

IRBID DISTRICT ELECTRICITY COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2019

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF IRBID DISTRICT ELECTRICITY COMPANY
PUBLIC SHAREHOLDING COMPANY
IRBID - JORDAN**

Introduction

We have reviewed the accompanying interim condensed financial statements of Irbid District Electricity Company Public Shareholding Company (the "Company") as at 30 June 2019, comprising of the interim condensed statement of financial position as at 30 June 2019 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed 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 financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan
30 July 2019



IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2019

	Notes	30 June 2019 JD (Unaudited)	31 December 2018 JD (Audited)
ASSETS			
NON-CURRENT ASSETS -			
Property and equipment	3	117,672,946	115,336,750
Subscribers' and rural files contributions assets		74,423,879	74,647,656
Dispute lawsuits payments		58,637	69,671
Right of use assets		686,858	-
Projects in progress		19,142,809	16,791,323
Strategic inventories		8,971,697	4,352,185
Deferred tax assets		1,594,354	1,310,070
Financial assets at fair value through other comprehensive income		286,719	286,719
		<u>222,837,899</u>	<u>212,794,374</u>
CURRENT ASSETS -			
Accounts receivable		198,341,936	186,686,483
Other current assets		7,198,755	7,272,627
Inventories		2,664,061	3,624,123
Cash and bank balances		53,722	302,895
		<u>208,258,474</u>	<u>197,886,128</u>
		<u>431,096,373</u>	<u>410,680,502</u>
TOTAL ASSETS			
EQUITY AND LIABILITIES			
EQUITY -			
Paid in capital	6	8,000,000	8,000,000
Statutory reserve	6	2,210,264	2,210,264
Voluntary reserve		638,778	638,778
Retained earnings		4,890,426	6,978,008
		<u>15,739,468</u>	<u>17,827,050</u>
LIABILITIES -			
NON-CURRENT LIABILITIES			
Subscribers and rural files contributions liabilities		74,423,879	74,647,656
Lease liabilities		602,504	-
Advances from subscribers		10,604,372	9,348,598
Excess of subscribers contributions		484,149	619,491
Provision for end-of-service indemnity		4,391,746	4,122,095
Long term loan	4	20,222,225	21,777,780
Subscribers' deposits		47,174,965	45,578,997
		<u>157,903,840</u>	<u>156,094,617</u>
CURRENT LIABILITIES			
Accounts payable		205,331,754	187,048,440
Current portion from long term loan	4	3,111,110	3,111,110
Accrued expenses		1,708,478	1,582,769
Other current liabilities		7,820,428	8,430,440
Bank overdrafts		36,254,255	32,404,823
Excess of subscribers contributions		270,685	270,685
Other provisions		1,567,478	1,383,618
Income tax provision		1,388,877	2,526,950
		<u>257,453,065</u>	<u>236,758,835</u>
		<u>415,356,905</u>	<u>392,853,452</u>
Total Liabilities		<u>415,356,905</u>	<u>392,853,452</u>
TOTAL EQUITY AND LIABILITIES		<u>431,096,373</u>	<u>410,680,502</u>

The attached notes from 1 to 11 form part of these interim condensed financial statements

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)

	Notes	For the three months ended		For the six months ended	
		30 June		30 June	
		2019	2018	2019	2018
		JD	JD	JD	JD
Electricity power sales		65,006,639	62,709,114	127,357,001	121,901,627
Cost of electricity power sales		(53,940,834)	(54,137,652)	(106,300,372)	(106,233,261)
Gross profit		11,065,805	8,571,462	21,056,629	15,668,366
Other operating revenues		71,895	770,885	811,193	1,547,504
General and administrative expenses		(5,413,570)	(5,393,776)	(11,066,267)	(11,209,576)
Depreciation and amortization		(2,717,776)	(2,267,594)	(5,142,917)	(4,516,307)
Provision for slow moving inventories		-	(139,031)	-	(518,831)
Operating profit from core activities		3,006,354	1,541,946	5,658,638	971,156
Revenue from non-core activities		1,024,390	1,034,017	2,898,456	1,922,742
Interest income on late payments		2,796,683	2,136,919	5,364,029	4,062,915
Non-core activities expenses		(185,830)	(248,926)	(1,490,969)	(566,265)
Finance costs		(1,027,444)	(800,248)	(2,017,808)	(1,576,757)
Interest expense on late payments		(2,940,017)	(2,343,006)	(5,417,678)	(4,216,575)
Loss from non-core activities		(332,218)	(221,244)	(663,970)	(373,940)
Profit before income tax expense		2,674,136	1,320,702	4,994,668	597,216
Income tax expense	5	(586,599)	(371,427)	(1,082,250)	(371,427)
Profit for the period		2,087,537	949,275	3,912,418	225,789
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		2,087,537	949,275	3,912,418	225,789
		JD/Fils	JD/Fils	JD/Fils	JD/Fils
Basic and diluted earnings per share from profit of the period	10	0/261	0/119	0/489	0/028

