الأولى للتمويل
FIRST FINANCE

الرقم : 2019/ 04/03

التاريخ : 2019/05/09

الساده : هيئة الاوراق المالية المحترمين

الساده : بورصة عمان المحترمين

**الموضوع : البيانات المالية باللغة الانجليزية**

نرفق لكم طيا البيانات المالية باللغة الانجليزية كما في 2019/03/31 بالاضافة الى الفرص المدمج .

**وتفضلوا بقبول فائق الاحترام والتقدير ،،،،**

الشركة الاولى للتمويل

مساعد المدير المالي

الاولى للتمويل
FIRST FINANCE

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٠٩ أيار ٢٠١٩
الرقم المتسلسل: 2846
رقم الملف: 31251
الجهة المختصة:


| الفرع الرئيسي Main Branch | فرع اربد Irbid Branch | فرع الزرقاء Zarqa Branch | فرع الوحدات Al Wehdat Branch | فرع المدينة الرياضية Al Madenah Al Ryadiah Branch | فرع العقبة Aqaba Branch |
|---|---|---|---|---|---|
| هاتف: 06 / 5506740 | هاتف: 02 / 7277620 | هاتف: 05 / 3853804 | هاتف: 06 / 4773222 | هاتف: 06 / 5658777 | هاتف: 03 / 2018697 |
| فاكس: 06 / 5411782 | فاكس: 02 / 7277621 | فاكس: 05 / 3853061 | فاكس: 06 / 4773223 | فاكس: 06 / 5672277 | فاكس: 03 / 2018698 |

رأس المال المدفوع: ٣٥,٠٠٠,٠٠٠ دينار أردني

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**First Finance Company**

**Public Shareholding Company**

**Unaudited Interim Condensed Consolidated Financial Statements**

**31 March 2019**

Building a better
working world

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**REPORT ON REVIEW OF**
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**
**TO THE BOARD OF DIRECTORS OF FIRST FINANCE COMPANY**
**AMMAN - JORDAN**

## Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of First Finance Company (Public Shareholding Company) (the "Company") and its subsidiary (the "Group") as at 31 March 2019, comprising of the interim condensed consolidated statement of financial position as at 31 March 2019 and the related interim condensed consolidated statements of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three months period then ended and explanatory notes. Board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated 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 Entity". A review of Interim financial information consists of making inquiries, primarily of persons responsible for the 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 causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

## Other matter

The Consolidated Financial Statements for the year ended 31 December 2018 and the Interim Condensed Consolidated Financial Statements for the period ended 31 March 2018 were audited by another auditor, who issued an unqualified opinion for the year ended 31 December 2018 dated on 25 March 2019, and a qualified conculsion on Interim Condensed Consolidated Financial Statements for the period ended 31 March 2018 dated on 30 April 2018 for not recognizing the Expected Credit Loss impact of IFRS 9 starting from 1 January 2018, whereas the Group recognized the impact in the last quarter of 2018, the implementation of IFRS 9 resulted in a decrease in the retained earnings of JD 5,697,375. The qualified conclusion of the other auditor does not include the adjustments shown in note 2.

Amman – Jordan Ernst + Young
25 April 2019

| | Notes | 31 March 2019 JD (Unaudited) | 31 December 2018 JD (Audited) |
|---|---|---|---|
| **ASSETS** | | | |
| Cash on hand, at banks and financial institutes | 3 | 1,450,000 | 2,693,792 |
| Accounts receivable from financing activities – net | 4 | 43,054,152 | 42,290,198 |
| Financial assets at fair value through statement of profit or loss | 5 | 36,123 | 52,824 |
| Financial assets at fair value through comprehensive income | 6 | 4,668,115 | 5,304,372 |
| Right of use assets | | 1,043,697 | - |
| Property and equipment - net | | 450,641 | 459,153 |
| Deferred tax assets | 12 | 5,565,083 | 5,644,738 |
| Other current assets | 7 | 1,817,301 | 1,682,188 |
| **TOTAL ASSETS** | | 58,085,112 | 58,127,265 |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | | |
| **LIABILITIES** | | | |
| Customers' investment accounts | 8 | 8,840,107 | 10,402,472 |
| Income tax provision | 12 | 272 | 272 |
| Lease liability | | 942,487 | - |
| Other current liabilities | 9 | 3,120,046 | 2,769,696 |
| **Total liabilities** | | 12,902,912 | 13,172,440 |
| **SHAREHOLDERS' EQUITY** | | | |
| Paid in capital | 10 | 35,000,000 | 35,000,000 |
| Statutory reserve | 10 | 3,253,739 | 3,253,739 |
| Voluntary reserve | 10 | 229,851 | 229,851 |
| Fair value reserve | 11 | (1,141,570) | (683,787) |
| Retained earnings | | 7,840,180 | 7,155,022 |
| **Total shareholders' equity** | | 45,182,200 | 44,954,825 |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | 58,085,112 | 58,127,265 |

