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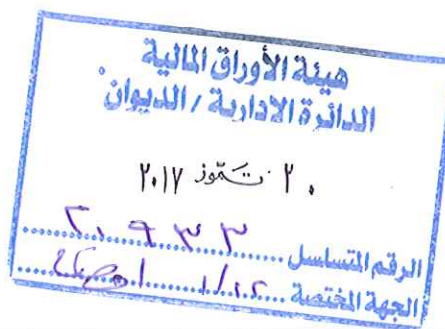
Messrs Jordan Securities Commission

Please find attached the financial data for Philadelphia International  
Educational Investment Company (PLC) as of 30/6/2017.

With Kind Regards

Chairman of the Board of Directors

Dr. Hassan Abdel-Haleem Badran



**Philadelphia Int'l Educational Investments Company  
Public Shareholding Company**

**Condensed Interim Financial Statements (Not Audited)**

**30 June 2017**

**Arab Professionals**

**(Member firm within of Grant Thornton International Ltd)**

**Philadelphia Int'l Educational Investments Company**  
**Public Shareholding Company**

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**Report on Review of Condensed Interim Financial Statements**

To The Board of Directors  
Philadelphia Int'l Educational Investments Company  
Public Shareholding Company  
Amman - Jordan

**Introduction**

We have reviewed the accompanying condensed interim financial statements of Philadelphia Int'l Educational Investments Company, comprising the interim statement of financial position as at 30 June 2017 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six-months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of this condensed interim financial statement in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements consist 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.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements as at 30 June 2017 are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

18 July 2017

Amman - Jordan



**Arab Professionals**

**Ibrahim Hammoudeh**

**(License No. 606 )**



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Philadelphia Int'l Educational Investments Company  
Public Shareholding Company  
Interim Statement of Financial Position as at 30 June 2017  
(In Jordanian Dinar)

	30 June 2017	31 December 2016
<b>Assets</b>		
<b>Non - current assets</b>		
Property and equipment	24,541,936	24,636,160
Financial assets measured at fair value through other comprehensive income	99,661	99,661
Projects under construction	923,059	920,997
<b>Total non - current assets</b>	<u>25,564,656</u>	<u>25,656,818</u>
<b>Current assets</b>		
Other assets	347,771	417,381
Accounts receivable	1,563,217	1,406,717
Checks under collection	56,497	206,514
Cash and cash equivalents	4,864	4,989,619
<b>Total current assets</b>	<u>1,972,349</u>	<u>7,020,231</u>
<b>Total assets</b>	<u><u>27,537,005</u></u>	<u><u>32,677,049</u></u>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Paid - in capital	15,000,000	15,000,000
Statutory reserve	3,750,000	3,750,000
Retained earnings	2,425,697	4,802,062
<b>Total equity</b>	<u>21,175,697</u>	<u>23,552,062</u>
<b>Liabilities</b>		
Bank facilities	276,397	-
Accounts payable	1,217,100	1,397,423
Other liabilities	2,775,704	3,598,135
Unearned revenues	2,092,107	4,129,429
<b>Total liabilities</b>	<u>6,361,308</u>	<u>9,124,987</u>
<b>Total equity and liabilities</b>	<u><u>27,537,005</u></u>	<u><u>32,677,049</u></u>

"The accompanying notes from (1) to (7) are an integral part of these condensed interim financial statements and read with review report"



**Philadelphia Int'l Educational Investments Company**  
**Public Shareholding Company**  
**Interim Statement of Comprehensive Income**  
**for the six months ended at 30 June 2017**

(In Jordanian Dinar)

	For the three months ended		For the six months ended	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
<b>Revenues</b>				
Net tuition revenue	4,468,60	4,744,243	10,244,141	10,701,910
Other revenues	147,725	107,925	319,071	315,599
<b>Total revenues</b>	<b>4,616,585</b>	<b>4,852,168</b>	<b>10,563,212</b>	<b>11,017,509</b>
Administrative expenses	( 3,507,549)	( 3,492,996)	( 7,201,260)	( 7,287,731)
Finance cost	16,453	220	16,453	-
Depreciation	( 180,181)	( 171,817)	( 357,838)	( 343,788)
Other revenues & expenses	( 19,974)	1,650	8,977	8,526
<b>Profit for the period before income tax</b>	<b>925,334</b>	<b>1,189,225</b>	<b>3,029,544</b>	<b>3,394,516</b>
Income tax for the period	( 185,067)	( 237,845)	( 605,909)	( 678,903)
<b>Total comprehensive income for the period</b>	<b>740,267</b>	<b>951,380</b>	<b>2,423,635</b>	<b>2,715,613</b>
<b>Basic and diluted earnings per share</b>	<b>0.049</b>	<b>0.063</b>	<b>0.162</b>	<b>0.181</b>

