



FIRST JORDAN

<p>To: Jordan Securities Commission</p> <p>Amman Stock Exchange</p> <p>Date : 30/04/2019</p> <p>Subject: Quarterly Report as of</p> <p><u>31/03/2019</u></p>	<p>السادة هيئة الأوراق المالية</p> <p>السادة بورصة عمان</p> <p>التاريخ: 2019/04/30</p> <p>الموضوع: التقرير ربع السنوي كما هي في 2019/3/31</p>
<p>Attached the Quarterly Report of First Jordan Investment Company as of 31/03/2019</p> <p>Kindly accept our highly appreciation and respect</p> <p>Ayman Al Majali</p> <p></p> <p>Chairman</p>	<p>مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة الأردن الأولى للاستثمار كما هي بتاريخ 31/3/2019</p> <p>وتفضلوا بقبول فائق الاحترام،،،</p> <p>أيمن هزاع المجالي</p> <p></p> <p>رئيس مجلس الإدارة</p>

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FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2019
TOGETHER WITH THE
REVIEW REPORT

FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
MARCH 31, 2019

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Review Report

AM/ 017165

To The Chairman and Members of the Board of Directors
First Jordan Investment Company
(Public Shareholding Limited Company)
Amman – The Hashemite kingdom of Jordan

Introduction

We have reviewed the condensed consolidated interim statement of financial position of First Jordan Investment Company (a Public Shareholding limited Company) as of March 31, 2019 and the related condensed consolidated interim statements of profit or loss and comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard No.(34) "Interim Financial Reporting". Our responsibility is to express an opinion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Company. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified opinion

1. Included in the condensed consolidated statement of financial position as at March 31, 2019, is an investment in Al-Baha Investment Company (subsidiary) carried at cost of JD 20,002, which has not been consolidated in accordance with IFRS 10 "Consolidated Financial Statements". The Company has been unable to consolidate this subsidiary since its acquisition in 2013, as the financial information of this subsidiary has not been made available to the Company. Accordingly, we are unable to quantify the effect of the departure from IFRS.
2. We draw attention to Note (10/A) of the condensed consolidated financial statements which includes due from Al-Baha Investment Company (subsidiary) amounting to JD 10,645,660 as of March 31, 2019 (JD 10,645,498 as of December 31, 2018) and Note (14/D) which describes lawsuit raised by this subsidiary. Pending the outcome of the final judgment and because of the financial situation of this subsidiary, we were unable to obtain sufficient appropriate audit evidence with regard to the recoverability of this receivable. Consequently, we were unable to determine whether any adjustments to this balance were necessary.

Qualified Conclusion

Based on our review, except for the possible effect for the matters described in the "Basis of Qualified Conclusion" paragraphs above, nothing has come to our attention that cause us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) relating to interim financial reporting.

Emphasis of Matters

We draw attention to the following:

1. As stated in note (7/E) to the accompanying condensed consolidated financial statements, which refers to a plot of land registered in the names of existing and previous Board of Directors' members.
2. As stated in note (14/B) to the accompanying condensed consolidated financial statements, which illustrates the lawsuit raised by the Public Right prosecutor and United Group Holdings Company against the Company and others (companies and individuals), which is related to the demand of personal claim with an amount of JD 72 million.
3. As stated in note (14/C) to the accompanying condensed consolidated financial statements, which illustrates the lawsuit filed against the Income and Sales Tax Department, and the objection on the imposed decision by the Income and Sales Tax Department.

Our conclusion is not qualified in respect of above matters.

Other Matters

1. The condensed consolidated interim statements of profit or loss and comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2018, were reviewed by another auditor who expressed a qualified conclusion on those statements on April 24, 2018. The qualifications were due to the impact of non-consolidation of a subsidiary and recoverability of the receivable balance due from the subsidiary Company.
2. The fiscal year for the Company ends on December 31, of each year. However, the accompanying condensed consolidated interim financial statements have been prepared for management and Jordan Securities Commission purposes.

Explanatory Paragraph

The accompanying condensed consolidated interim financial statements are a translation of the statutory condensed consolidated interim financial statements in the Arabic language to which reference should be made.