**The accompanying notes from 1 to 20 are an integral part of these interim condensed consolidated financial statements**

**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**
**FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)**

| | Notes | For the three months ended 31 March 2019 | For the three months ended 31 March 2018 |
|---|---|---|---|
| | | JD | JD (Adjusted note 2) |
| **Revenue-** | | | |
| Finance revenue | | 1,242,939 | 1,743,811 |
| (Less): share of customers' investment accounts | | (122,794) | (145,606) |
| Company's share of revenue | | 1,120,145 | 1,598,205 |
| (Loss) from valuation of financial assets at fair value through statement of profit or loss | | (16,701) | (519) |
| Other income – net | | 454,998 | 220,290 |
| Total revenue | | 1,558,442 | 1,817,976 |
| **Expenses-** | | | |
| Employees expenses | | (198,081) | (201,171) |
| Other operating expenses | | (164,297) | (250,549) |
| Expected credit loss | 4 | (216,527) | (831,189) |
| Depreciation expense of right of use asset | | (36,249) | - |
| **Profit for the period before tax** | | 943,288 | 535,067 |
| Income tax expense | 12 | (258,130) | (379,130) |
| **Profit for the period** | | 685,158 | 155,937 |
| | | JD/Fils | JD/Fils |
| Basic and diluted earnings per share from the profit for the period | 13 | 0.020 | 0.004 |

**The accompanying notes from 1 to 20 are an integral part of these interim condensed consolidated financial statements**

| | For the three months ended 31 March | |
|---|---|---|
| | 2019 | 2018 |
| | JD | JD (Adjusted note 2) |
| **Profit for the period** | 685,158 | 155,937 |
| Other comprehensive income items: | | |
| Items will not be transferred to statement of income in subsequent periods: | | |
| Net changes in fair value of financial assets through other comprehensive incomes in subsequent periods: | (457,783) | (181,949) |
| **Total comprehensive income for the period** | 227,375 | (26,012) |

## First Finance Company – Public Shareholding Company
## Interim Condensed Consolidated Statement of Changes in Equity
## For the Three Months Ended 31 March 2019 (Unaudited)

| | Paid in capital | Statutory reserve | Voluntary reserve | Fair value reserve | Retained earnings | Profit for the period | Total |
|---|---|---|---|---|---|---|---|
| | JD | JD | JD | JD | JD | JD | JD |
| **For the period ended 31 March 2019-** | | | | | | | |
| Beginning balance of the period | 35,000,000 | 3,253,739 | 229,851 | (683,787) | 7,155,022 | - | 44,954,825 |
| Profit for the period | - | - | - | - | - | 685,158 | 685,158 |
| Net change in fair value reserve | - | - | - | (457,783) | - | - | (457,783) |
| **Balance at 31 March 2019** | 35,000,000 | 3,253,739 | 229,851 | (1,141,570) | 7,155,022 | 685,158 | 45,182,200 |
| **For the period ended 31 March 2018 -** | | | | | | | |
| Beginning balance of the period | 35,000,000 | 3,120,815 | 229,851 | (335,885) | 12,657,843 | - | 50,672,624 |
| Impact of IFRS (9) implementation (note 2) | - | - | - | - | (5,697,385) | - | (5,697,385) |
| Beginning balance of the period (adjusted) | 35,000,000 | 3,120,815 | 229,851 | (335,885) | 6,960,458 | - | 44,975,239 |
| Profit for the period | - | - | - | - | - | 155,937 | 155,937 |
| Net change in fair value reserve | - | - | - | (181,949) | - | - | (181,949) |
| **Balance at 31 March 2018** | 35,000,000 | 3,120,815 | 229,851 | (517,834) | 6,960,458 | 155,937 | 44,949,227 |

* The retained earnings balance includes an amount of JD 5,565,083 representing the value of deferred tax assets as of 31 March 2019 (31 December 2018: JD 5,644,738), which is restricted from retained earnings in accordance with The Jordan Securities Commission regulations.

** According to the Jordan Securities Commission instructions, the company should not use or distribute an amount of JD 1,141,570 from the retained earnings, which represents the negative fair value reserve shown in the statement above.