"The accompanying notes from (1) to (7) are an integral part of these condensed interim financial statements and read with review report"

Philadelphia Int'l Educational Investments Company  
Public Shareholding Company  
Interim Statement of Changes in Equity  
for the six months ended at 30 June 2017

(In Jordanian Dinar)

	<u>Paid - in capital</u>	<u>Statutory reserve</u>	<u>Retained earnings</u>	<u>Total</u>
Balance at 1 January 2017	15,000,000	3,750,000	4,802,062	23,552,062
Dividends paid	-	-	( 4,800,000)	( 4,800,000)
Total comprehensive income for the period	-	-	2,423,635	2,423,635
Balance at 30 June 2017	<u>15,000,000</u>	<u>3,750,000</u>	<u>2,425,697</u>	<u>21,175,697</u>
Balance at 1 January 2016	15,000,000	3,750,000	4,876,486	23,626,486
Dividends paid	-	-	( 4,800,000)	( 4,800,000)
Total comprehensive income for the period	-	-	2,715,613	2,715,613
Balance at 30 June 2016	<u>15,000,000</u>	<u>3,750,000</u>	<u>2,792,099</u>	<u>21,542,099</u>

"The accompanying notes from (1) to (7) are an integral part of these condensed interim financial statements and read with review report"

Philadelphia Int'l Educational Investments Company  
Public Shareholding Company  
Interim Statement of Cash Flows for the six months ended at 30 June 2017

(In Jordanian Dinar)

	30 June 2017	30 June 2016
<b>Operating activities</b>		
Profit for the period	2,423,635	2,715,613
Depreciation	357,838	343,788
<b>Change in working capital</b>		
Accounts receivable	( 156,500)	142,661
Other assets	69,610	94,233
Checks under collection	150,017	95,405
Accounts payable	( 180,323)	( 183,237)
Unearned revenues	( 2,037,322)	( 2,371,097)
Other liabilities	( 822,431)	( 579,646)
<b>Net cash flows (used in) from operating activities</b>	<u>( 195,476)</u>	<u>257,720</u>
<b>Investing activities</b>		
Property and equipment	( 263,614)	( 438,961)
Projects under construction	( 2,062)	( 206,324)
<b>Net cash flows used in investing activities</b>	<u>( 265,676)</u>	<u>( 645,285)</u>
<b>Financing activities</b>		
Dividends	( 4,800,000)	( 4,800,000)
Bank facilities	276,397	-
<b>Net cash flows used in financing activities</b>	<u>( 4,523,603)</u>	<u>( 4,800,000)</u>
<b>Change in cash and cash equivalents</b>	( 4,984,755)	( 5,187,565)
Cash and cash equivalents, beginning of the year	4,989,619	6,192,484
<b>Cash and cash equivalents, end of the period</b>	<u>4,864</u>	<u>1,004,919</u>

"The accompanying notes from (1) to (7) are an integral part of these condensed interim financial statements and read with review report"



**Philadelphia Int'l Educational Investments Company**  
**Public Shareholding Company**  
**Notes to the Condensed Interim Financial Statements (Not Audited)**  
**30 June 2017**

(In Jordanian Dinar)

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**1. General**

Philadelphia Int'l Educational Investments Company was established during the year 1991 as a limited liability company under the number (2240), the legal entity of the firm was converted to a public shareholding company at the year 2004 under the number (352). The company head office is in the Hashemite Kingdom of Jordan.

The company's main objectives are the following:

1. The acceptance and preparing of higher education students.
2. Establishing Scientific Research Centers and cooperating with other national and arabic Universities.
3. Renting and investing Real Estate to the favor of the university.

The company stocks are listed in Amman Stock Exchange – Jordan.

The interim financial statements have been approved for issue by the Company's Board of Directors on 18 July 2017.

**2. Summary of significant accounting policies**

**Basis of Preparation**

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2017.

The condensed interim financial statements have been prepared on a historical cost basis except for investment securities, which have been measured at fair value.

