



الأولى للتمويل  
FIRST FINANCE

الرقم : ٢٠١٩/٤٠٠

التاريخ : ٢٠١٩/١١/١١

السادة : هيئة الأوراق المالية المحترمين

السادة : بورصة عمان المحترمين

الموضوع : البيانات المالية باللغة الانجليزية

نرفق لكم طيا البيانات المالية باللغة الانجليزية كما في ٢٠١٩/٠٩/٣٠ بالاضافة الى القرص المدمج .

وتفضلوا بقبول فائق الاحترام ،،،،،

الشركة الاولى للتمويل

الأولى للتمويل  
FIRST FINANCE



بورصة عمان
الدائرة الإدارية والمالية
الديسوان
١٢ شباط ٢٠١٩
الرقم التسلسلي: ٥١٦٤
رقسم الملف: ٤١٤٥١
الحالة: قيد المراجعة

فرع العقبة  
Aqaba Branch

فرع المدينة الرياضية  
Al Madanah Al Ryadhiah Branch

فرع الوحدات  
Al Wehdat Branch

فرع الزرقاء  
Zarqa Branch

فرع اربد  
Irbid Branch

الفرع الرئيسي  
Main Branch

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First Finance Company

Public Shareholding Company

Unaudited Interim Condensed Consolidated Financial Statements

30 September 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 (PUBLIC SHAREHOLDING 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 30 September 2019, comprising of the interim condensed consolidated statement of financial position as at 30 September 2019 and the related interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the nine months period then ended and explanatory notes. The 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 30 September 2018 were audited and reviewed by another auditor, who issued an unqualified opinion for the year ended 31 December 2018 dated on 25 March 2019, and unqualified conclusion on interim condensed consolidated financial statements for the period ended 30 September 2018 in its review report dated 30 April 2018 before the adjustments disclosed in note 2.

Amman – Jordan  
28 October 2019

**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 SEPTEMBER 2019**

	Notes	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)	31 December 2017 JD (Audited)
<b>ASSETS</b>				
Cash on hand, at banks and financial institutes	3	911,494	2,693,792	529,598
Accounts receivable from financing activities – net	4	43,118,415	42,608,698	52,750,405
Financial assets at fair value through statement of profit or loss	5	28,987	52,824	68,859
Financial assets at fair value through other comprehensive income	6	4,658,382	5,304,372	5,671,001
Right of use assets		965,759	-	-
Property and equipment - net		416,452	459,153	528,534
Deferred tax assets	12	5,777,471	5,644,738	3,432,211
Other debit balances	7	2,902,556	1,682,188	2,325,254
Intangible assets - Net		-	-	11,114
<b>TOTAL ASSETS</b>		<b>58,779,516</b>	<b>58,445,765</b>	<b>65,316,976</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
Customers' investment accounts	8	9,389,591	10,402,472	10,384,223
Income tax provision	12	130,760	272	904,842
Lease contracts liability		933,027	-	-
Other credit balances		3,475,863	2,769,696	3,036,787
<b>Total liabilities</b>		<b>13,929,241</b>	<b>13,172,440</b>	<b>14,325,852</b>
<b>SHAREHOLDERS' EQUITY</b>				
Paid in capital		35,000,000	35,000,000	35,000,000
Statutory reserve	9	3,253,739	3,253,739	3,120,815
Voluntary reserve		229,851	229,851	229,851
Fair value reserve	11	(1,107,493)	(683,787)	(335,885)
Retained earnings		7,474,178	7,473,522	12,976,343
<b>Total shareholders' equity</b>		<b>44,850,275</b>	<b>45,273,325</b>	<b>50,991,124</b>
<b>Total Liabilities and shareholders' equity</b>		<b>58,779,516</b>	<b>58,445,765</b>	<b>65,316,976</b>