The attached notes from 1 to 11 form part of these interim condensed financial statements

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)

	Paid in capital		Statutory reserve		Voluntary reserve		Retained earnings		Total	
	JD		JD		JD		JD		JD	
2019 -										
Balance at 1 January 2019	8,000,000		2,210,264		638,778		6,978,008		17,827,050	
Total comprehensive income for the period	-		-		-		3,912,418		3,912,418	
Dividends distribution (Note 11)	-		-		-		(6,000,000)		(6,000,000)	
Balance at 30 June 2019	8,000,000		2,210,264		638,778		4,890,426		15,739,468	
2018 -										
Balance at 1 January 2018	8,000,000		2,210,264		638,778		6,898,005		17,747,047	
Total comprehensive income for the period	-		-		-		225,789		225,789	
Dividends distribution (Note 11)	-		-		-		(5,600,000)		(5,600,000)	
Balance at 30 June 2018	8,000,000		2,210,264		638,778		1,523,794		12,372,836	

The attached notes from 1 to 11 form part of these interim condensed financial statements

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)

	Notes	For the six months ended 30	
		June	
		2019	2018
		JD	JD
<u>OPERATING ACTIVITIES</u>			
Profit before income tax		4,994,668	597,216
Adjustments for:			
Loss from sale of property and equipment		42,092	30,676
Interest income on late payments		(5,364,029)	(4,062,915)
Interest expense on late payments		5,417,678	4,216,575
End-of-service indemnity		273,363	277,081
Depreciation and amortization		5,142,917	4,516,307
Depreciation portion related to non-core activities		62,874	52,798
Interest expense		2,017,808	1,576,757
Amortization of excess of subscribers contributions		(135,342)	(135,370)
Other provisions		188,782	196,316
Provision for slow moving inventories		-	518,831
Expected credit loss expense		84,705	564,440
Working capital changes:			
Inventories		(3,637,440)	(4,149,187)
Accounts receivable		(6,376,129)	(24,901,406)
Other current assets		(10,480)	(1,424,498)
Advances from subscribers		3,797,933	3,076,211
Subscribers' deposits		1,595,967	2,377,827
Provisions paid		(4,922)	(29,466)
Accounts payable		12,865,636	46,874,807
Accrued expenses and other current liabilities		(1,075,620)	(1,523,929)
End-of-service indemnity paid		(85,059)	(488,864)
Income tax paid		(2,504,607)	(1,943,249)
Net cash flows from operating activities		17,290,795	26,216,958
<u>INVESTING ACTIVITIES</u>			
Projects in progress		(5,929,069)	(5,645,532)
Dispute lawsuits payments		(3,336)	(8,355)
Proceeds from sale of property and equipment		1,076,560	144,631
Purchase of property and equipment	3	(7,551,508)	(9,301,582)
Net cash flows used in investing activities		(12,407,353)	(14,810,838)
<u>FINANCING ACTIVITIES</u>			
Dividends paid		(5,401,745)	(5,355,210)
Repayment of long term loan		(1,555,555)	(1,555,555)
Interest paid		(2,024,747)	(1,574,951)
Net cash flows used in financing activities		(8,982,047)	(8,485,716)
Net (decrease) increase in cash and cash equivalents		(4,098,605)	2,920,404
Cash and cash equivalents at beginning of the period		(32,101,928)	(28,214,147)
Cash and cash equivalents at end of the period	7	(36,200,533)	(25,293,743)

The attached notes from 1 to 11 form part of these interim condensed financial statements

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(1) GENERAL

Irbid District Electricity Company (the "Company") was established in 1957 as a public shareholding company and registered in the Ministry of Industry and Trade under the registration number (17) on 27 February 1964.