Amman – The Hashemite Kingdom of Jordan
April 29, 2019

Deloitte & Touche (M.E.)
ديلويت و توش (م.ع.) - Jordan
(الشرق الأوسط) 010103

FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

	Note	March 31, 2019 JD	December 31, 2018 JD
ASSETS			
Current assets:			
Cash on hand and at banks	4	199,978	52,967
Financial assets at fair value through profit or loss	5	5,585,825	5,591,060
Due from related parties	10	11,262,710	11,262,438
Other debit balances		595,979	711,297
Total Current Assets		17,644,492	17,617,762
Non-Current assets:			
Financial assets at fair value through other comprehensive income	6	13,503,801	13,209,001
Investments in associates		1	1
Investment in nonconsolidated subsidiary company	2/b	20,002	20,002
Property and equipment - net		346,110	350,779
Investment property - net	7/a	37,732,578	37,876,739
Projects under construction		22,000	22,000
Deferred tax assets	8/c	345,084	345,084
Total Non-Current Assets		51,969,576	51,823,606
TOTAL ASSETS		69,614,068	69,441,368
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Due bank loan installments	9	39,910	90,294
Bank loans due within one year	9	1,523,012	1,783,978
Brokers payables - margin financing		533,461	545,138
Due to related parties	10/a	13,473	7,812
Unearned revenues		195,232	123,521
Income tax provision	8/b	95,539	95,539
Other credit balances		643,490	1,074,328
Total Current Liabilities		3,044,117	3,720,610
Non-Current Liabilities:			
Bank loans due within more than one year	9	6,240,267	5,459,862
Total Non-Current Liabilities		6,240,267	5,459,862
Total Liabilities		9,284,384	9,180,472
Shareholder's Equity:			
Paid-up capital	1	75,000,000	75,000,000
Statutory reserve		327,276	327,276
Fair value reserve		(12,423,847)	(12,718,647)
Accumulated Losses		(2,347,733)	(2,347,733)
Loss) for the period		(226,012)	-
Net Shareholders' Equity		60,329,684	60,260,896
Total Liabilities and Net Shareholders' Equity		69,614,068	69,441,368

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements and should be read with them and with the accompanying review report.

First JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended March 31,	
		2019	2018
		JD	JD
Rental revenues		148,509	146,733
Net gain from financial assets at fair value through profit or loss	12	278	84
Administrative expenses		(102,469)	(104,726)
Investment property expenses		(155,550)	(166,973)
Commissions on sale and purchase of securities		(30)	(804)
Other revenues		2,816	4,885
(Loss) / gain from currency exchange		(171)	97
(Loss) from Operating Activities		<u>(106,617)</u>	<u>(120,704)</u>
Interest income	10	-	2
Finance expenses	10	<u>(119,395)</u>	<u>(125,637)</u>
Net Finance Cost		<u>(119,395)</u>	<u>(125,635)</u>
(Loss) for the Period		<u>(226,012)</u>	<u>(246,339)</u>
<u>Other Comprehensive Income Items:</u>			
Items that will not be reclassified subsequently to the condensed interim statement of income:			
Changes in fair value for financial assets through other comprehensive income		294,800	(1,391,458)
(Loss) from the sale of financial assets at fair value through other comprehensive income		<u>-</u>	<u>(16,044)</u>
Total Other Comprehensive Income (Loss) for the Period		<u>294,800</u>	<u>(1,407,502)</u>
Total Comprehensive Income (Loss) for the Period		<u>68,788</u>	<u>(1,653,841)</u>
(Loss) per Share for the Period - (Basic and Diluted)	13	<u>(0,003)</u>	<u>(0,003)</u>

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FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED, NOT AUDITED)

	Note	Paid-Up Capital	Statutory Reserve	Fair Value Reserve	Accumulated (Losses) / Retained Earnings	(Loss) for the period	Total Shareholders' Equity
		JD	JD	JD	JD	JD	JD
For the Three Months Ended March 31, 2019							
Balance - beginning of the period	1	75,000,000	327,276	(12,718,647)	(2,347,733)	-	60,260,896
(Loss) for the period		-	-	-	-	(226,012)	(226,012)
Other comprehensive income items for the period		-	-	294,800	-	-	294,800
Total Comprehensive Income for the Period		-	-	294,800	-	(226,012)	68,788
Balance - End of the Period		75,000,000	327,276	(12,423,847)	(2,347,733)	(226,012)	60,329,684
For the Three Months Ended March 31, 2018							
Balance - beginning of the period	1	75,000,000	327,276	(7,638,010)	3,725,327	-	71,414,593
(Loss) for the period		-	-	(1,391,458)	(16,044)	(246,339)	(246,339)
Other comprehensive (loss) items for the period		-	-	(1,391,458)	(16,044)	-	(1,407,502)
Total Comprehensive (Loss) for the Period		-	-	(1,391,458)	(16,044)	(246,339)	(1,653,841)
Balance - End of the Period		75,000,000	327,276	(9,029,468)	3,709,283	(246,339)	69,760,752

- In addition to the accumulated losses, an amount of JD 345,084, which is restricted from use as of March 31, 2019, against deferred tax assets including capitalization or distribution only to the extent that is actually realized.
- In addition to the accumulated loss, an amount of JD 12,423,847 represent the negative fair value reserve, which is restricted from use under the instructions of the Securities Commission.