The accompanying notes from 1 to 18 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 AND NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	Notes	For the three months ended		For the nine months ended 30	
		30 September		September	
		2019	2018	2019	2018
		JD	JD	JD	JD
<b>Revenue-</b>					
Finance revenue		1,177,490	1,540,555	3,226,405	4,565,063
(Less): share of customers' investment accounts		(130,868)	(137,098)	(370,419)	(463,341)
Company's share of revenue		1,046,622	1,403,457	2,855,986	4,101,722
Dividends from financial assets at fair value through profit or loss		-	-	152,363	239,499
(Loss) gain from valuation of financial assets at fair value through profit or loss		(3,617)	9,061	(23,838)	11,667
Other income – net		183,850	196,410	822,226	597,002
Total revenue		1,226,855	1,608,928	3,806,737	4,949,890
<b>Expenses-</b>					
Employees expenses		(206,717)	(230,413)	(652,831)	(732,386)
Other operating expenses		(74,810)	(191,659)	(438,403)	(535,851)
Provision for expected credit loss	4	(472,804)	(1,711,968)	(783,841)	(3,374,346)
Accretion of lease liability discount		(11,882)	-	(39,952)	-
Depreciation expense		(138,295)	(42,981)	(211,878)	(108,020)
Total Expenses		(904,508)	(2,177,021)	(2,126,905)	(4,750,603)
<b>Profit for the period before tax</b>		<b>322,347</b>	<b>(568,093)</b>	<b>1,679,832</b>	<b>199,287</b>
Income tax expense	12	76,179	275,513	(279,176)	(53,686)
<b>Profit (loss) for the period</b>		<b>398,526</b>	<b>(292,580)</b>	<b>1,400,656</b>	<b>145,601</b>
		JD/ Fils	JD/ Fils	JD/ Fils	JD/ Fils
Basic and diluted earnings per share from the profit for the period		0/011	(0/008)	0/040	0/004

The accompanying notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements

**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS AND NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	For the three months ended 30 September		For the nine months ended 30 September	
	2019	2018	2019	2018
	JD	JD	JD	JD
<b>Profit (loss) for the period</b>	<b>398,526</b>	<b>(292,580)</b>	<b>1,400,656</b>	<b>145,601</b>
Other comprehensive income items:				
Items that will not be transferred to profit or loss in subsequent periods:				
Net changes in fair value of financial assets through other comprehensive income - net	(127,485)	(40,793)	(423,706)	32,180
<b>Total comprehensive income for the period</b>	<b>271,041</b>	<b>(333,373)</b>	<b>976,950</b>	<b>177,781</b>

The accompanying notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements

# FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
<b>For the period ended 30 September 2019-</b>						
Beginning balance of the period	35,000,000	3,253,739	229,851	(683,787)	7,473,522	45,273,325
Total comprehensive income for the period	-	-	-	(423,706)	1,400,656	976,950
Dividends distributed (Note 10)	-	-	-	-	(1,400,000)	(1,400,000)
<b>Ending balance of the period</b>	<u>35,000,000</u>	<u>3,253,739</u>	<u>229,851</u>	<u>(1,107,493)</u>	<u>7,474,178</u>	<u>44,850,275</u>
<b>For the period ended 30 September 2018 -</b>						
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	-	-	-	-	(5,697,385)	(5,697,385)
Beginning of the period (Adjusted)	35,000,000	3,120,815	229,851	(335,885)	6,960,458	44,975,239
Restatement of comparative figures (Note (2-3))	-	-	-	-	318,500	318,500
	<u>35,000,000</u>	<u>3,120,815</u>	<u>229,851</u>	<u>(335,885)</u>	<u>7,278,958</u>	<u>45,293,739</u>
Total comprehensive income for the period	-	-	-	32,180	145,601	177,781
Dividends distributed (Note 10)	-	-	-	-	(1,400,000)	(1,400,000)
<b>Ending balance of the period</b>	<u>35,000,000</u>	<u>3,120,815</u>	<u>229,851</u>	<u>(303,705)</u>	<u>6,024,559</u>	<u>44,071,520</u>

\* The retained earnings balance includes an amount of JD 5,777,471 representing the value of deferred tax assets as of 30 September 2019 (31 December 2018: JD 5,644,738), which is restricted from use or distribution in accordance with the Securities Commission regulations.

\*\* According to the Securities Commission instructions, the company should not use or distribute an amount of JD 1,107,493 from the retained earnings, which represents the negative fair value reserve as shown in the table above.