The condensed interim financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous period.

**Use of estimates**

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim statement of comprehensive income.
- Estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable for individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

#### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the interim statement of comprehensive income.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis using the following annual depreciation rates:

Buildings and infrastructure	1%
Equipment, machines and furniture	5 - 20%
Vehicles	7.5 - 15%
Computers and software	20%
Others	5 - 15%

When the expected recoverable amount of any property and equipment is less than its net book value, the net book value is reduced to the expected recoverable amount, and the impairment loss is booked in the interim statement of comprehensive income for the period.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

#### **Projects under construction**

Projects under construction are recorded at cost which represents the contractual obligations of the Company for the construction. Allocated costs directly attributable to the construction of the asset are capitalized. The Projects under construction is transferred to the appropriate asset category and depreciated in accordance with the Company's policies when construction of the asset is completed and commissioned.



**Financial Assets measured at Fair Value through Other Comprehensive Income**

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the interim statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. In the interim statement of comprehensive income within owners' equity and the reserve for the sold assets is directly transferred to the retained earnings and not through the interim statement of profit or loss.

These assets are not subject to impairment testing.

Dividends are recorded in the interim statement of profit or loss on a separate line item

**Fair Value**

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the interim statement of financial position date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

**Trading and Settlement Date Accounting**

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

**Accounts receivables**

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified

**Cash and cash equivalents**

Cash and cash equivalents are carried in the interim statement of financial position at cost. For the purposes of the interim cash flows statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments.

**Accounts payable and accrued expenses**

Accounts payable and accrued expenses are recorded when goods are received and services are rendered.

**Offsetting**

Financial assets and financial liabilities are offset and the net amount reported in the condensed interim financial statements when there is a legally enforceable right to offset the recognized amounts and the company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

**Provisions**

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

### Revenue recognition

Educational services revenues are recognized when the services are rendered.

Interest revenue is recognized on a time proportion basis that reflects the effective yield on the assets.

Other revenues are recognized according to accrual basis.

### Foreign currency

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the interim statement of comprehensive income.

### Income Taxes

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the condensed interim financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

### 3. Income tax

- The Company settled its tax liabilities with the Income Tax Department up to 2014.
- The Company hasn't settled its tax liabilities for the years 2008 and 2009 until now, because there is a pending case in the court.
- The income tax returns for the years (2015 and 2016) have been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The income tax provision for the six months ended at 30 June 2017 was calculated in accordance with the Income Tax Law.

### 4. Contingent liabilities

The Company is contingently liable with the following:

	30 June 2017	31 December 2016
Letters of credit	135,579	135,579
Letters of bank guarantee	20,000	20,000

### 5. Law suits

The Company is contingently liable against several law suits amounted to JOD (58,067). Management and legal counsel believe that no provision is required against law suits as the Company has good chance of winning the case.



**6. Financial instruments**

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, checks under collection, and accounts receivables. Financial liabilities of the Company include accounts payable other liabilities and unearned revenues.

**Fair value**

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

30 June 2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	-	-	99,661	99,661
31 December 2016	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	-	-	99,661	99,661

Financial assets included in level 3 are stated at cost less impairment charges, as the fair value of these assets cannot be measured reliably due to the lack of available active markets for identical assets.

**Credit risk**

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As most of the Company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

**Currency Risk**

The management considers that the company is not exposed to significant currency risk. The majority of their transactions and balances are in either Jordanian Dinar or US Dollar. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollar are not considered to represent significant currency risk and the company's results or equity to movements in exchange rates is not considered significant.



#### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents and quoted securities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the financial position date to the contractual maturity date.

30 June 2017	Less than one year	More than one year	Total
Bank facilities	276,397	-	276,397
Accounts payable	1,217,100	-	1,217,100
Other liabilities	2,775,704	-	2,775,704
Unearned revenues	2,092,107	-	2,092,107
	<u>6,361,308</u>	<u>-</u>	<u>6,361,308</u>

31 December 2016	Less than one year	More than one year	Total
Accounts payable	1,397,423	-	1,397,423
Other liabilities	3,598,135	-	3,598,135
Unearned revenues	4,129,429	-	4,129,429
	<u>9,124,987</u>	<u>-</u>	<u>9,124,987</u>

#### 7. Capital management

The Company manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders by pricing products and services commensurately with the level of risk.