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

	Note	For the Three Months Ended March 31,	
		2019 JD	2018 JD
Cash Flows from Operating Activities:			
Loss) for the period before tax		(226,012)	(246,339)
Adjustments for:			
Depreciation of property and equipment		4,669	6,065
Depreciation of investment property	7/a	145,161	81,640
Unrealized losses of financial assets at fair value through profit or loss	12	1,411	4,281
Net finance cost		119,395	125,635
Gain) from the sale of financial assets at fair value through profit or loss	12	(789)	(4,365)
Dividends income	12	(900)	-
Net Cash Flows from (used in) Operations before Changes in Working Capital		42,935	(33,083)
Decrease in other debit balances		115,318	14,484
Increase) decrease in due from related parties		(272)	1,654
Increase (decrease) in unearned revenue		71,711	(53,400)
Decrease) increase in other credit balances		(425,671)	90,717
Net Cash Flows (used in) from Operating Activities		(195,979)	20,372
Cash Flows from Investing Activities:			
Interest income		-	2
Proceeds from the sale of financial assets at fair value through other comprehensive income		-	42,602
Proceeds from the sale of financial assets at fair value through profit or loss		4,613	90,380
Purchase) investment property		(1,000)	-
Dividends distribution	12	900	-
Net Cash Flows from Investing Activities		4,513	132,984
Cash Flows from Financing Activities:			
Increase in due to related parties		5,661	6,787
Decrease) increase in brokers payables - margin financing		(11,677)	1,904
Borrowed Loans during the period		653,000	-
Loan installments paid during the period		(183,945)	(38,426)
Finance expense paid		(124,562)	(125,637)
Net Cash Flows from (used in) Financing Activities		338,477	(155,372)
Net Increase (Decrease) in Cash		147,011	(2,016)
Cash on hand at and banks - beginning of the year		52,967	49,385
Cash on Hand and at Banks - End of the Period	4	199,978	47,369

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements and should be read with them and with the accompanying review report.

FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- a. First Jordan Investment Company was incorporated in Jordan as a Public Shareholding Company on May 3, 2006 under registration number (402) with paid up capital amounted to JD 150 Million at a par value of JD 1 per share.

On April 20, 2014 the Company's general assembly resolved to decrease its paid up through the amortization of its accumulated losses, accordingly the authorized and paid up capital reached JD 75 Million divided on to 75 Million Share. All legal producers of capital reduction were completed by the Ministry of Industry and Trade during 2014.

- b. The Company's is located in Amman, Al-Rabia area, Abdullah Bin Rawaha Street, Building No. (4) – The Hashemite Kingdom of Jordan.
- c. The parent company and its subsidiaries main objectives include investment of the Company's funds in the industrial, economic, financial, real estate, commercial, and tourism fields, and the investment in securities of all kinds in addition to investment, construction, and rental of real estate, land purchase, establishment of residential apartments on them, and sale and management, and development of real estate.
- d. The Company's Board of Directors approved the condensed consolidated interim financial statements on April 29, 2019.

2. Significant Accounting Policies

a. Basis of Preparation of the Condensed Interim Financial Statements:

- The accompanying condensed consolidated interim financial statements are prepared in accordance with the international accounting standard (34) related to interim financial statements.
- The condensed consolidated interim financial statements are prepared under the historical cost convention, except for financial assets and financial liabilities, which are stated at fair value in the condensed consolidated interim financial statements.
- The condensed consolidated interim financial statements are stated in Jordanian Dinar, which represents the functional currency of the Company.
- The accompanying condensed consolidated interim financial statements do not include all the information and disclosures required for the annual consolidated financial statements of the Company, which are prepared in accordance with International Financial Reporting Standards and should be read with the annual report of the Company as of December 31, 2018. In addition, the results of the Company's operations for the three-month period ended March 31, 2019 do not necessarily represent indication of the expected results for the year ending December 31, 2019.

- The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of the new and revised standards which are applied on or after the first of January of 2019, noting that it did not have a material effect on the interim condensed consolidated financial statements of the Company:

Annual Improvements on IFRS Standards for financial statement issued in 2015 - 2017

The annual Improvements include Amendments to IFRS 3 "*Business Combinations*", IFRS 11 "*Joint Arrangements*", IAS 12 "*Income Taxes*" and IAS 23 "*Borrowing Costs*."

IFRIC 23 Uncertainty over Income Tax Treatments

The interpretation clarifies the determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS 12 and specifically addresses:

- Whether the tax treatment should be considered in aggregate;
- Assumptions regarding the procedures for the examination of tax authorities;
- Determine taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates; and
- The impact of changes in facts and circumstances.

Amendments in IFRS 9 "*Financial Instruments*"

These amendments are related to Prepayment Features with Negative Compensation. The current requirements of IFRS 9 regarding termination rights have been amended to allow for the measurement at amortized cost (or, based on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

Amendments to IAS 28 "*Investment in Associates and Joint Ventures*"

These amendments relate to long-term shares in associates and joint ventures. These amendments clarify that an entity applies IFRS 9 "*Financial Instruments*" to long-term shares in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendment to IAS 19 "*Employee Benefits*"

These amendments are related to amendment, curtailment or settlement of a defined benefit plan.