**The accompanying notes from 1 to 20 are an integral part of these interim condensed consolidated financial statements**

FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)

| | Notes | For the period ended 31 March | |
|---|---|---|---|
| | | 2019 | 2018 |
| | | JD | JD (Adjusted note 2) |
| **OPERATING ACTIVITIES** | | | |
| Profit for the period before tax | | 943,288 | 535,067 |
| **Adjustments-** | | | |
| Expected Credit Loss | 4 | 216,527 | 831,189 |
| Depreciation | | 69,681 | 29,001 |
| Losses from valuation of financial assets at fair value through statement of profit or loss | | 16,701 | 519 |
| **Net cash flows from operating activities before changes in working capital items** | | 1,246,197 | 1,395,776 |
| (Increase) in account receivables from financing activities - net | | (980,481) | (4,062,553) |
| (Increase) decrease in other current assets | | (1,215,066) | 347,699 |
| (Decrease) increase in customers' investment accounts | | (1,562,365) | 2,737,648 |
| Increase (decrease) in other current labilities | | 1,299,797 | (27,239) |
| **Net cash flows (used in) from operating activities before income tax paid** | | (1,211,918) | 391,331 |
| Income tax paid | 12 | - | (208,390) |
| **Net cash flows (used in) from operating activities** | | (1,211,918) | 182,941 |
| **INVESTING ACTIVITIES** | | | |
| (Purchase) of financial assets at fair value through other comprehensive income | | - | (3,215) |
| (Purchase) of property and equipment | | (1,685) | (12,029) |
| (Purchase) of work under process | | (23,299) | - |
| Sale of financial assets at fair value through statement of profit or loss | | - | 16,227 |
| **Net cash flows (used in) from investing activities** | | (24,914) | 983 |
| **FINANCING ACTIVITIES** | | | |
| Dividend paid to shareholders | | (6,960) | - |
| **Net cash flows used in financing activities** | | (6,960) | - |
| **Net (decrease) increase in cash on hand and at banks** | | (1,243,792) | 183,924 |
| Cash on hand and at banks at the beginning of the period | | 2,693,792 | 511,587 |
| **Cash on hand and at banks at the end of the period** | 3 | 1,450,000 | 695,511 |

**The accompanying notes from 1 to 20 are an integral part of these interim condensed consolidated financial statements**

## 1 GENERAL

First Finance Company ("the Company") was established as a Public Shareholding Company and is registered with the Ministry of Industry and Trade under no. (390) on 5 March 2006. The company's address is King Abdullah II street building No (72), Khalda, P.O.Box 144596 Amman 11841 Jordan. The Company's authorized capital is JD 50 Million. In accordance with the resolution of the General Assembly of shareholders, in its extraordinary meeting held on 14 April 2011, and after the approval of the Minister of Industry and Trade on 22 June 2011 in the Controller of Companies' Letter No. MSH/1/390 dated on 27 June 2011, the Company reduced its authorized and paid-in capital by JD 15 million to write-off the accumulated losses. Consequently, the Company's capital has become JD 35 million instead of JD 50 million.

The Company's main objectives are as follows:

- Performing financing activities for individuals and legal entities in accordance with the Sharia. This includes, for example, direct financing of consumer and durable goods, financing of real estate, including financing of land, housing, buildings, and construction, as well as financing the establishment of private and public projects.
- Acting as intermediary between banks, local leasing and financing institutions, international and regional development funds and banks, and between the beneficiaries of the programs of these institutions.
- Managing others' funds in the financial and investment sectors for specific fees or shares from the proceeds of such funds.
- Managing property, real estate and other fixed and transferred assets owned by others.
- Based on the Ministry of Industry and Trade's Letter No. MSH/1/390.19827 dated on 3 September 2006, the Company started operating effective from the date of the Ministry's letter.

The condensed interim consolidated financial statements have been approved by the Board of Directors on 23 April 2019.

## 2 ACCOUNTING POLICIES

### 2-1 BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

- The interim condensed consolidated financial statements as of 31 March 2019 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

- The interim condensed financial statements have been prepared under the historical cost convention, expected for financial and liabilities are measured at fair value.

- The interim condensed financial statement have been presented in Jordanian Dinars, which is the functional currency of the Group.

- The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the annual financial statements as of 31 December 2018. In addition, results of the three month period ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.
- The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2018 expect for the amendments presented in note (2-4).

## 2-2 BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements for the Company and its subsidiary (Sukok Leasing Company) (together the "Group") for the period ended on 31 March 2019 consist of the following:

| | Paid in capital | Ownership interest | Nature | Location | Establishment date |
|---|---|---|---|---|---|
| | JD | % | | | |
| Sukok Leasing Company | 500,000 | 100 | Trading | Jordan | 19 April 2017 |

The following table shows financial position and financial performance for Sukok Leasing Company (the subsidiary) as of 31 March 2019:

| 31 March 2019 | | 31 March 2019 | |
|---|---|---|---|
| Assets | Liabilities | Revenues | Expenses |
| JD | JD | JD | JD |
| (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| 489,716 | - | - | - |

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss.

## 2-3 COMPARATIVE FIGURES

The Company has restated the comparative figures as of 1 January 2018 and for the period ended 31 March 2018, to reflect the impact of IFRS 9. As the Management did not complete the assessment of the impact in the pervious financial statements for the period ended 31 March 2018.