During 2008 and under the privatization initiative of the electric sector, the government of the Hashemite Kingdom of Jordan has resolved to sell its entire ownership of 55.46% in the Company's capital to Kingdom Electricity Company. During 2009, Kingdom Electricity Company sold its share in the Company's capital to Electricity Distribution Company Public Shareholding Company.

The main activities of the Company are to distribute electric power and to provide it to retail consumers who live in the north of Jordan (Irbid, Jerash, Ajloun and Mafraq), in accordance with the distribution license granted to the Company on 30 June 2008 for 25 years.

The Company's financial statements are consolidated with the financial statements of Electricity Distribution Company, Public Shareholding Company (Parent Company) and with Social Security Corporation (Ultimate Parent Company).

The interim condensed financial statements have been approved by the Board of Directors in their meeting held on 30 July 2019.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of Preparation

The interim condensed financial statements for the six-month period to 30 June 2019 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed financial statements do not contain all information and disclosures required for financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements as of 31 December 2018. In addition, results for the six-month period ended 30 June 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 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.

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

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 Company is the lessor.

The Company 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 Company 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 Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The effect of adoption IFRS 16 is as follows:

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

	2019
	JD
	(Unaudited)
Assets -	
Right of use assets	737,115
Prepaid expenses	(40,333)
Liabilities -	
Lease liabilities	696,782
Total equity	<u><u>-</u></u>

a) Nature of the effect of adoption of IFRS 16

The Company has lease contracts for various items of property and equipment. Before the adoption of IFRS 16, the Company 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 Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Company 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 have been applied by the Company.

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

- *Leases previously accounted for as operating leases*

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

The Company 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
- Used hindsight in determining the lease term where the contract contains options to extend or terminate the lease

b) Amounts recognised in the interim condensed statement of financial position and interim condensed statement of comprehensive income.

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period ended 30 June 2019:

	Right of use assets	Lease liabilities
	JD	JD
At 1 January 2019 (Unaudited)	737,115	696,782
Depreciation	(50,257)	-
Finance Cost	-	26,722
Lease Payments	-	(121,000)
At 30 June 2019 (Unaudited)	<u>686,858</u>	<u>602,504</u>

The Company recognised rent expense from short-term leases and leases of low-value assets which was recognized in the interim condensed statement of comprehensive income for the six months ended 30 June 2019 amounting to JD 34,263.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments do not have an impact on the Company's interim condensed financial statements.

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 an impact on the Company's interim condensed financial statements.

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 an impact on the Company's interim condensed financial statements.

(3) PROPERTY AND EQUIPMENT

The Company purchased property and equipment amounted to JD 7,551,508 for the six months ended 30 June 2019 (30 June 2018: JD 9,301,582).

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(4) LONG TERM LOAN

During May 2015, the Company signed a loan agreement with Jordan Kuwait Bank amounting to JD 28,000,000 including a grace period of three years from the date of first withdrawal for the purpose of financing the Company's working capital projects and its operations. The entire loan was utilized during 2015.

The loan is repayable over 18 semi-annual instalments of JD 1,555,555 each including accrued interest. The loan bears an interest rate similar to interest rate applicable on the Central Bank of Jordan deposits plus 2.65% margin ratio with a minimum gross interest rate of 5.3% per annum.

(5) INCOME TAX

Below is the income tax expense for the period included in the interim condensed statement of comprehensive income and the reconciliation between the accounting profit and taxable profit:

	For the six months ended 30 June	
	2019	2018
	JD	JD
Accounting profit before tax	4,994,668	597,216
Non-taxable revenues	(575,239)	(659,971)
Non-deductible expenses	641,808	1,636,764
Taxable income for the period	<u>5,061,237</u>	<u>1,574,009</u>
Current income tax expense for the period	1,366,534	377,762
Deferred tax assets during the period	(284,284)	(6,335)
Income tax expense for the period	<u>1,082,250</u>	<u>371,427</u>
Statutory income tax rate	27%	24%
Effective income tax rate	21.67%	62.19%

Income tax provision was calculated for the period ended 30 June 2019 in accordance with the Income Tax Law No. (38) for the year 2018. The Company is subject to a statutory income tax rate of 24% in addition to a 3% National Contribution tax in accordance with Income Tax Law No. (38) of 2018 which took effect on 1 January 2019.

