JIIC
شركة الأردن الدولية للإستثمار
Jordan International Investment Co.

الرقم : 83/1/2/102
التاريخ : 2018/7/30

السادة هيئة الأوراق المالية المحترمين
<u>عمان – الأردن</u>

الموضوع: القوائم المالية الموحدة
<u>المرحلية الموجزة كما في 2018/6/30</u>

تحية طيبة وبعد،،،

بالإشارة إلى الموضوع أعلاه وإلى تعليمات إفصاح الشركات المصدرة، نرفق لكم طيه القوائم المالية الموحدة المرحلية الموجزة كما في 2018/6/30 والتي تم مراجعتها من قبل مدقق الحسابات الخارجي شركة القواسمي وشركاه KPMG.

وتفضلوا بقبول فائق الإحترام،،،

سامي قموه
رئيس مجلس الإدارة

هيئة الأوراق المالية
الدائرة الادارية / الديوان
٣١ تموز ٢٠١٨
الرقم المتسلسل ....
الجهة المختصة ....

هاتف: ٥٥ ٦٩٩ ٥٦ (٦ ٩٦٢+) فاكس: ١٩ ٦٧٤ ٥٦ (٦ ٩٦٢+) ص.ب: ٨٤٠٥٣٦ عمان ١١١٨١ الأردن
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JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT ON THE REVIEW OF THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2018

Contents	**Page**

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Independent Auditor's Report on the Review of the Consolidated Condensed Interim Financial Information

To Chairman and the Members of Board of Directors
Jordan International Investment Company
(Public Shareholding Limited Company)

Amman – Jordan

We have reviewed the accompanying consolidated condensed interim financial information of **Jordan International Investment Company – Public Shareholding Limited Company- and it's subsidiary ("the Group")** which comprise consolidated condensed interim statement of financial position as at June 30,2018 and the related consolidated condensed interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the six- month period then ended and the notes about consolidated condensed interim financial information. The Group's management is responsible for the preparation and fair presentation of this consolidated condensed interim financial information in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this consolidated condensed interim financial information 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 consolidated condensed 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information as at June 30, 2018 is not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

Other Matter

The consolidated financial statements for the year ended December 31, 2017 and the consolidated condensed interim financial information for the period ended June 30, 2017, which appear for comparison purposes were audited and reviewed by another auditor who expressed unqualified audit opinion and unqualified conclusion on March 18, 2018 and July 25, 2017, respectively.

This financial information is a translated copy to the English language of the original consolidated condensed interim financial information issued in Arabic language.

Kawasmy and Partners
KPMG

Hatem Kawasmy
License no. (656)

Amman - Jordan
July 31, 2018

JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

Jordanian Dinar	Note	As of June 30, 2018 (Reviewed not audited)	As of December 31, 2017 (Audited)
Assets			
Current Assets			
Cash on hand and at bank	5	969,923	970,758
Cheques under collection – Short term		33,000	-
Financial assets at fair value through statement of other comprehensive income		124,236	114,136
Trade and other receivables	6	132,731	84,803
Due from related parties	10	-	404
Total Current Assets		**1,259,890**	**1,170,101**
Non-Current Assets			
Investment properties - Net	7	8,084,010	8,155,406
Cheques under collection – Long term		2,000	-
Deferred tax assets	9-b	32,058	32,058
Property and equipment		29,779	31,057
Total Non-Current Assets		**8,147,847**	**8,218,521**
Total Assets		**9,407,737**	**9,388,622**
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable and other	8	83,995	84,521
Due to related parties	10	4,635	-
Total Current Liabilities		**88,630**	**84,521**
Shareholders' Equity			
Paid-up capital		10,000,000	10,000,000
Statutory reserve		29,806	29,806
Special reserve		2,225	2,225
Financial asset valuation reserve		(27,414)	(23,539)
(Accumulated losses)		(685,510)	(704,391)
Total Shareholders' Equity		**9,319,107**	**9,304,101**
Total Liabilities and Shareholders' Equity		**9,407,737**	**9,388,622**

The companying notes on pages (7) to (17) are an integral part of this consolidated condensed interim financial information and should be read with it and with the review report.