The impact of these adjustments on the financial statements is as follows:

| **1 January 2018** | Pre-adjustment balance | Impact | Adjusted balance |
|---|---|---|---|
| | JD | JD | JD |
| **Shareholders' equity** | | | |
| Retained earnings | 12,657,843 | (5,697,385) | 6,960,458 |
| **Assets** | | | |
| Accounts receivable from financing activities – net | 62,588,588 | (7,496,559) | 55,092,029 |
| Deferred tax assets | 3,432,211 | 1,799,174 | 5,231,385 |

**Condensed consolidated interim statement of comprehensive income for the three months ended 31 March 2018**

| | Pre-adjustment balance | Adjusted balance | Impact |
|---|---|---|---|
| | JD | JD | JD |
| Provision for expected credit loss | - | (831,189) | 831,189 |

## (2-4) CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2018, except for the adoption of new standards and amendments effective as of 1 January 2019:

**IFRS 16 Leases**

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption IFRS 16 is as follows:

Impact on the interim condensed consolidated statement of financial position (increase/(decrease)) as at 1 January 2019:

| | 2019 |
|---|---|
| | JD |
| | (Unaudited) |
| **Assets** | |
| Right-of-use assets | 1,079,946 |
| Other assets | (137,459) |
| **Liabilities** | |
| Lease liabilities | (942,487) |
| **Equity** | - |

*a) Nature of the effect of adoption of IFRS 16*

The Group has lease contracts for various items of plant, equipment. Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease.

Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and Other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

• The Group doesn't have any leases previously classified as finance leases.

• Leases previously accounted for as operating leases

The Group recognised right-of-use assets and operating lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

• Used a single discount rate to a portfolio of leases with reasonably similar characteristics.

• Relied on its assessment of whether leases are onerous immediately before the date of initial application.

• Applied the short-term leases exemptions to leases with lease term that ends within 12 months at the date of initial application.

• Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

• The Group used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

b) Amounts recognized in the consolidated statement of financial position and consolidated statement of income.

The table below illustrate the book value of the right of use asset and lease liability and the movment for the period ended 31 March 2019:

| | Buildings | Total | Lease liability |
|---|---|---|---|
| | JD | JD | JD |
| As of 1 January 2019 | 1,079,946 | 1,079,946 | 942,487 |
| Depreciation | (36,249) | (36,249) | - |
| As of 31 March 2019 (Unaudited) | 1,043,697 | 1,043,697 | 942,487 |

c) Set out below are the new accounting policies of the Group upon adoption of IFRS 16, which have been applied from the date of initial application:

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

**Significant judgement in determining the lease term of contracts with renewal options**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of three to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available. The renewal options for leases of motor vehicles were not included as part of the lease term because the Group has a policy of leasing motor vehicles for not more than five years and, hence, not exercising any renewal options.

**IFRIC Interpretation 23 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1January 2019, but certain transition reliefs are available.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

**IFRS 9 Financial Instruments**

IFRS 9 (Financial Instruments) replaces IAS 39 (Financial Instruments: Recognition and Measurement) for annual periods beginning on or after 1 January 2019, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011.

IFRS 9 (financial instruments) has eliminated the use of the incurred loss approach under IAS 39 (financial instrument: Recognition and measurement) by including a comprehensive model for the recognition and recording of forward looking expected credit loss, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

**Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture**

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments do not have any impact on the Company's, financial statements.

**Amendments to IAS 19: Plan Amendment, Curtailment or Settlement**

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019, with early application permitted.

No significant impact was resulted on the condensed consolidated financial information for the group.

**Amendments to IAS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the consolidated financial statements of the Group.

## 3 CASH AT HAND AND AT BANKS

This item represents the following:

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD (Unaudited) | JD (Audited) |
| Current accounts at Islamic banks | 281,734 | 1,615,834 |
| Current accounts at Commercial banks | 1,152,614 | 1,035,147 |
| Other financial institutions | - | 42,811 |
| Cash on hand | 15,652 | - |
| | 1,450,000 | 2,693,792 |

## 4 ACCOUNTS RECEIVABLE FROM FINANCING ACTIVITIES - NET

This item represents accounts receivable derived from deferred sales and granted facilities as shown below:

| | 31 March 2019 JD (Unaudited) | 31 December 2018 JD (Audited) |
|---|---|---|
| Gross finance receivables | 73,803,779 | 73,222,907 |
| Less: Unrealized revenue on financing contracts | (10,509,848) | (10,634,319) |
| | 63,293,931 | 62,588,588 |
| Less: Provision for expected credit loss | (18,545,413) | (18,328,886) |
| Revenue in suspense | (1,694,366) | (1,969,504) |
| | 43,054,152 | 42,290,198 |