**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	Notes	30 September 2019 JD	30 September 2018 JD (Restated note 2)
<b>OPERATING ACTIVITIES</b>			
Profit for the period before tax		1,679,832	199,287
<b>Adjustments-</b>			
Provision for expected credit Loss	4	783,841	3,374,346
Dividends from financial assets at fair value through profit or loss		(152,363)	(239,499)
Depreciation expense		211,878	108,020
Gain on disposal of property and equipment		191	-
Loss (gain) from valuation of financial assets at fair value through statement of profit or loss		23,838	(11,667)
<b>Net cash flows from operating activities before changes in working capital items</b>		<b>2,547,217</b>	<b>3,430,487</b>
<b>Working capital items</b>			
(Increase) in account receivables from financing activities - net		(1,293,558)	(2,852,844)
(Increase) decrease in other debit balances		(2,266,961)	375,016
(Decrease) increase in customers' investment accounts		(1,012,881)	1,788,586
Increase in other credit balances		1,193,949	(723,423)
<b>Net cash flows (used in) from operating activities before income tax paid</b>		<b>(832,234)</b>	<b>2,017,822</b>
Income tax paid	12	(59,132)	(910,427)
<b>Net cash flows (used in) from operating activities</b>		<b>(891,366)</b>	<b>1,107,395</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(58,611)	(19,379)
Purchase of financial assets at fair value through other comprehensive income		-	(8,414)
Dividends income received		122,623	239,499
Sale of financial assets at fair value through other comprehensive income		-	17,896
Sale of financial assets at fair value through statement of profit or loss		-	16,228
Sale of property and equipment		(191)	-
<b>Net cash flows from investing activities</b>		<b>63,821</b>	<b>245,830</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid to shareholders		(954,753)	(1,190,831)
<b>Net cash flows (used in) financing activities</b>		<b>(954,753)</b>	<b>(1,190,831)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(1,782,298)</b>	<b>162,394</b>
Cash and cash equivalents at the beginning of the period		2,693,792	529,598
<b>Cash and cash equivalents at the end of the period</b>	3	<b>911,494</b>	<b>691,992</b>

The accompanying notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements



**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

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**(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 (172), 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 September 2011 in the Companies' Controller Letter No. MH/1/390 dated on 27 September 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 Islamic Sharia. This includes, for example, direct financing of consumer and durable goods, financing of real estate, including financing of land, housing, buildings, and construction financing the establishment of private and public projects.
- Acting as intermediary between banks, local lending 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. MH/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 27 October 2019.

**(2) ACCOUNTING POLICIES**

**(2-1) BASIS OF PREPARATION OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

- The interim condensed consolidated financial statements as of 30 September 2019 are prepared in accordance with International Accounting Standard (34), (Interim Financial Reporting).
- The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets and liabilities which are measured at fair value.
- The interim condensed consolidated financial statements have been presented in Jordanian Dinars, which is the functional currency of the Company.

**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

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- The interim condensed consolidated 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 nine month period ended 30 September 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 except 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 December 2018 consist of the following:

The Company's ownership details of (Sukok Leasing Company) (Subsidiary Company) as of 30 September 2019 is as follows:

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

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



**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

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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 amounts 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 for the following adjustments below:

- The Company restated the comparative figures for the period ended 30 September 2018 to recognize the revenues that had been suspended in prior periods and had to be reimbursed for finance revenue during the year ended 31 December 2017. The effect of the adjustment was an increase in accounts receivable from financing activities and retained earnings by JD 318,500.

**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

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

<b>1 January 2018</b>	Before restatement	Impact	Restated balance
	JD	JD	JD
<b><u>Shareholders' equity</u></b>			
Retained earnings	6,960,458	318,500	7,278,958
<b><u>Assets</u></b>			
Accounts receivable from financing activities – net	52,431,905	318,500	52,750,405

**(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').



**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

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The effect of adoption IFRS 16 is as follows:

Impact on the interim condensed consolidated statement of financial position as at 1 January 2019:

	<b>2019</b>
	<b>JD</b>
	<b>(Unaudited)</b>
<b>Assets</b>	
Right-of-use assets	1,076,334
Other assets	(48,209)
<b>Liabilities</b>	
Lease liabilities	(1,028,125)
<b>Equity</b>	-

*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 other debit balances and trade and other credit balances, 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.

- Leases previously classified as finance leases.

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 was applied to these leases from 1 January 2019.

- 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.

**FIRST FINANCE COMPANY – PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 SEPTEMBER 2019 (UNAUDITED)**

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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 income statement.