Chairman of Board of Directors **Financial Manager**

JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (REVIEWED NOT AUDITED)

		For the Three –Month Period ended June 30,		For the Six -Month Period ended June 30,	
In Jordanian Dinars	Note	2018	2017	2018	2017
Rentals revenue - net		2,625	10,176	5,708	14,891
Gain from selling investment properties	7	42,621	12,811	42,621	12,811
Interest Revenue		13,267	9,931	25,860	19,151
Other revenue – net		4,544	13,200	3,171	11,969
Total Revenue		**63,057**	**46,118**	**77,360**	**58,822**
General and Administrative expenses		(31,748)	(28,175)	(58,479)	(54,178)
income for the period before income tax		**31,309**	**17,943**	**18,881**	**4,644**
Income tax	9-a	-	-	-	-
Income for the Period		**31,309**	**17,943**	**18,881**	**4,644**
Statement of other comprehensive income items that will never be reclassified to consolidated condensed interim statement of profit or loss :					
Change in financial asset valuation reserve		(10,475)	(7,389)	(3,875)	(7,389)
Total other comprehensive income items		**(10,475)**	**(7,389)**	**(3,875)**	**(7,389)**
Total Comprehensive Income (Loss) for the Period		**20,834**	**10,554**	**15,006**	**(2,745)**
Basic and diluted earnings per share for the period (JOD / share)	11	**0.003**	**0.002**	**0.002**	**(0.0005)**

The companying notes on pages (7) to (17) are an integral part of this consolidated condensed interim financial information and should be read with it and with the review report.

Chairman of Board of Directors **Financial Manager**

JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (REVIEWED NOT AUDITED)

In Jordanian Dinars	Paid-up capital	Statutory reserve	Special reserve	Financial asset valuation reserve	(Accumulated losses)	Total
For the Six -Month Period Ended June 30, 2018						
Balance as at January 1, 2018	10,000,000	29,806	2,225	(23,539)	(704,391)	304,101
Profit for the period	-	-	-	-	18,881	18,881
Change in financial asset valuation reserve	-	-	-	(3,875)	-	(3,875)
Total comprehensive income for the period	-	-	-	(3,875)	18,881	15,006
Balance as of June 30, 2018	**10,000,000**	**29,806**	**2,225**	**(27,414)**	**(685,510)**	**9,319,107**
For the Six -Month Period Ended June 30, 2017						
Balance as at January 1, 2017	10,000,000	29,806	2,225	(9,252)	(672,653)	9,350,126
Net profit for the period	-	-	-	-	4,644	4,644
Change in financial asset valuation reserve	-	-	-	(7,389)	-	(7,389)
Total comprehensive (loss) for the period	-	-	-	**(7,389)**	**4,644**	**(2,745)**
Balance as of June 30, 2017	**10,000,000**	**29,806**	**2,225**	**(16,641)**	**(668,009)**	**9,347,381**

The companying notes on pages (7) to (17) are an integral part of this consolidated condensed interim financial information and should be read with it and with the review report.

JORDAN INTERNATIONAL INVESTMENT COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (REVIEWED NOT AUDITED)

In Jordanian Dinars	Note	For the Six Month Period ended June 30, 2018	2017
Cash flows from operating activities			
Profit for the period before income tax		18,881	4,644
Adjustments:			
Bank interest revenue		(25,860)	(19,151)
Depreciation expense of property and equipment and investment properties		8,134	14,919
(Profit) on sale of investment properties	7	(42,621)	(12,811)
(Profit) on sale of property and equipment		-	(18,499)
Net cash flows (used in) operating activities before changes in working capital items		**(41,466)**	**(30,898)**
Changes in:			
Cheques under collection		(35,000)	10,000
Trade and other receivables		(47,928)	(20,284)
Due from related parties		5,039	(17,682)
Accounts payable and other		(526)	(19,048)
Net cash flows (used in) operating activities		**(119,881)**	**(77,912)**
Cash flows from investing activities			
Proceeds from sale of property and equipment		-	11,621
Proceeds from sale of investment properties	7	107,161	34,000
(Purchase) of financial assets at fair value through other comprehensive income		(13,975)	(86,389)
Bank Interest received		25,860	19,151
Net cash flow from (used in) investing activities		**119,046**	**(21,617)**
Net changes in cash on hand and at bank during the period		(835)	(99,529)
Cash on hand and at bank at the beginning of the period		970,758	1,083,167
Cash on Hand and at Bank at the End of the Period	5	**969,923**	**983,638**

The companying notes on pages (7) to (17) are an integral part of this consolidated condensed interim financial information and should be read with it and with the review report.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

1) GENERAL

A- The Company was established as a Jordanian Public Shareholding Limited Company and registered at the Companies Controller Department under Number (412) on July 13, 2006. The Company is the result of the merger between Jordan International Industries Company, a Public Shareholding Limited Company, and the Jordan International Company for Tourism and Real Estate Investments, a Limited Liability Company. The Company's paid-up capital amounted to JOD 10 million, distributed among by 10 million shares at a par value of one Jordanian Dinar per share.