The details of financing activities after deducting unrealized revenues are as follows:

| | Gross accounts receivable as of 31 March 2019 JD (Unaudited) | Unrealized revenues as of 31 March 2019 JD (Unaudited) | Net accounts receivable as of 31 March 2019 JD (Unaudited) | Net accounts receivable as of 31 December 2018 JD (Audited) |
|---|---|---|---|---|
| **Corporates** | | | | |
| Corporates' financing- goods | 31,926,962 | 4,444,212 | 27,482,750 | 26,589,453 |
| Corporates' financing-bills of lading | 2,618,335 | - | 2,618,335 | 1,819,413 |
| Corporates financing- real estate | 4,734,393 | 674,120 | 4,060,273 | 4,345,664 |
| | 39,279,690 | 5,118,332 | 34,161,358 | 32,754,530 |

| | Gross accounts receivable as of 31 March 2019 JD (Unaudited) | Unrealized revenues as of 31 March 2019 JD (Unaudited) | Net accounts receivable as of 31 March 2019 JD (Unaudited) | Net accounts receivable as of 31 December 2018 JD (Audited) |
|---|---|---|---|---|
| **Individuals** | | | | |
| Individual's financing- goods | 2,057,501 | 117,473 | 1,940,028 | 1,972,265 |
| Stocks financing | 2,785,590 | - | 2,785,590 | 2,785,590 |
| Real estate financing | 9,467,486 | 2,405,445 | 7,062,041 | 7,386,171 |
| Vehicles and machinery | 20,213,512 | 2,868,598 | 17,344,914 | 17,690,032 |
| | 34,524,089 | 5,391,516 | 29,132,573 | 29,834,058 |
| | 73,803,779 | 10,509,848 | 63,293,931 | 62,588,588 |

Provision for expected credit losses

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

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD (Unaudited) | JD (Audited) |
| Beginning balance for the period/year | 18,328,886 | 13,377,080 |
| Expected credit losses model impact - IFRS (9) | - | 7,496,559 |
| Beginning balance for the period/year (adjusted) | 18,328,886 | 20,873,639 |
| Written – off receivables during the period/year | - | (5,869,508) |
| Additions during the period/ year | 216,527 | 3,324,755 |
| Ending balance for the period/ year | 18,545,413 | 18,328,886 |

As per the Board of Directors' decision No. (5) dated on 26 July 2018, JD 5,869,509 has been written-off, although it was fully covered by provision.

The movement on the accounts receivable from financing activities during the period is as follows:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| | JD | JD | JD | JD |
| **For the period ended 31 March 2019 (Unaudited)** | | | | |
| Gross balance at the beginning of the period | 27,292,877 | 10,180,610 | 35,749,420 | 73,222,907 |
| New finances during the period | 5,104,422 | 700,712 | 1,081,129 | 6,886,263 |
| Payments received | (3,852,396) | (1,076,094) | (1,376,901) | (6,305,391) |
| Transferred to stage 1 | 3,774,785 | (346,362) | (3,428,423) | - |
| Transferred to stage 2 | (3,156,232) | 3,280,271 | (124,039) | - |
| Transferred to stage 3 | (4,264) | (3,125,660) | 3,129,924 | - |
| Changs due to modification | (234,647) | (273,183) | 507,830 | - |
| Written-off balances | - | - | - | - |
| **Gross balance at the end of the period** | 28,924,545 | 9,340,294 | 35,538,940 | 73,803,779 |

The movement on the provision for Expected Credit Loss during the period is as follows:

| | Stage 1 | Stage 2 | Stage 3 | Total |
|---|---|---|---|---|
| | JD | JD | JD | JD |
| **For the period ended 31 March 2019 (Unaudited)** | | | | |
| Gross balance at the beginning of the period | 77,962 | 3,238,570 | 15,012,354 | 18,328,886 |
| New finances impairment during the period | 116,842 | 25,785 | 1,517,328 | 1,659,955 |
| Recoveries from impaired provision for paid finances | (8,993) | (1,599,723) | (1,802,318) | (3,411,034) |
| Transferred to stage 1 | (242,758) | - | 242,758 | - |
| Transferred to stage 2 | 192,367 | (192,367) | - | - |
| Transferred to stage 3 | - | (1,534,905) | 1,534,905 | - |
| Changes due to modifications | 121,724 | 714,095 | 1,131,787 | 1,967,606 |
| Written-off balances | - | - | - | - |
| **Gross balance at the end of the period** | 257,144 | 651,455 | 17,636,814 | 18,545,413 |

Revenues in suspense

The movement on the revenues in suspense is as follows:

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Balance at the beginning of the period / year | 1,969,504 | 2,385,326 |
| Revenue in suspense during the period/year | 114,221 | 522,999 |
| Revenue in suspense transferred to revenue | (389,359) | (243,002) |
| Written-off revenue in suspense | - | (695,819) |
| Balance at the end of the period/year | 1,694,366 | 1,969,504 |

The Company follows a policy of dealing with creditworthy parties as well as obtaining adequate collateral whenever possible, in order to mitigate the risk of financial losses arising from defaults of obligations.

