilities				
Accounts payable and other credit balances	75,353	-	-	-

In Jordanian dinar		December 31, 2017		
		Fair Value		
	Carrying Amount	Level (1)	Level (2)	Level (3)
Financial Assets				
Trade and other receivables	141,927	-	-	-
Due from related Parties	404	-	-	-
Financial Liabilities				
Accounts payable and other credit balances	74,052	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The book value of financial assets and liabilities presented on the consolidated financial statements are not materially different from its fair value.

There were no transfers between level 1 and level 2 during the year ended December 31, 2018.

C. Non-financial assets that are not measured at fair value of which their fair value are exposed in the consolidated financial statements:

		December 31, 2018		
		Fair Value		
In Jordanian dinar	Carrying amount	Level (1)	Level (2)	Level (3)
Investment properties	7,543,045	-	10,160,140	-

In Jordanian dinar		December 31, 2017		
		Fair Value		
	Carrying Amount	Level (1)	Level (2)	Level (3)
Investment properties	8,155,406	-	10,970,115	-

For items illustrated above, level 2 fair value for non-financial assets have been determined based on the quoted price for similar assets, in non-active market.