- Jordan International Insurance Company has 90.70% ownership of the Company's shares which is a Public Shareholding Limited Company.

B- The Company's main objectives are:

- Acquiring lands and establishing industrial projects, crafts estates, housing cities, touristic hotels and residential buildings.
- Dealing in movable and immovable properties according to the applicable laws and regulations.
- Obtaining and implementing commercial agencies and carrying out brokerage activities.
- Importing, exporting, marketing and distributing all types of commodities by all means.
- Establishing, purchasing, and fully or partially owning any company, corporation, goodwill, or trade name, whether local or international.
- Establishing and licensing car park lots.

C- The Board of Directors approved the consolidated condensed interim financial information on July 25, 2018.

2) BASIS OF PREPARATION OF CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

a) Statement of compliance

- The consolidated condensed interim financial information has been prepared in accordance with IAS 34 “Interim Financial Reporting” in which selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2017.

- This consolidated condensed interim financial information does not include all the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS).These consolidated condensed interim financial information should be read with the consolidated financial statements for the year ended December 31, 2017. As well as the financial performance for the period ended June 30, 2018 does not necessarily give an indication for the expected financial performance for the year that will be ending on December 31, 2018. In addition, no appropriation has been made on the profit for the period to reserves, which will be accounted for in the annual consolidated financial statements at the end of the year 2018.

b) Basis of condensed consolidated interim financial information

The consolidated condensed interim financial information include the consolidated condensed interim financial information for the Company and its following subsidiary, after the elimination of transactions and balances between them, the Company has the following subsidiary as of June 30, 2018 :

Company Name	Capital	Ownership Percentage	Nature of operation	Country of operation	Year of acquisition
Tellal Salem Real Estate Company	150,000	100%	Investment in properties	Jordan	2012

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

The following is the most important information about the subsidiary as of June 30, 2018:

	As of June 30, 2018			
In Jordanian Dinar	**Assets**	**Liabilities**	**Revenue**	**Expenses**
Tellal Salem Real Estate Company	625,150	480,495	-	580

The Group accounts for business combinations of a subsidiary in the consolidated condensed interim statement of profit and loss and other comprehensive income starting from the date of the acquisition which is the date when control is transferred to the Group.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in the consolidated condensed interim statement of profit or loss and other comprehensive income immediately. Transactions costs are expensed as incurred in the consolidated condensed interim statement of profit or loss and other comprehensive income except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in the consolidated condensed interim statement of profit or loss and other comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as shareholders' equity, then it is not re-measured and settlement is accounted for within Shareholder's equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the consolidated condensed interim statement of profit or loss and other comprehensive income.

Non-controlling interest are measured at their proportionate share of the acquiree identifiable net assets at the acquisition date.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these condensed consolidated interim financial information.

c) Use of judgments and estimates

- These consolidated condensed interim financial information have been prepared in accordance with IAS 34, "interim financial reporting" which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

- In preparing these consolidated condensed interim financial information, significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended December 31, 2017 and they are reasonable and sufficient.

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the consolidated condensed interim financial information are consistent with those adopted for the year ended December 31, 2017 except for the following new and adjusted standards which became applicable in January 1st, 2018:

- International Financial Reporting Standard (9): Financial Instruments.
- International Financial Reporting Standard (15): Revenue from Contracts with Customers.
- IFRS (2): Classification and Measurements of Share-Based Payments.
- IAS (40): Clarify Transfers of Investment in Property.
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments on IFRS (1) adopting IFRS for the first time and IAS (28) Investment in associate and joint venture.
- IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above standards has not affected the amounts or disclosures in the consolidated condensed interim financial statements. The following is a summary of the most important new standards applied during the period:

IFRS 9 Financial Instruments

The Group has adopted IFRS (9) as from January 1st 2018. IFRS (9) defines requirements for the recognition and measurement of both financial assets and liabilities and certain contracts for the purchase or sale of non-financial items. This standard replace IAS (39) (Recognition and Measurement).