There is a credit concentration of JD 9.8 million, representing 13% of total receivables from performing financing activities, granted to the largest ten customers. Noting that there is a guarantee for most of these receivables as of 31 March 2019 (31 December 2018: JD 7.3 million which is equivalent to 2.6%).

## 5 FINANCING ASSETS AT FAIR VALUE THROUGH STATEMENT OF PROFIT OR LOSS

This item consists of the following:

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD (Unaudited) | JD (Audited) |
| Quoted shares in Amman Stock Exchange | 36,123 | 52,824 |

## 6 FINANCING ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item consists of the following:

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD (Unaudited) | JD (Audited) |
| Quoted shares in Amman Stock Exchange | 3,760,597 | 4,412,834 |
| Quoted shares in foreign stock exchange markets | 291,260 | 292,211 |
| Unquoted shares | 616,258 | 599,327 |
| | 4,668,115 | 5,304,372 |

A total shares of JD 1,061,714 (2018: 2,582,554 JD) have been mortgaged for the benefit of Jordan Kuwait Bank against a letter of credit ceiling granted to the Company.

## 7 OTHER CURRENT ASSETS

This item consists of the following:

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD (Unaudited) | JD (Audited) |
| Prepaid expense | 84,545 | 66,632 |
| Accrued revenue | 122,117 | 122,117 |
| Refundable deposits | 318,707 | 318,663 |
| Assets seized by the Company against due balances | 1,036,060 | 1,036,060 |
| Deferred notes receivable | 15,700 | 17,700 |
| Other debtors | 240,172 | 121,016 |
| | 1,817,301 | 1,682,188 |

## 8 CUSTOMERS' INVESTMENTS ACCOUNTS

This item represents Wakala investments received from customers with a due date of 6 to 36 months to be invested in the Company's activities. The average return paid to the customers is from 4.25% to 6. 5% as of 31 March 2019 (31 December 2018 4.25% to 6%).

## 9 OTHER CURRENT LIABILITIES

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Suppliers balances | 269,250 | 19,000 |
| Accrued expenses | 43,348 | 37,206 |
| Dividends payable | 1,169,874 | 1,176,834 |
| Contributors deposits-refunds | 146,467 | 146,703 |
| Income tax provision | 8,184 | 22,000 |
| Unearned revenue | 1,049,463 | 998,319 |
| Wakala investments payable earnings | 333,295 | 280,405 |
| Board of Director's remuneration | 45,000 | 45,000 |
| Mortgage release deposits | 37,400 | 23,899 |
| Other credit balances | 17,765 | 20,330 |
| | 3,120,046 | 2,769,696 |

## 10 PAID IN CAPITAL AND RESERVE

**Paid in Capital**
The Company's paid in capital is JD 35,000,000 divided into 35,000,000 shares as of 31 March 2019 and 31 December 2018.

**Statutory Reserve**
Represents the transfers from the annual profit during the year and prior years, before income tax at a rate of 10%. This reserve is not available for distribution to the shareholders.

**Voluntary Reserve**
Represents transfers from profit before tax during the year and prior year at a maximum of 20% according to the companies law. This reserve is available for distribution to the shareholders, and might be used in any purposes decided by the Board of Directors.

**Proposed and distributed Dividends**
On 25 April 2018, the General Assembly approved in its ordinary meeting the distribution of 4% of the Company's share capital amounting to JD 1,400,000 of the JD 35,000,000 paid in capital.

## 11 FAIR VALUE RESERVE

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD (Unaudited) | JD (Audited) |
| Beginning balance of period/year | (683,787) | (335,885) |
| Net after tax change of fair value for the period/year | (457,783) | (347,902) |
| Ending balance of period/year | (1,141,570) | (683,787) |

## 12 INCOME TAX PROVISION

A. The details of this item is as follows:

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD (Unaudited) | JD (Audited) |
| Balance at the beginning of the period/year | 272 | 904,842 |
| Income tax paid | - | (910,427) |
| Income tax provision for the period/year | 258,130 | 5,857 |
| Utilized from deferred tax assets | (258,130) | - |
| Balance at the end of the period/year | 272 | 272 |

The Company has reached a final settlement with the Income and Sales Tax Department until the year 2015. Furthermore, the Company has submitted its income tax return for the years 2016 and 2017 and it has paid the due amounts within the legal period. However, the Income and Sales Tax Department has not yet reviewed the Company's operations for those years yet.

The Company has also calculated a provision for the income tax for the year ended on 31 December 2018. In the opinion of the Company's management and its tax advisor, the provisions recorded in the financial statement as of 31 March 2018 are sufficient to meet the expected tax liabilities, due to the fact that the written off receivables are acceptable as a deductible tax expense for the year ended 2018.