IFRS 16 "*Leases*"

IFRS 16 defines how the preparer of the reports can recognise, measure, display and disclose lease contracts. The Standard also provides a separate accounting model for tenants that requires the lessee to recognise the assets and liabilities of all lease contracts unless the lease is 12 months or less or the asset is of low value. Lenders continue to classify leases as operating or financing leases. The approach of IAS 16 on accounting of lessors has not changed significantly from IAS 17.

b - Basis of Consolidation of the Condensed Interim Financial Statements

The condensed consolidated interim financial statements include the financial statements of the Company and the subsidiary controlled by it. Control is achieved when the Company has the power to govern the financial and operating policies of the subsidiary company so as to obtain benefits from its activities. All inter-group transactions, balances, income and expenses are eliminated.

The financial statements of the subsidiaries were prepared using the same accounting policies adopted by the Company. If the accounting policies adopted by the subsidiary are different from those used by the Company, the necessary adjustments to the financial statements of the subsidiary company are made to comply with the accounting policies used by the Company.

The results of operations of the subsidiaries are consolidated into the consolidated statement of income from the effective date of acquisition which is the date on which actual control over the subsidiary company is obtained. Moreover, the results of operations of the disposed of subsidiaries are incorporated into the consolidated statement of income up to the effective date of disposal which is the date on which the Company loses control over the subsidiary companies.

The Company owns the following subsidiaries and associates as of March 31, 2019 and December 31, 2018:

<u>Company's Name</u>	<u>Authorized and Paid up Capital</u>	<u>Percentage Ownership</u>	<u>Main Activity</u>	<u>Country</u>
	JD	%		
First Fuheis Investment Company	19,500	100	Real Estate	Jordan
First Salt Investment Company	30,000	100	Investments	Jordan
Al-Mattar Investment Company (under liquidation)	19,500	100	Investments	Jordan
Al-Tunaib for Real Estate Investment Company	19,500	100	Real Estate	Jordan
Pearl Hawara for Trading and Investment Company	19,500	100	Real Estate	Jordan
Al-Ada'a for Trading and Investment	50,003	100	Real Estate	Jordan
Al- Taher for Investment and Real Estate Development Company	750,000	100	Real Estate	Jordan
Al-Baha for Investment Company *	50,000	55	Real Estate	Jordan

The following table shows the financial position and financial performance of the subsidiaries:

Company Name	As of March 31, 2019			As of December 31, 2018		
	Total Assets	Total Liabilities	Net Assets	Total Assets	Total Liabilities	Net Assets
	JD	JD	JD	JD	JD	JD
First Fuheis for Investment Company	5,030,766	212,899	4,817,867	5,030,782	248,110	4,782,672
First Salt for Investment Company	1,500	828	672	1,722	828	894
Al-Mattar for Investment Company (under liquidation)	44	9	35	44	9	35
Al-Tunaib for Real Estate Investment Company	1,327,422	9	1,327,413	1,327,422	9	1,327,413
Pearl Hawara for trading and Investment Company	1,005,131	9	1,005,122	1,005,131	9	1,005,122
Al-Ada'a for Real Estate Development	11,266,163	4,417,739	6,848,424	11,261,946	4,849,010	6,412,936
Al- Taher for Investment and Real Estate Development Company	14,614,460	2,890,863	11,723,597	14,469,771	2,889,290	11,580,481
Al-Baha for Investment Company *	16,181,962	16,277,087	(95,125)	16,181,962	16,276,925	(94,963)

Company Name	For the Three Months Ended March 31, 2019			For the Three Months Ended March 31, 2018		
	Revenue	Expense	Net Income / (Loss)	Revenue	Expense	Net Income / (Loss)
	JD	JD	JD	JD	JD	JD
First Fuheis for Investment Company	-	5,403	(5,403)	1000	7,482	(6,482)
First Salt for Investment Company	-	478	(478)	-	400	(400)
Al-Mattar for Investment Company (under liquidation)	-	41	(41)	-	20	(20)
Al-Tunaib for Real Estate Investment Company	-	46	(46)	-	3	(3)
Pearl Hawara for trading and Investment Company	-	62	(62)	-	42	(42)
Al-Ada'a for Real Estate Development	152,540	133,324	19,216	147,983	177,515	(29,532)
Al- Taher for Investment and Real Estate Development Company	-	110,858	(110,858)	846	86,460	(85,614)
Al-Baha for Investment Company *	-	163	(163)	-	-	-

* The Company did not consolidate the financial statements of Al-Baha for Investments Company (subsidiary) as of March 31, 2019 and December 31, 2018, even though, the Company acquired control over Al-Baha investment Company board of directors on March 3, 2013, to facilitate the required legal procedures of the raised lawsuit, noting that the figures disclosed above represent the financial position and the financial performance of Al-Baha Investments Company according to the latest unaudited financial information available to the Company's management as of March 31, 2019.