The details of the new significant accounting policies are set out below:

A- Classification and measurement of financial assets and financial liabilities

IFRS (9) largely retains the existing requirements in IAS (39) for the classification and measurement of financial liabilities. However, but eliminates the classification of held-to-maturity financial assets, loans and receivables and available-for-sale assets that fall under the criteria International Accounting standards No. (39).

- **Financial assets**

The Group has early adopted the first phase of IFRS (9) as of January 1st, 2011 based on the request of Jordan Securities Commission. There were no material differences between the first phase of the Standard and the final version of the Standard issued on July 24, 2014.

Under IFRS (9), on initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income – debt investment; fair value through other comprehensive income – equity investment; or FVTPL. The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It's held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The accounting policies applied are similar to the accounting policies adopted by the Group (considering that the Group has applied early to the first phase of IFRS (9) with the exception of the following accounting policies that became effective from January 1st, 2018:

Debt investments at fair value through other comprehensive income.	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in the consolidated statements of profit or loss. Other net gains and losses are recognized in the consolidated statements of other comprehensive income. On derecognition, accumulated gains and losses transferred from the consolidated statement of other compressive income to consolidated statement of profit or loss.

The adoption of IFRS (9) did not have any impact on the Group's consolidated condensed financial statements with respect to financial assets.

- **Financial liabilities:**

The adoption of IFRS (9) has no material impact on the Group's accounting policies relating to financial liabilities. IFRS (9) has maintained the requirements of IAS (39) regarding the classification of financial liabilities. IAS (39) requires recognition of the differences in the assessment of financial liabilities classified as financial liabilities at fair value through profit or loss in the consolidated statement of profit or loss, whereas IFRS 9 requires:

- Recognition of differences in valuation of financial liabilities classified as financial liabilities at fair value through statement of profit and loss as a result of changes in credit risk in the consolidated statement of comprehensive income.
- The remaining amount of fair value valuation differences is recognized in the consolidated statement of profit or loss:

The Group has not classified any financial liabilities in financial liabilities at fair value through profit or loss. Accordingly, there is no impact of applying IFRS 9 to the condensed consolidated financial statements:

B- Impairment on financial assets:

IFRS (9) replaces the "loss recognition" model adopted in IAS (39) to calculate the impairment of financial assets over "expected credit loss" model, which requires the use of estimates and judgments to estimate economic factors. The model will be applied to financial assets - debt instruments classified at amortized cost or at fair value through other comprehensive income but not to investments in equity instruments. Where credit losses are recognized in accordance with IFRS (9), which is earlier than IAS (39).

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date:
- Lifetime ECLs: These ECLs result from all possible default events over the expected life of a financial instrument.

The Group measures impairment allowances equal to expected credit losses within 12 months if these assets are classified as Tier 1 and have the following characteristics:

- Debt securities that are determined to have low credit risk at the reporting date.
- Other debt securities and Group balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The expected impairment of the life of the financial instrument to maturity is calculated in the event of a significant increase in credit risk, which requires the conversion of the financial instrument from level 1 to level 2, or if the financial instrument is applied to specific situations within the Standard, Within the second level directly.
If the financial instrument is impaired or there is objective evidence of impairment as a result of a loss or default after initial recognition with a negative impact on the future cash flow, the financial instrument is transferred to the third level. The expected credit loss model requires recognition of the expected loss over the life of the asset debt instruments are very similar to the requirements of IAS (39).
When determining whether the credit risk of financial assets has increased significantly since initial recognition and in estimating the expected credit loss, the Group relies on reasonable and supportive information available and relevant, including quantitative and qualitative information and analysis of this information based on the Group's past experience and credit study, The Group assumes that the credit risk of the financial asset has increased substantially if it is more than 30 days past due or the credit rating of the customer has decreased by two levels.