The income tax expense shown in the condensed interim consolidated statement of income is as follows:

| | For the three months ended 31 March | |
|---|---|---|
| | 2019 | 2018 |
| | JD<br>(Unaudited) | JD<br>(Audited) |
| Accrued income tax on the period profit | (258,130) | (379,130) |
| Income tax expense | (258,130) | (379,130) |

The details of deferred tax assets are as follows:

| | 31 March 2019 | | | | | 31 December 2018 |
|---|---|---|---|---|---|---|
| | Beginning balance | Additions | Released/ written-off | Ending balance | Deferred tax | Deferred tax |
| | JD<br>(Unaudited) | JD<br>(Unaudited) | JD<br>(Unaudited) | JD<br>(Unaudited) | JD<br>(Unaudited) | JD<br>(Audited) |
| Expected Credit Loss | 18,328,886 | - | - | 18,328,886 | 5,132,089 | 5,132,089 |
| Written-off receivables | 1,006,048 | - | (921,887) | 84,161 | 23,565 | 281,693 |
| Fair value reserve | 914,743 | 636,256 | - | 1,550,999 | 409,429 | 230,956 |
| | 20,249,677 | 636,256 | (921,887) | 19,964,046 | 5,565,083 | 5,644,738 |

* During the year 2018, the board has approved to write off JD 5,869,508 from the receivables balance, as a Judicial decree was issued against the debtors. Moreover, the management and the tax advisor expect the write off to be tax deductible in full. Therefore, a deferred tax asset has been recognized. Accordingly part of the deferred tax asset has been recognized, and part of the deferred tax was used in 2018 tax calculation later on.

** Deferred tax asset for the fair value reserve is calculated based on 28% on local investments and 10% on foreign investments.

The movement on the deferred tax assets is as follows:

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD | JD |
| | (Unaudited) | (Audited) |
| Beginning balance for the period/year | 5,644,738 | 3,432,211 |
| IFRS 9 deferred tax impact | - | 1,799,174 |
| Adjusted beginning balance for the period/year | 5,644,738 | 5,231,385 |
| Additions during the period/year | 178,475 | 1,775,122 |
| Released during the period/year | (258,130) | (1,361,769) |
| Balance at the end of the period/ year | 5,565,083 | 5,644,738 |

## 13 EARNINGS PER SHARE FOR THE PERIOD

| | For the three months ended 31 March | |
|---|---|---|
| | 2019 | 2018 |
| | JD | JD |
| Profit for the period | 685,158 | 155,937 |
| Number of shares | 35,000,000 | 35,000,000 |
| Earnings per share for the period | 0.020 | 0.004 |

## 14 BALANCE AND TRANSACTION WITH RELATED PARTIES

The details for balances and transactions with related parties during the period are as follows:

| | Executive Management | Company's Employees | Other Related Parties** | Total |
|---|---|---|---|---|
| | JD | JD | JD | JD |
| **31 March 2019 (Unaudited)** | | | | |
| **Statement of financial position items** | | | | |
| Accounts receivable from financing activities – net* | - | 172,862 | 161,312 | 334,174 |
| Customers' investments accounts | 355,000 | - | 5,770,350 | 6,125,350 |
| **Statement of profit or loss and other comprehensive income** | | | | |
| Revenues from financing activities | - | 4,189 | 4,880 | 9,069 |
| Share of customers' Investment accounts | 3,064 | - | 76,330 | 79,394 |
| **31 December 2018** | | | | |
| **Statement of financial position items** | | | | |
| Accounts receivable from financing activities* | 21,476 | 182,302 | 190,243 | 394,021 |
| Customers' investments accounts | 355,000 | 5,500 | 6,954,350 | 7,314,850 |
| **Statement of profit or loss and other comprehensive income** | | | | |
| Revenues from financing activities | 2,551 | 11,913 | 22,840 | 37,304 |
| Share of customers' Investment accounts | 12,425 | 234 | 365,347 | 378,006 |

* After deducting unrealized revenues

** Other parties include companies partially owned by members and relatives of the members of the Board of Directors.

- Interest rate on accounts receivable from financing activities to related parties is 7%.
- The rate of return on the customers' investment accounts ranges from 4.25% to 6%.

- The salaries and other remunerations of Executive Management amounted to JD 92,094 during the three months ended 31 March 2019 (31 March 2018: JD 144,019).

## 15 FINANCIAL INSTRUMENTS

The financial assets of the Company mainly comprises of cash, bank balances, checks under collection, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and accounts receivable from financing activities. Financial liabilities comprises from customers' investment accounts and other credit balances.

## 16 CAPITAL MANAGEMENT

The primary objective for the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. The Group did not make any amendments to its goals and policies throughout the year and the prior year.

Capital comprise of paid in capital, statutory reserve, voluntary reserve, fair value reserve and retained earnings amounting to JD 45,182,200 as at 31 March 2019 (31 December 2018: JD 44,954,825).