The table below illustrate the book value of the right of use asset and lease liability and the movement for the period ended 30 September 2019:

	Right of use	Lease liability
	JD	JD
As of 1 January 2019	1,076,334	1,028,125
Depreciation	(110,575)	-
Cost of fund – lease liabilities	-	39,952
Paid during the period	-	(135,050)
As of 30 September 2019 (Unaudited)	965,759	933,027

There is no short-term or low value leases for the period ended 30 September 2019.

- 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 1 January 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 – Amendments**

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 OF FINANCIAL INSTITUTES**

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Current accounts at Islamic banks	211,218	1,615,834
Current accounts at commercial banks	672,031	1,035,147
Other financial institutions	-	42,811
Cash on hand	28,245	-
	<u>911,494</u>	<u>2,693,792</u>

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**(4) ACCOUNTS RECEIVABLE FROM FINANCING ACTIVITIES - NET**

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

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Gross finance receivables	74,046,642	73,222,907
Less: Unrealized revenue on financing contracts	(10,386,903)	(10,634,319)
	63,659,739	62,588,588
Less: Provision for expected credit losses	(18,960,870)	(18,328,886)
Revenue in suspense	(1,580,454)	(1,651,004)
	43,118,415	42,608,698

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

	Gross accounts receivable as of 30 September 2019 JD (Unaudited)	Unrealized revenues as of 30 September 2019 JD (Unaudited)	Net accounts receivable as of 30 September 2019 JD (Unaudited)	Net accounts receivable as of 31 December 2018 JD (Audited)
<b>Corporates</b>				
Corporates' financing- goods	29,786,375	4,262,564	25,523,811	26,589,453
Corporates' financing-bills of lading	2,528,336	-	2,528,336	1,819,413
Corporates financing- real estate	8,284,587	831,109	7,453,478	4,345,664
	40,599,298	5,093,673	35,505,625	32,754,530
<b>Individuals</b>				
Individual's financing- goods	1,929,474	80,632	1,848,842	1,972,265
Stocks financing	2,785,478	-	2,785,478	2,785,590
Real estate financing	9,727,575	2,512,336	7,215,239	7,386,171
Vehicles and machinery	19,004,817	2,700,262	16,304,555	17,690,032
	33,447,344	5,293,230	28,154,114	29,834,058
	74,046,642	10,386,903	63,659,739	62,588,588



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Provision for expected credit losses

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

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Balance at the beginning of 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	631,984	3,324,755
Balance at the end of the period/ year	18,960,870	18,328,886

\* As per the Board of Directors' decision No. (5) dated on 26 July 2018, JD 5,869,508 has been written-off, noting that it was fully covered by provision and revenue in suspense.

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

	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD
<b><u>For the period ended 30 September 2019</u></b> <b><u>(Unaudited)</u></b>				
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	14,664,883	604,202	5,176,709	20,445,794
Payments received	(9,697,596)	(2,063,313)	(7,257,947)	(19,018,856)
Transferred to stage 1	607,661	(54,838)	(552,823)	-
Transferred to stage 2	(665,028)	703,046	(38,018)	-
Transferred to stage 3	(518,601)	(2,095,168)	2,613,769	-
Changes due to modifications	8,964	(4,750,898)	4,138,731	(603,203)
<b>Gross balance at the end of the period</b>	<b>31,693,160</b>	<b>2,523,641</b>	<b>39,829,841</b>	<b>74,046,642</b>

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

	Stage 1 JD	Stage 2 JD	Stage 3 JD	Total JD
<b><u>For the period ended 30 September 2019</u></b> <b><u>(Unaudited)</u></b>				
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	224,397	86,844	6,105,567	6,416,808
Recoveries from impaired provision for paid finances	(257,664)	(249,726)	(3,084,644)	(3,592,034)
Transferred to stage 1	207,022	(19)	(207,003)	-
Transferred to stage 2	(85,524)	85,524	-	-
Transferred to stage 3	(20,469)	(887,504)	907,973	-
Changes due to modifications	104,998	(2,183,009)	(114,779)	(2,192,790)
<b>Gross balance at the end of the period</b>	<b>250,722</b>	<b>90,680</b>	<b>18,619,468</b>	<b>18,960,870</b>

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The movement on the accounts receivable from financing activities for the period 31 December 2018 is as follows:

	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
<b><u>For the period ended 31 December 2018</u></b>				
<b><u>(Audited)</u></b>				
Gross balance at the beginning of the period	36,534,482	9,926,768	31,785,466	78,246,716
New finances during the period	12,990,249	4,005,986	19,972,384	36,968,619
Payments received	(24,455,510)	(6,956,515)	(4,015,076)	(35,427,101)
Transferred to stage 1	2,233,947	(2,053,072)	(180,875)	-
Transferred to stage 2	(695,010)	5,391,646	(4,696,636)	-
Transferred to stage 3	(830,129)	(1,201,679)	2,031,808	-
Changes due to modification	1,514,848	1,067,476	(2,582,324)	-
Written off financing facilities	-	-	(6,565,327)	(6,565,327)
<b>Gross balance at the end of the period</b>	<b>27,292,877</b>	<b>10,180,610</b>	<b>35,749,420</b>	<b>73,222,907</b>

The movement on the provision for Expected Credit Loss for the period 31 December 2018 is as follows:

	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
<b><u>For the period ended 31 December 2018</u></b>				
<b><u>(Audited)</u></b>				
Gross balance at the beginning of the period	-	-	13,377,080	13,377,080
Impact of IFRS 9 Implementation	2,772,965	1,074,898	3,648,696	7,496,559
Adjusted balance – beginning balance	2,772,965	1,074,898	17,025,776	20,873,639
New finances impairment during the period	62,669	1,365,491	7,808,357	9,236,517
Recoveries from impaired provision for paid finances	(2,253,562)	(445,019)	(1,930,273)	(4,628,854)
Transferred to stage 1	4,403	(4,383)	(20)	-
Transferred to stage 2	(53,919)	1,824,850	(1,770,931)	-
Transferred to stage 3	(98,156)	(68,123)	166,279	-
Changes due to modifications	(356,438)	(509,144)	(417,326)	(1,282,908)
Written off financing facilities	-	-	(5,869,508)	(5,869,508)
<b>Gross balance at the end of the period</b>	<b>77,962</b>	<b>3,238,570</b>	<b>15,012,354</b>	<b>18,328,886</b>



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Revenues in suspense

The movement on the revenues in suspense is as follows:

	30 September 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	1,651,004	2,066,826
Revenue in suspense during the period/ year	444,816	522,999
Revenue in suspense transferred to revenue	(515,366)	(243,002)
Written-off revenue in suspense	-	(695,819)
Balance at the end of the period/ year	1,580,454	1,651,004

Total financing facilities granted to the largest ten customers amounted to JD 6.3 million, representing 8.5% of total performing account receivables from financing facilities for stages 1 and 2, noting that there are guarantees for most of these receivables as of 30 September 2019 (31 December 2018: JD 15 million which is equivalent to 40%).

**(5) FINANCING ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

	30 September 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Quoted shares in Amman Stock Exchange	28,987	52,824

**(6) FINANCING ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	30 September 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
<b>Quoted Shares</b>		
Quoted shares in Amman Stock Exchange	3,550,440	4,412,834
Quoted shares in foreign stock markets	536,480	292,211
	4,086,920	4,705,045
<b>Unquoted shares</b>		
	571,462	599,327
	4,658,382	5,304,372

Shares amounting to JD 953,962 (2018: 2,582,554 JD) have been pledged for the benefit of Jordan Kuwait Bank against a letter of credit ceiling granted to the Company.

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**(7) OTHER DEBIT BALANCES**

	30 September 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Prepaid expense	44,868	66,632
Accrued revenue – net*	-	122,117
Refundable deposits	318,707	318,663
Assets obtained by the Company by calling on collateral	2,364,888	1,036,060
Deferred notes receivable	5,700	17,700
Other debtors	168,393	121,016
	<u>2,902,556</u>	<u>1,682,188</u>

\* The following is the movement for accrued revenues:

	30 September 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the period/year	122,117	68,744
Additions during the period/ year	29,740	53,373
	<u>151,857</u>	<u>122,117</u>
Less: Expected credit losses	(151,857)	-
Ending balance for the period/ Year	<u>-</u>	<u>122,117</u>

**(8) CUSTOMERS' INVESTMENT ACCOUNTS**

This item represents Wakala investments received from customers with a due date of 6 to 78 months to be invested in the Company's activities. The average return paid to the customers range from 3.5% to 6.5% as of 30 September 2019 (31 December 2018: 4.25% to 6%).