The expected credit loss mechanism depends on the probability of default, which is calculated according to the credit risk and future economic factors, the loss given default, which depends on the value of the existing collateral, the exposure at default, The expected credit loss is discounted at the effective interest rate of the financial asset.
In each financial period, the Group evaluates the credit rating of financial assets at amortized cost and debt securities at fair value through other consolidated statement of comprehensive income. The credit rating of financial assets is considered to be impaired when one or more events that have a negative impact on the estimated future cash flows of the financial asset occur.
Provisions loss for financial assets measured at amortized cost are deducted from the total carrying amount of the financial asset. For debt securities at fair value through other comprehensive income, the provision for impairment is recognized in other consolidated statement of comprehensive income and is not deducted from the carrying amount of the financial asset. The losses of other financial assets are presented under 'Financing expenses' in the same manner of disclosure used in accordance with IAS 39. Such disclosure is not included in the consolidated statement of profit or loss and other consolidated statement of comprehensive income based on material considerations.

The Group believes that the new model of impairment will have no significant impact on the consolidated financial statements.

Transition to IFRS 9:

There was no impact of applying IFRS 9 to the Group and therefore there were no effects requiring an adjustment to the opening balances.

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

IFRS (15) Revenue from Contracts with Customers

IFRS (15) revenue from contracts with customers, which sets out a comprehensive framework for determining the value and timing of revenue recognition, applies to all entities entering into contracts for the supply of services and goods with customers except for contracts subject to other accounting standards such as the International Standard And IAS (17), which superseded IAS (11), Construction Contracts, IAS (18) Revenue and the Report Standards Committee's Interpretation (13): Customer Loyalty Program, Interpretations Committee Report Criteria (15): Agreement S creation of real estate, and the interpretation of the Standards Committee reports (18): operations of assets from customers transfer, interpretation (31) - barter transactions involving advertising services, were no material impact of the application of the standard on the summary of the Group's consolidated condensed interim financial statements.

New Standards and Interpretation not yet adopted:

The following new and revised IFRSs have been issued but are not effective yet, the Company has not early adopted any of the following new and revised IFRSs that are available for early application but are not effective yet:

Standards	Effective Date
IFRS (16) Leases	January 1st, 2019
IFRS (17) Insurance Contracts	January 1st, 2021
IFRIC (23) Uncertainty over Income Tax Treatments	January 1st, 2019
Prepayment Features with Negative Compensation (Amendments to IFRS (9))	January 1st, 2019
Plan Amendments, Curtailment or Settlement (Amendments to IAS (19)	January 1st, 2019
Annual Improvements to IFRSs 2015–2017 Cycle (Amendments to IFRS (3), IFRS (11), IAS 12 and IAS 23)	January 1st, 2019
Long-term Interests in Associates and Joint Ventures (Amendments to IAS (28))	Not assigned yet
Sale or contribution of assets between an investor and its associate or joint venture (Amendmends to IFRS (10) and IAS (28))	

4) FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

- Generally, the Group's objectives, policies and processes for managing risk are the same as those disclosed in its financial statements as of and for the year ended December 31, 2017.
- There have been no changes in the group's approach to capital management during the current financial interim period neither the Group is subject to externally imposed capital requirements.
- Fair value hierarchy for the financial assets has been disclosed in Note 15.

5) CASH ON HAND AND AT BANK

This item consists of the following:

In Jordanian Dinar	**As of June 30, (Reviewed 2018 not audited)**	**As of December 31, 2017 (Audited)**
Cash on hand	198	1,157
Cash at bank	207	1,000
Deposits at bank *	969,518	968,601
	969,923	**970,758**

* Interest rates on bank balances range from 1.7% to 5.75% during the period and are renewed monthly (December 31, 2017: 1.5% to 4.35%).

6) TRADE AND OTHER RECEIVABLES

This item consists of the following:

In Jordanian dinar	As of June 30, 2018 (Reviewed not audited)	As of December 31, 2017 (Audited)
Trade receivables*	102,467	63,170
Employees receivable	438	1,220
Refundable deposits	76,235	74,927
Prepaid expenses	11,152	2,760
Accrued interest	2,580	2,867
Advanced payment to Water Authority	2,610	2,610
	195,482	**147,554**
Less: Provision for doubtful debts	(62,751)	(62,751)
	132,731	**84,803**

*These receivables contains an amount of JOD 62,751 that is due as of June 30, 2018, which aged for more than one-year, Moreover, a related provision for doubtful debt is calculated based on management's estimates.