The following table represents the ratio of liabilities to shareholders' equity as of 31 March 2019 and 31 December 2018:

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD (Unaudited) | JD (Audited) |
| Total liabilities | 12,902,912 | 13,172,440 |
| Shareholders' equity | 45,182,200 | 44,954,825 |
| Ratio of liabilities to shareholders' equity | 28.6% | 29.3% |

## 17 CONTINGENT LIABILITIES

As of the date of the condensed interim consolidated statement of financial position, the Company was contingently liable for the following:

| | 31 March 2019 | 31 December 2018 |
|---|---|---|
| | JD (Unaudited) | JD (Audited) |
| Letters of credit* | 295,944 | 597,274 |
| Banks guarantees | 332,300 | 332,300 |
| Less: refundable deposits | (303,500) | (303,500) |
| | 324,744 | 626,074 |

* This item represents credit ceiling for the benefit of the Company's customers of JD 2.5 million at Jordan Kuwait Bank.

## 18 LAWSUITS

No lawsuits have been raised against the Company as of 31 March 2019 and 31 December 2018.

The Company has raised several lawsuits against defaulting customers, the total amount of these lawsuits are JD 14,110,894 as of 31 March 2019 (31 December 2018: JD 13,560,627).

## 19 INFORMATION ON THE COMPANY'S BUSINESS SEGMENT

The Company performs it's business through two major activities:

1. **Financing activities**
   Includes following up on customers and granting financing.

2. **Investment activities**
   Includes the investments in different financial instruments.

The following table represents the revenue allocation between these two segments:

| | Financing | Investing | Total for the three months ended 31 March 2019 |
|---|---|---|---|
| | JD (Unaudited) | JD (Unaudited) | JD (Unaudited) |
| Gross profit | 1,242,939 | (16,701) | 1,226,238 |
| Share of customers' investment accounts | (122,794) | - | (122,794) |
| Undistributed revenue | | | 454,998 |
| Undistributed expenses | | | (398,627) |
| Expected credit loss provision | | | (216,529) |
| Profit before tax | | | 943,288 |
| Income tax provision | | | (258,130) |
| **Profit for the period** | | | **685,158** |
| | | | |
| Other information | | | |
| Assets of the segments | 43,054,152 | 4,704,238 | 47,758,390 |
| Un-distributed assets | | | 10,326,722 |
| **Total** | | | **58,085,112** |
| | | | |
| Liabilities | 8,840,107 | - | 8,840,107 |
| Un-distributed liabilities | | | 4,062,805 |
| **Total** | | | **12,902,912** |

The following table represents the revenue allocation between these two segments:

| | Financing | Investing | Total for the three months ended 31 March 2018 |
|---|---|---|---|
| | JD | JD | JD |
| | (Unaudited) | (Unaudited) | (Unaudited) |
| Gross profit | 1,743,811 | (519) | 1,743,292 |
| Share of customers' investment accounts | (145,606) | - | (145,606) |
| Un-distributed revenue | | | 220,290 |
| Un-distributed expenses | | | (451,720) |
| Expected credit loss provision | | | (831,189) |
| Profit before tax | | | 535,067 |
| Income tax expense | | | (379,130) |
| **Profit for the period** | | | **155,937** |
| | | | |
| Other information | | | |
| Assets of the segments | 56,489,203 | 5,544,380 | 62,033,583 |
| Undistributed assets | | | 6,651,219 |
| **Total** | | | **68,684,802** |
| | | | |
| Liabilities | 13,121,871 | - | 13,121,871 |
| Undistributed liabilities | | | 4,085,130 |
| **Total** | | | **17,207,001** |

## (20) Fair value Hierarchy

**The fair value of financial assets of the Company specified at fair value on an ongoing basis:**

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

| | Fair value | | | | | |
|---|---|---|---|---|---|---|
| Financial Assets | 31 March 2019 | 31 December 2018 | The level of fair value | Evaluation method and inputs used | Important intangible inputs | Relation between fair value and Important intangible inputs |
| | JD (Unaudited) | JD (Audited) | | | | |
| **Financial assets at fair value through profit or loss:** | | | | | | |
| Share with market value | 36,123 | 52,824 | Level One | Market value | Not applicable | Not applicable |
| **Financial assets at fair value through comprehensive income:** | | | | | | |
| Share with market value | 4,051,857 | 4,705,045 | Level One | Market value | Not applicable | Not applicable |
| Share without market value | 616,258 | 599,327 | Level Two | Equity method based on the latest audited financial statements | Not applicable | Not applicable |
| **Total financial assets at fair value** | **4,704,238** | **5,357,196** | | | | |

For the above mentioned items, the fair value for level two financial assets and liabilities was determined using an agreed upon pricing model which reflects the credit risks for the parties involved.