- The deficit in working capital of Al-Taher for Investment and Real Estate Development Company (Limited Liability Company) amounted to JD 264,597 as of March 31, 2019 (JD 729,412 as of December 31, 2018).
- The deficit in working capital of Al-Ada'a for Real Estate Development and Leasing Company (Private Shareholding Company) amounted to JD 734,010 as of March 31, 2019 (JD 1,143,716 as of December 31, 2018).
- The deficit in working capital of Al-Fuhais Investment Company (Limited Liability Company) amounted to JD 186,013 as of March 31, 2019 (JD 183,048 as of December 31, 2018).
- The General Assembly of Al-Mattar Investment Company decided in its extraordinary meeting held on April 4, 2017 to liquidate the company as a voluntarily liquidation. The legal procedures have not yet been completed.

3. Use of Estimates

Preparation of the accompanying condensed consolidated interim financial statements and application of the accounting policies requires from the Company's management to estimate and assess some items affecting assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect revenue, expenses, and provisions, and require from the Company's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates and assumptions are based on multiple factors with varying degrees of assessment and uncertainty. Moreover, the actual results may differ from the estimates due to the changes resulting from the conditions and circumstances of those estimates in the future. We believe that the estimates used in the condensed consolidated interim financial statements is reasonable and consistent with that followed in the preparation of the consolidated financial statements for the year ended December 31, 2018.

4. Cash on Hand and at Banks

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Cash on hand	1,016	5,026
Current accounts *	198,962	47,941
	<u>199,978</u>	<u>52,967</u>

* This item includes an account with an annual interest rate of 1%.

5. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Local companies shares	18,469	23,836
Investment in foreign investment funds	5,567,356	5,567,224
	<u>5,585,825</u>	<u>5,591,060</u>

6. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Local Companies traded shares:		
Jordan Commercial Bank (1)	12,823,800	12,529,000
Al-Israa for Islamic Finance and Investment Company (2)	680,000	680,000
	<u>13,503,800</u>	<u>13,209,000</u>
Local Companies non-traded shares:		
United Group Holdings Company PLC - under liquidation (3)	1	1
	<u>1</u>	<u>1</u>
	<u>13,503,801</u>	<u>13,209,001</u>

1-a- Jordan Commercial Bank shares include 1,724,138 restricted shares with a fair value of JD 1,500,000 as of March 31, 2019 (JD 1,456,517 as of December 31, 2018) against a lawsuit raised by the public prosecutor and as illustrated in Note (14/B).

b- Jordan Commercial Bank shares include 10,000 restricted shares with a fair value of JD 8,700 as of March 31, 2019 (JD 8,500 as of December 31, 2018) against Board of Directors membership.

c- Jordan Commercial Bank shares include 2,449,998 mortgaged shares with a fair value of JD 2,131,498 as of March 31, 2019 (JD 2,082,498 as of December 31, 2018) against some bank loans - Note (9).

2- Al-Israa for Islamic Finance and Investment Company 50,000 restricted shares with a fair value of JD 17,000 as of March 31, 2019 (JD 17,000 as of December 31, 2018) against Board of Directors membership.

3- On January 21, 2018, United Group Holding Company shares were delisted from trading due to the compulsory liquidation of the Company. Accordingly, the Company's shares were valued at JD 1 based on the Company's management assessment. Noting that there are restricted 10,000 shares as of March 31, 2019 and December 31, 2018 against Board of Directors membership.

7. Investment property – net

a. This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Plots of Land	20,102,478	20,102,478
Properties	21,525,720	21,524,720
	41,628,198	41,627,198
<u>Less: Accumulated depreciation *</u>	<u>(3,895,620)</u>	<u>(3,750,459)</u>
	<u>37,732,578</u>	<u>37,876,739</u>

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

	March 31, 2019	December 31, 2018
	JD	JD
Balance – beginning of the period / year	3,750,459	3,157,832
Depreciation – period / year	145,161	592,627
Balance – End of the Period / Year	<u>3,895,620</u>	<u>3,750,459</u>

- b- The fair value of property investments were revaluated by three accredited real estate evaluators, the average market value of the most recent valuations prepared during the second half of the year 2018 was JD 43,475,680. The fair value of investment property is determined by comparing it to investment property with a similar market value, which resulted in an impairment loss in some real estate investments in an amount of JD 3,331,381 as of December 31, 2018.
- c- Additions to investment property during the year ended March 31, 2019 amounted to JD 1,000 (JD 21,528 for the year ended December 31, 2018).
- d- Certain plots of land within property investments with a cost of JD 14,604,879 and a fair value of JD 19,916,048, were mortgaged against granting some bank loans.
- e- The plots of land balance includes a land in an amount of JD 1,775,633 registered in the names of existing and previous Board of Directors' members as of March 31, 2019. The registration in the names of some of Board of Directors' members is due to the land plot being located within the territory of the Jordan Valley Authority, this land may only be registered in the names of individuals holding a national identification number. The Company holds in return a written representation from the Board of Directors' members that the land ownership and return belongs to the Company. These representations were deposited with the Companies control department and the Jordan Valley Authority to save the shareholders rights.