The income tax provision was calculated for the period ended 30 June 2018 in accordance with the Income Tax Law No. (34) of 2014. The Company is subject to a statutory income tax rate of 24%.

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

The Company obtained a final clearance from the Income and Sales Tax Department up to the year 2014. The Income and Sales Tax Department has reviewed the Company's records for the year 2015, whereas the department requests the Company to pay income tax differences amounted to JD 112,148. The Company objected the request and the objection was dismissed in which the Company raised a case at the court of first instance. The Court of first instance appointed an expert during the year of 2018 in order to have an opinion regarding the objection. The opinion of the expert was in favor of the Company and the decision of the Court of first instance was issued by accepting the expert's report in which the differences became JD 2,755. The decision of the Court of first instance was appealed and no final decision was made until this date of the interim condensed financial statements.

The Income Tax Department has not reviewed the Company's records for the years 2018, 2017 and 2016 up to the date of these interim condensed financial statements.

(6) EQUITY

Paid-in capital -

The Company's authorized, subscribed and paid-in share capital is 8,000,000 shares at 1 JD par value per share.

Statutory reserve -

The Company did not deduct statutory reserve according to the Companies' Law, since these financial statements are interim condensed financial statements.

(7) CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the interim condensed statements of cash flows consist of the following:

	For the six months ended 30 June	
	2019	2018
	JD	JD
Cash on hand and at banks	53,722	49,650
Banks overdrafts*	(36,254,255)	(25,343,393)
	<u>(36,200,533)</u>	<u>(25,293,743)</u>

* This item represents the credit facilities granted to the Company from local banks with a ceiling of JD 44,000,000, bearing an average interest rate of 6.78% annum.

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(8) RELATED PARTIES

Related parties represent major shareholders, parent company, Board of Directors, key management personnel of the Company and companies where the company is a major shareholder. Such pricing policies and transactions' terms are approved by the Company's management.

Related parties' balances included in the interim condensed statement of financial position are as follow:

	30 June 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Due to Electrical Equipment Industries Company LLC (Sister Company)	65,462	249,322
Due to Electricity Distribution Public Shareholding Company (Parent Company)	249	249
	<u>65,711</u>	<u>249,571</u>

Transactions with related parties included in the interim condensed statement of comprehensive income are as follow:

	For the six months ended 30 June	
	2019	2018
	JD	JD
Purchases from Electricity Distribution Company (Parent Company)	1,496,150	-
Purchases from Electrical Equipment Industries Company (Sister Company)	67,599	142,871

Salaries and other benefits for key management personnel of the Company are as follow:

	For the six months ended 30 June	
	2019	2018
	JD	JD
Salaries and other benefits	303,819	314,280
Transportation and remuneration of Board of Directors	124,200	124,200
	<u>428,019</u>	<u>438,480</u>

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2019 (UNAUDITED)

(9) CONTINGENT LIABILITIES

Guarantees and letters of credit -

As at the date of the interim condensed financial statements, the Company has outstanding bank guarantees of JD 300 (30 June 2018: JD 300) and letters of credit of JD 625,496 (31 December 2018: JD 1,881,794).

Litigations -

The Company is a defendant in a number of lawsuits in the ordinary course of business representing legal claims amounting to JD 155,050, related to its ordinary course of business. The Company's management and its legal advisor believe that the provision taken against these claims is adequate to meet any obligations that may arise.

Dispute with National Electricity Power Company -

National Electricity Power Company (Company's electricity provider) claiming an amount of JD 721,881 which is mainly represent a difference of interest on late payments. The Company and its legal advisor believe that the Company will not have any obligation as per the electricity tariff (Wholesale Tariff) issued by EMRC.

(10) EARNINGS PER SHARE FROM THE PROFIT OF THE PERIOD

	For the six months ended 30 June	
	2019	2018
Profit for the period (JD)	3,912,418	225,789
Weighted average of number of shares (share)	8,000,000	8,000,000
	<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share from the profit of the period	<u>0/489</u>	<u>0/028</u>

(11) DIVIDENDS DISTRIBUTION

The General Assembly approved in its' ordinary meeting, held on 10 April 2019, to distribute an amount of JD 6,000,000 (2018: JD 5,600,000) as dividends to the shareholders for the profits of 2018 of 75% of the Company's share capital (2018: 70%).