7) INVESTMENT PROPRTIES - NET

This item consists of the following:

In Jordanian dinar	As of June 30, 2018 (Reviewed not audited)	As of December 31, 2017 (Audited)
Lands	7,552,103	7,616,643
Buildings	467,119	467,119
Apartments	120,697	120,697
Wadi Saqra Office	88,433	88,433
	8,228,352	**8,292,892**
Deduct:		
Accumulated depreciation	(138,216)	(131,360)
Impairment in investments properties	(6,126)	(6,126)
	8,084,010	**8,155,406**

- The fair value of the investment properties (other than buildings) was reassessed by two accredited valuers with an average market value of JOD 10,510,548 (2017 : JOD 10,617,387) under the latest real estate valuation available to the Company on June 30, 2018. The fair value of investments property was determined by comparing them with the market value of similar investment properties.
- During the period, land of Tellal Salem area at a cost of JOD 64,540 (2017: JOD 21,189) was sold for JOD 107,161 (2017: JOD 34,000). This resulted in a profit from sale investments properties in amount of JOD 42,621 (2017: JOD 12,811), recorded in the consolidated condensed interim statement of income.

8) ACCOUNTS PAYABLE AND OTHERS

This item consists of the following:

In Jordanian Dinar	As of June 30, 2018 (Reviewed not audited)	As of December 31, 2017 (Audited)
Accounts payable	4,482	969
Unearned revenue	4,875	4,583
Contingent liabilities*	68,500	68,500
Accrued expenses	689	5,020
Lawsuits provision	5,449	5,449
	83,995	**84,521**

* This item represents claims lodged against the group by one of the corporations with an amount of JOD 68,500. The claim represents service fees, operational costs, and penalties related to the Company-owned buildings in Halabat Industrial Zone. Consequently, the Company has filed a lawsuit to preclude a claim at Amman Court of First Instance, the lawsuit is currently going through the appeal phase (note 14).

9) INCOME TAX :

A- Tax Position

A settlement has been reached with the Income and Sales Tax Department up to the end of the year 2014 and 2016. Moreover, the Company has submitted it's income tax returns for the years 2015 and 2017 which still not audited yet by the Income and Sale Tax Department.

The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2016 for Tellal Salem (a subsidiary). Moreover, the Company has submitted the income tax return for the year 2017, which is still not audited yet by the Income and Sales Tax Department.

In the opinion of the Company's management and its tax consultant, no provision is required as there is taxable accumulated losses.

B- Deferred Income Tax

This item consists of the following:

					Deferred Tax	
In Jordanian Dinner	Balance at the beginning of the Year	Released amount	Additions	Balance at the end of the period	June 30, 2018	December 31, 2017
Provision for doubtful debts	62,751	-	-	62,751	12,550	12,550
Impairment in investment properties	6,126	-	-	6,126	1,226	1,226
Impairment in the value of the change in financial assets through profit or loss	5,900	-	-	5,900	1,180	1,180
Impairment in the value of the change in financial assets through other comprehensive income	11,564	-	-	11,564	2,312	2,312
Provision for contingent liabilities	68,500	-	-	68,500	13,700	13,700
Provision for lawsuits	5,449	-	-	5,449	1,090	1,090
	160,290	**-**	**-**	**160,290**	**32,058**	**32,058**

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Deferred tax benefits are calculated as management expects to benefit from these provisions in the near future by 20% as at June 30, 2018 and December 31, 2017 in accordance with Income Tax Law No.(34) of 2014 effective January 1st, 2015.

10) RELATED PARTIES BALANCES AND TRANSACTIONS

Due to related parties include the main shareholders board members and main managers and affiliated company, The Company's management has approved the pricing policies and terms of transactions with related parties, balances and transactions with related parties during the period/year were as follows:

(10-1) Due to related parties

In Jordanian Dinar	As of June 30, (Reviewed 2018 not audited)	As of December 31, 2017 (Audited)
Consolidated Condensed Interim Statement of Financial Position		
Jordan International Insurance Company (Parent Company)	-	229
Board members and their relatives	-	175
	-	**404**

(10-2) Due to related parties

Jordan International Insurance Company (Parent Company)	4,635	-
	4,635	**-**

(10-3) Key management remuneration

Salaries and remunerations paid to the Company's higher executive management for the six months ended June 30, 2018 amounted to JOD 7,680 (June 30, 2017: JOD 29,182).