8. Income Tax

a- Tax status

- A settlement has been reached with the Income and Sales Tax Department for the Company and its subsidiary as follows:

Company's Name	Final Settlements Up To
First Jordan Investment Company	2016
First Fuheis Investment Company	2017
First Salt Investment Company	2017
Al-Mattar Investment Company (under liquidation)	2017
Al-Tunaib for Real Estate Investment Company	2017
Pearl Hawara for Trading and Investment Company	2017
Al-Ada'a for Trading and Investment *	2016*
Al- Taher for Investment and Real Estate Development Company	2015

- * Al-Ada'a for Trading and Investment (subsidiary) has reached a final settlement with the Income and Sales Tax Department until the year ended 2016 except for the year 2012 and 2013, where the department's decision was issued claiming income tax amounted to JD 223,000 for the years 2012 and 2013. Noting that the Company appealed to the tax court and demanded for tax refund in the interest of the Company, an appealable decision was issued on January 30, 2019, by the court, which includes a prevention on the tax claim imposed on the taxable years 2012 and 2013, amounting to JD 200,000, and obligating the Income and Sales tax department of refundable taxes in the favor of the plaintiff for a total of about JD 70,000 , and in the opinion of the Company's, tax consultant, and lawyer, the Company's position is good.

b. Income Tax Provision

No income tax expense for the year ended March 31, 2019 had been recognised for the Company and its subsidiaries as the result of operations were losses for the year. The provision for income tax amounted to JD 95,539 as of March 31, 2019 and December 31, 2018. Noting that there is no movement on the balance of income tax provision for the period ended March 31, 2019 and for the year ended December 31, 2018. In the opinion of the management and its tax advisor, the provision in the condensed consolidated financial statements is sufficient to cover its tax liabilities.

c. Deferred Tax Assets

- The movement on the deferred tax assets during the period / year is as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Balance – beginning of the period / year	345,084	564,815
Amortization of deferred tax assets for the period	-	(219,731)
Balance – End of the Period / Year	345,084	345,084

9. Bank Loans

This item consists of the following:

	March 31, 2019			December 31, 2018		
	Outstanding and unpaid installments	Installments due within one year	Installments due within more than one year	Outstanding and unpaid installments	Installments due within one year	Installments due within more than one year
	JD	JD	JD	JD	JD	JD
Jordan Commercial Bank (a)	39,910	146,078	26,902	39,856	143,183	65,062
Jordan Commercial Bank (b)	-	833,001	3,129,994	-	729,116	3,254,679
Arab Jordan Investment Bank (c)	-	231,007	2,357,131	-	448,017	2,140,121
Al-Eithad Bank (d)	-	200,387	726,240	26,388	296,124	-
Egyptian Arab Land Bank (e)	-	112,539	-	24,050	167,538	-
	<u>39,910</u>	<u>1,523,012</u>	<u>6,240,267</u>	<u>90,294</u>	<u>1,783,978</u>	<u>5,459,862</u>