**(9) STATUTORY RESERVE**

**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. The Company did not provide for statutory reserve based on companies law as these are interim financial statements.

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**(10) DIVIDENDS DISTRIBUTED**

The general assembly approved in its ordinary meeting held on 23 April 2019 approved cash dividends distribution amounting to JD 1,400,000 equal to 4% of the paid in capital amounting to JD 35,000,000 (2017: The distribution of JD 1,400,000 based on the general assembly meeting held on 26 April 2018).

**(11) FAIR VALUE RESERVE**

	30 September 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Beginning balance of period/ year	(683,787)	(335,885)
Net change in fair value after tax for the period/ year	(423,706)	(347,902)
Ending balance of period/ year	(1,107,493)	(683,787)

**(12) INCOME TAX PROVISION**

	30 September 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	272	904,842
Income tax paid	(59,132)	(910,427)
Income tax provision for the period/ year	189,620	5,857
Balance at the end of the period/ year	130,760	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, 2017 and 2018 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.



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The Company has also calculated a provision for the income tax for the period ended on 30 September 2019 in accordance with the income tax law number (38), year 2018. In the opinion of the Company's management and its tax advisor, the provisions recorded in the financial statement as of 30 September 2019 are sufficient to meet the expected tax liabilities.

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

	30 September 2019 JD (Unaudited)	30 September 2018 JD (Unaudited)
Accrued income tax on the period profit	189,620	5,857
Effect of tax assets	89,556	47,829
Income tax provision	<u>279,176</u>	<u>53,686</u>

The details of deferred tax assets are as follows:

	30 September 2019 (Unaudited)				31 December 2018 (Audited)	
	Beginning balance JD	Additions JD	Released/ written-off JD	Ending balance JD	Deferred tax JD	Deferred tax JD
Included accounts						
Deferred tax assets						
Expected Credit Loss	18,328,886	783,841	-	19,112,727	5,324,231	5,132,089
Written-off receivables	1,006,048	-	(1,006,048)	-	-	281,693
Fair value reserve	914,743	645,990	-	1,560,733	453,240	230,956
	<u>20,249,677</u>	<u>1,429,831</u>	<u>(1,006,048)</u>	<u>20,673,460</u>	<u>5,777,471</u>	<u>5,644,738</u>

\* 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 was utilized in 2018 and for the period ended 30 September 2019.

\*\* 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:

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Beginning balance for the period/ year	5,644,738	3,432,211
IFRS (9) impact on deferred tax	-	1,799,174
Beginning balance for the period/ year (Adjusted)	5,644,738	5,231,385
Additions during the period/ year	414,426	1,775,122
Released during the period/ year	(281,693)	(1,361,769)
Ending balance at the end of the period/ year	<u>5,777,471</u>	<u>5,644,738</u>



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**(13) BALANCES AND TRANSACTIONS 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
<b>30 September 2019 (Unaudited)</b>				
<b>Statement of financial position items</b>				
Accounts receivable from financing activities – net*	15,334	148,732	317,990	482,056
Customers' investments accounts	355,000	5,385	6,505,500	6,865,885
<b>Consolidated Income Statement</b>				
Revenues from financing activities	1,472	10,812	13,471	25,755
Share of customers' Investment accounts	12,425	-	281,598	294,023
<b>31 December 2018 (Audited)</b>				
<b>Statement of financial position items</b>				
Accounts receivable from financing activities* - net	21,476	182,302	190,243	394,021
Customers' investments accounts	355,000	5,500	6,954,350	7,314,850
<b>Consolidated Income Statement</b>				
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 range from 5% to 7%
- The rate of return on the customers' investment accounts ranges from 3.5% to 6%.
- The salaries and other remunerations of Executive Management amounted to JD 280,725 during the nine months ended 30 September 2019 (JD 210,260 during the nine months ended 30 September 2018).

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**(14) 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 44,850,275 as at 30 September 2019 (31 December 2018: JD 45,273,325).

The following table represents the ratio of liabilities to shareholders' equity as of 30 September 2019 and 31 December 2018:

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Total liabilities	13,929,241	13,172,440
Shareholders' equity	44,850,275	45,273,325
Ratio of liabilities to shareholders' equity	31.1%	29.1%

**(15) CONTINGENT LIABILITIES**

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

	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Letters of credit*	-	597,274
Banks guarantees	332,300	332,300
Less: refundable deposits	(303,500)	(303,500)
	28,800	626,074

\* This item represents letters of credit ceiling to the benefit of the Company's customers of JD 1 million from Jordan Kuwait Bank as of 30 September 2019.