11) EARNINGS PER SHARE FOR THE PERIOD:

Earnings per share is calculated by dividing the profit for the period by the weighted average number of shares during the period and the details are as follows:

Jordanian Dinar	For the Six- Month Period ended June 30,	
	2018	2017
Profit for the period (JOD)	18,881	4,644
Weighted average for number of shares (Share)	10,000,000	10,000,000
Earnings Per Share for the Period – JOD/Share	**0,002**	**0.0005**

12) GEOGRAPHICAL SEGMENT

The Group operates its activities inside the Hashemite Kingdom of Jordan, and the Company's operations are focused on investment in land, real estates and construction projects.

13) CONTINGENT LIABILITIES

A- As of the consolidated condensed interim financial information date, the Company had contingent liabilities representing bank letters of guarantee amounting to JOD 10,000.

B- There is a claim lodged against the Company by one of the corporations with an amount of JOD 68,500. The claim represents service fees, operational costs, and penalties related to the Company-owned buildings in Halabat Industrial Zone. Consequently, the Company has filed a lawsuit to preclude a claim at Amman Court of First Instance. Furthermore, a decision was issued prohibiting the Company to claim the abovementioned amount and dismiss the apprehendable money of the Company and guarantee the defendant to take the fees. Moreover, the defendant has presented an appeal and a response on that appeal was made. The defendant filed a cassation therefore, the lawsuit is currently going through the cassation phase. In the opinion of the Company's management and its legal consultant, the Company will not incur any amounts in excess of the provisions taken as of June 30, 2018.

14) LAWSUITS AGAINST THE COMPANY

- There are lawsuits filed against the Company at courts claiming compensation for labour issues at a total amount of JOD 2,692 as of June 30, 2018 where the case has been dropped temporarily because the claimant did not attend.
- There is a lawsuit against Tellal Salem (subsidiary). This lawsuit is to terminate the sale of lands' contracts the Company owned the land in prior year which appears under investment properties (Note 7). The case is currently in the court going through the presentation of the evidence. In the opinion of the company's lawyer, no need to book any lawsuits provision against this case since the legal status of the Company is good.

15) FAIR VALUE LEVELS

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for financial assets.
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instrument evaluated based on:
Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.
Level 3: inputs for the asset or liability that are not based on observable market data (Inputs not observable).

A. Financial Assets measured at fair value in continuous basis:

	June 30, 2018 (Reviewed not audited)			
	Carrying	Fair Value		
In Jordanian dinar	amount	Level (1)	Level (2)	Level (3)
Financial Assets				
Financial assets at fair value through statement of other comprehensive income	124,236	102,800	21,436	-
Cash on hand and at bank	969,923	969,923	-	-

		December 31, 2017 (Audited)		
In Jordanian dinar	Carrying	Fair Value		
	Amount	Level (1)	Level (2)	Level (3)
Financial Assets				
Financial assets at fair value through statement of other comprehensive income	114,136	92,700	21,436	-
Cash on hand and at bank	970,758	970,758	-	-

There were no transfers between level 1 and level 2 during the period ended June 30, 2018.

B. Financial Assets not measured at fair value:

In Jordanian dinar	Carrying amount	June 30, 2018 (Reviewed not audited) Fair Value Level (1)	Level (2)	Level (3)
Financial Assets				
Trade and other receivables	132,731	-	-	-
Cheques under collection	35,000	-	-	-
Financial Liabilities				
Accounts payable and other	83,995	-	-	-

In Jordanian dinar	Carrying Amount	December 31, 2017 (Audited) Fair Value Level (1)	Level (2)	Level (3)
Financial Assets				
Trade and other receivables	84,803	-	-	-
Due from related Parties	404	-	-	-
Financial Liabilities				
Accounts payable and others	84,521	-	-	-

The book value of financial assets and liabilities presented on the condensed consolidated financial statements are not materially different from its fair value.

There were no transfers between level 1 and level 2 during the period ended June 30, 2018.

C. Non-financial assets that are not measured at fair value of which their fair value are exposed in the financial statements:

In Jordanian dinar	Carrying amount	June 30, 2018 (Reviewed not audited) Fair Value Level (1)	Level (2)	Level (3)
Investment properties	8,084,010	-	10,510,548	-

In Jordanian dinar	Carrying Amount	December 31, 2017 (Audited) Fair Value Level (1)	Level (2)	Level (3)
Investment properties	8,155,406	-	10,617,387	-

For item illustrated above, level 2 fair value for non-financial assets have been determined based on the quoted price for similar assets, in non-active market.