- On October 19, 2015, First Fuheis Investment Company (subsidiary) obtained a declining loan from Jordan Commercial Bank in an amount of JD 500,000, at an annual interest rate of 8.5%. Installments including interest to be paid on 16 quarterly installment of JD 38,955 per installment, the last to be due on April 30, 2020. A second-degree mortgage on a plot of land in Al-Rabia area, which is owned by Al-Ada'a for Trading and Investment (subsidiary), with an estimated fair value of JD 5,188,067, was placed during the year 2018, was mortgaged against this loan.
- On September 28, 2010, Al-Ada'a for Trading and Investment (subsidiary) obtained a declining loan from Jordan Commercial Bank. On December 24, 2017, the loan was rescheduled, as to be repaid on 21 quarterly installment of JD 281,000 per installment with an interest rate of 8.5%, the first was due on March 31, 2018, and the last to be due on April 1, 2023. A first-degree mortgage of a plot of land in Al-Rabia area, which is owned by Al-Ada'a for Trading and Investment (subsidiary) with an estimated fair value of JD 5,188,067 during the year 2018 was mortgaged against this loan.
- On December 6, 2012, Al- Taher for Investment and Real Estate Development Company (subsidiary) obtained a declining loan from Arab Jordan Investment Bank amounted to JD 4,200,000, at an annual interest rate of 7%. Installments including interest to be paid on 20 quarterly installments of JD 250,000 per installment, the last to be due on October 5, 2023. A total of 1,199,998 shares of Jordan Commercial Bank with a fair value of JD 1,043,998 as of March 31, 2019 in addition to a land plot of second-degree mortgage in Al-Abdali area, which is owned by Al- Taher for Investment and Real Estate Development Company (subsidiary) with an estimated fair value of JD 6,407,700 during the year 2018 were mortgaged against this loan. On January 29, 2019, the loan balance was restructured, as to repay the outstanding as of the date of the restructuring with an interest under semiannual installments of JD 250,000 each and at annual interest rate of 9.75%.
- On August 12, 2017, First Jordan Investment Company obtained a declining loan from Al-Eithad Bank amounted to JD 600,000, at an annual interest rate of 9.75%. Installments including interest to be paid on 24 monthly installment of JD 27,136 per installment. First installment was due on December 23, 2017, and the last to be due on November 30, 2019. A total of 1,250,000 shares of Jordan Commercial Bank with a fair value of JD 1,087,500 as of March 31, 2019 were mortgaged against this loan. During the year 2019, there has been an increase of JD 653,000 to the declining loan, and to be repay the outstanding balance with interest in monthly installments of JD 25,500 each, starting May 31, 2019 and the last to be due on April 30, 2023 at an interest rate of 10.25% annually. A first-class mortgage of land in Al- Tunaib, owned by First Fuheis Investment Company (subsidiary), with an estimated fair value of JD 5,030,781 during the year 2018 against this increase.
- First Jordan Investment Company obtained a declining loan from Egyptian Arab Land Bank amounted to JD 425,000 with an interest rate of 8.75%. Installments including interest to be paid on quarterly basis and for 24 months. First installment was due November 30, 2017, and the last to be due on October 30, 2019. A plot of land in Al- Shmeisani area, which is owned by Al-Ada'a for Trading and Investment (subsidiary), with an estimated fair value of JD 3,289,500 was mortgaged during the year 2018 against this loan.

10. Related Parties Balances and Transactions

The balances and transactions with related parties were as follows:

a. Condensed Consolidated Interim Statement of Financial Position Items:

Due from related parties:

	Relationship Nature	March 31, 2019	December 31, 2018
		JD	JD
	Unconsolidated		10,645,498
Al-Baha for Investments Company *	subsidiary	10,645,660	
First Ramtha for Investment Company	Associate	617,050	616,940
Citadel First for Financial Investments Company	Associate	3,937,066	3,937,066
		15,199,776	15,199,504
Expected credit loss provision		(3,937,066)	(3,937,066)
		11,262,710	11,262,438

* The Company's ability to recover its receivables due from al-Baha for Investments Company is related to the final outcome of the lawsuit raised by Al-Baha Investments company as disclosed in Note (14/D).

Due to related parties:

	Relationship Nature	March 31, 2019	December 31, 2018
		JD	JD
Board of directors payables	Shareholders	13,473	7,812
		13,473	7,812

Bank loans:

	Relationship Nature	March 31, 2019	December 31, 2018
		JD	JD
	Shareholders and Board of Director		
Jordan Commercial Bank – Note (9)	Member	4,175,885	4,231,896
		4,175,885	4,231,896

b. Condensed Consolidated Interim Statement of Profit or Loss and other Comprehensive Income Items:

	For Three Months Ended March 31,	
	2019	2018
	JD	JD
Bank interest income – Jordan Commercial Bank	-	2
Finance expenses – Jordan Commercial Bank	93,898	100,222
Executive management salaries and bonuses	35,910	57,106
	129,808	157,330

11. Contingent Liabilities

As of the condensed consolidated interim financial statements date, the Company has contingent liabilities representing bank guarantees of JD 155,500 with a cash deposit of JD 15,500 as of March 31, 2019 and December 31, 2018.

12. Net Gains of Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	For Three Months Ended March 31,	
	2019	2018
	JD	JD
Recognized gains	789	4,365
Unrecognized (Losses)	(1,411)	(4,281)
Dividends	900	-
	<u>278</u>	<u>84</u>

13. (Loss) per Share for the Period

(Loss) per share is calculated by dividing the profit/(loss) for the period over the weighted average number of shares during the period as follows:

	For the Three Months Ended March 31,	
	2019	2018
	JD	JD
(Loss) for the period	(226,012)	(246,339)
	Share	Share
Weighted average number of shares	75,000,000	75,000,000
	JD / Share	JD / Share
(Loss) per Share (Basic and Diluted)	<u>(0.003)</u>	<u>(0.003)</u>

14. Lawsuits

- a. There are cases against the Company and its subsidiaries other than those mentioned in the below paragraphs, resulted from its ordinary operations for which the related compensations and claims amounted to JD 93,100 as of March 31, 2019 and December 31, 2018. In the management opinion, the Company's position is good.
- b. The Company and others appear as defendants (companies and individuals) in a lawsuit raised by the Public Right prosecutor and United Group Holdings Company demanding a personal claim with an amount of JD 72 Million. Noting that First Jordan Investment Company owns 340,000 shares of United Group Holding as of March 31, 2019. According to the legal counsel opinion and the Company's management, the Company's position in the legal case is good, since the Company submitted the court with defense evidence which proves that the Company did not seize any funds belonging to United Group Holding, and that the Company was not involved in any decisions issued by United Group Holding Board of Directors.