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**(16) LAWSUITS**

There are lawsuits against the Company in the normal course of business as of 30 September 2019 amounting JD 30,000 (2018: Nil).

The Company has raised several lawsuits against defaulting customers, the total amount of these lawsuits is JD 13,773,928 as of 30 September 2019 (31 December 2018: JD 13,560,627).

**(17) INFORMATION ON THE COMPANY'S BUSINESS SEGMENT**

The Company performs its 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
	JD	JD	JD
<b>30 September 2019 (Unaudited)</b>			
Gross profit	3,226,405	128,525	3,354,930
Share of customers' investment accounts	(370,419)	-	(370,419)
Undistributed revenue	-	-	822,226
Undistributed expenses	-	-	(1,343,064)
Expected credit loss provision	(783,841)	-	(783,841)
Profit before tax	-	-	1,679,832
Income tax provision	-	-	(279,176)
<b>Profit for the period</b>			<b>1,400,656</b>
<b>Other information</b>			
Segment assets	43,118,415	4,687,369	47,805,784
Undistributed assets	-	-	10,973,732
<b>Total</b>			<b>58,779,516</b>
Segment liabilities	9,389,591	-	9,389,591
Undistributed liabilities	-	-	4,539,650
<b>Total</b>			<b>13,929,241</b>



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	Financing	Investing	Total
	JD	JD	JD
<b>30 September 2018 (Unaudited)</b>			
Gross profit	4,565,063	251,166	4,816,229
Share of customers' investment accounts	(463,341)	-	(463,341)
Un-distributed revenue	-	-	597,002
Un-distributed expenses	-	-	(1,376,257)
Expected credit loss provision	(3,374,346)	-	(3,374,346)
Profit before tax	-	-	199,287
Income tax expense	-	-	(53,686)
<b>Profit for the period</b>			<b>145,601</b>
<b>Other information</b>			
Segment assets	42,608,698	5,357,196	47,965,894
Undistributed assets	-		10,479,871
<b>Total</b>			<b>58,445,765</b>
Segment liabilities	10,402,472	-	10,402,472
Undistributed liabilities	-	-	2,769,968
<b>Total</b>			<b>13,172,440</b>

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**(18) Fair value Hierarchy**

**A. 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		The level of fair value	Valuation method and inputs used	Important intangible inputs	Relation between fair value and Important intangible inputs
	30 September 2019	31 December 2018				
Financial Assets	JD (Unaudited)	JD (Audited)				
<b>Financial assets at fair value through profit or loss:</b>						
Quoted share	28,987	52,824	Level One	Market value	Not applicable	Not applicable
<b>Financial assets at fair value through comprehensive income:</b>						
Quoted share	4,086,920	4,705,045	Level One	Market value	Not applicable	Not applicable
Unquoted share	571,462	599,327	Level Three	On the latest audited financial statements	Not applicable	Not applicable
<b>Total financial assets at fair value</b>	<b>4,687,369</b>	<b>5,357,196</b>				

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**B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis:**

Except what is detailed in following table, the carrying amounts of financial assets recognized in the Company's financial statements approximate their fair values, due to that the Company's management believes that the item's book value equals to the fair value which is due to its Short term maturity or to the interest rates being revaluated during the year.

	30 September 2019		31 December 2018		
	(Unaudited)		(Audited)		
	Book value	Fair value	Book value	Fair value	Fair value hierarchy
	JD	JD	JD	JD	
Cash on hand, at banks and financial institutes	911,494	911,494	2,693,792	2,693,792	Level 3
Accounts receivable from financing activities – net	43,118,415	43,118,415	42,608,698	42,608,698	Level 3
Total Financial assets not calculated at fair value	44,029,909	44,029,909	45,302,490	45,302,490	
Customers' investment accounts	9,389,591	9,389,591	10,402,472	10,402,472	Level 3
Other current liabilities	3,475,863	3,475,863	2,769,696	2,769,696	Level 3
Total Liabilities not Calculated at Fair Value	12,865,454	12,865,454	13,172,168	13,172,168	