- c. Income and Sales Tax Department has claimed Al-Ada'a for Trading and Investment (subsidiary) income tax balance and legal compensation amounted to JD 223,000 for the years 2012 and 2013. Noting that the Company has appealed to the tax court and demanded tax refund in the interest of the Company, an appealable decision was issued on January 30, 2019, by the court, which includes a prevention on the tax claim imposed on the taxable years 2012 and 2013, amounting to JD 200,000, and obligating the Income and Sales tax department of refundable taxes in the favor of the plaintiff for a total of about JD 70,000 , and in the opinion of the Company's, tax consultant, and lawyer, the Company's position is good.
- d- Al-Baha for Investments Company (non-consolidated subsidiary) filed a lawsuit in Dubai against Gulf General Investment Company (GGICO) and Mr. Mohammed Abdullah Juma Al-Seri, to demand for the cancellation of the partnership agreement signed between Al-Baha Investment Company, Gulf General Investment Company and others to obligate them to pay an amount of AED 84,110,000 (equivalent to JD 16,232,700 as of March 31, 2019), as well as a compensation for the Company amounting to AED 100 Million (equivalent to JD 19,299,300 as of March 31, 2019) in addition to 12% interest from the date of the claim until full settlement, in addition to fees, expenses and attorney fees.

As Al-Baha for Investments Company and lawsuit, parties have jointly entered into a joint venture agreement to establish and develop a real estate project under the name of "Dubai Marina Tower" in Dubai Marsa area – United Arab of Emirates. Al-Baha holds 25% shares in the project and that Gulf General Investment Company to be the main developer of the project, which was managing and making disbursement on the project after receiving cash from partners in the joint venture and based on the contract. The work on the project has been discontinued and has not been completed. The contribution of Al-Baha for Investment Company amounted to AED 84,110,000 (equivalent JD 19,299,300 as of March 31, 2019).

During the year 2015, Dubai court of appeal referred the joint venture for liquidation. On October 31, 2017, a judgment has been issued by the court of appeal in Dubai – United Arab of Emirates of the termination of the case before the liquidator filed his final report and completed the liquidation process according to the laws. The case was appealed in Dubai court of cassation - United Arab of Emirates. On March 15, 2018 its decision was issued to return the case to the court of appeal for reconsideration. On August 15, 2018, the court issued its judgment to end the disputes and obligate the Company of the appeal expenses and attorneys' fees. On October 3, 2018, the Company appealed the decision in Dubai court of cassation - United Arab of Emirates. On March 20, 2019 the court of appeal has issued a decision to return the case to the court of cassation for reconsideration. In the opinion of the legal counsel of the Company, and the Company's management, Al-Baha Investment Company is in a good position.

15. Fair Value Hierarchy

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

Financial Assets / Financial Liabilities	Fair Value as of		Fair Value Level	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
	March 31, 2019	December 31, 2018				
	JD	JD				
Financial assets at fair value						
Investments in associates and subsidiaries	20,003	20,003	Level II	Financial statements	N/A	N/A
Local Companies traded shares	13,522,269	13,232,836	Level I	Prices issued in market values	N/A	N/A
Local Companies non- traded shares	1	1	Level II	Last trading price	N/A	N/A
Foreign investment funds	5,567,356	5,567,224	Level II	Fund Manager valuation price	N/A	N/A
Total	19,109,629	18,820,064				
Financial liabilities at fair value						
Loans	7,803,189	7,334,134	Level I	Prices issued in market	N/A	N/A
Brokers payables – margin financing	533,461	545,138	Level I	Prices issued in market	N/A	N/A
Total	8,336,650	7,879,272				

There was no transfers between the first level and second level during the three months ended March 31, 2019 or during the year 2018 and the year ended December 31, 2018.

B. The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

We believe that the carrying value of financial assets and financial liabilities in the condensed consolidated financial statements of the Company approximates their fair value, as the Company's management believes that the carrying value of the items listed below approximated their fair value, due to either their short-term maturity or repricing of interest rates during the year.

	March 31, 2019		December 31, 2018		Fair Value Level
	Book Value	Fair Value	Book Value	Fair Value	
Assets with an Unspecified Fair Value :	JD	JD	JD	JD	
Investments property	37,732,578	43,475,680	37,876,739	43,476,680	Level II
Total Financial Assets with an Unspecified Fair Value	37,732,578	43,475,680	37,876,739	43,475,680	

For the above-mentioned items, the 2nd level financial liabilities and financial assets have been determined at fair value according to the agreed-upon pricing model, which reflects the credit risk of the parties dealt with.