

جور دإنفست

شركة الثقة للاستثمارات الأردنية

مراجعة
مراجعة

٢٠/٢١

To: Jordan Securities Commission

Amman Stock Exchange

Date: 30/10/2018

Subject: Quarterly Report as of September 30, 2018

Attached the Quarterly Report of (Jordan Investment Trust) as of September 30, 2018

Regards

Ahmad H. Tantash

CEO

جور دإنفست

شركة الثقة للاستثمارات الأردنية

عمان - الأردن

- To Securities depository center

السادة هيئة الأوراق المالية المحترمين

السادة بورصة عمان المحترمين

التاريخ: ٣٠ / ١٠ / ٢٠١٨

الموضوع: التقرير ربع السنوي كما هي في 2018/9/30

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة الثقة للاستثمارات الأردنية كما هي بتاريخ 2018/9/30.

وتفضلوا بقبول فائق الاحترام،،،

شركة الثقة للاستثمارات الأردنية

الرئيس التنفيذي

أحمد طنطش

جور دإنفست

شركة الثقة للاستثمارات الأردنية مع

عمان - الأردن

- نسخة السادة مركز إيداع الأوراق المالية

هيئة الأوراق المالية

البيانات المالية

٣١ تشرين الأول ٢٠١٨

الرقم المسجل: ٢٠١٨/٩/٣٠

الجهة المختصة: ٢٠١٨/٩/٣٠

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)

30 SEPTEMBER 2018

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF JORDAN INVESTMENT TRUST COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of **JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)** ("the Company") and its subsidiaries ("the Group") as of 30 September 2018 comprising of interim consolidated statement of financial position as of 30 September 2018 and the related interim consolidated income statement, interim consolidated statement of comprehensive income, statement of changes in equity, statement of cash flows for the nine months period then ended and explanatory notes. Board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the 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 financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
24 October 2018



JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2018

	<u>Notes</u>	30 September 2018 JD (Unaudited)	31 December 2017 JD (Audited)
<u>ASSETS</u>			
Cash on hand and at banks	10	252,330	1,016,777
Financial assets at fair value through profit or loss		2,246,759	7,154,099
Financial assets at fair value through other comprehensive income		4,294,732	108,333
Accounts receivable - net		159,864	158,611
Investment in an associate	4	13,091,196	12,489,814
Other debit balances		391,354	507,194
Property and equipment		2,276,316	2,404,617
Investment properties		9,261,724	9,192,015
Total Assets		31,974,275	33,031,460
<u>LIABILITIES AND EQUITY</u>			
Liabilities -			
Loans	7	184,971	268,435
Income tax provision	9	47,600	35,834
Brokerage customers payables		104,001	123,642
Other credit balances		943,316	975,958
Total Liabilities		1,279,888	1,403,869
Equity -			
Shareholders' equity			
Paid in capital	12	26,383,725	26,383,725
Share premium		746,349	746,349
Statutory reserve	11	2,627,073	2,627,073
Voluntary reserve		154,602	154,602
Fair value reserve		61,600	(153,675)
Accumulated losses		(1,234,042)	(108,401)
Equity attributed to the shareholders' of the Company		28,739,307	29,649,673
Non-controlling interests		1,955,080	1,977,918
Net Equity		30,694,387	31,627,591
Total Liabilities and Equity		31,974,275	33,031,460

The accompanying notes from 1 to 14 form part of these interim condensed consolidated financial statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018 (UNAUDITED)

		For the three months ended 30 September		For the nine months ended 30 September	
	Notes	2018	2017	2018	2017
		JD	JD	JD	JD
Continuing operations -					
Revenues -					
Interest income		2,705	9,136	16,303	21,026
(Loss) Profit from financial assets at fair value through profit or loss	5	(77,342)	141,580	(87,666)	271,713
Brokerage commissions		1,783	6,838	15,741	16,409
Share of profit from an associate	4	175,307	354,313	601,382	822,622
Others		35,415	60,976	126,637	204,102
Net revenue		137,868	572,843	672,397	1,335,872
Expenses -					
Interest and commission		(5,451)	(9,687)	(18,135)	(35,394)
Administrative expenses		(227,049)	(208,290)	(613,538)	(610,052)
Depreciation and amortization		(37,015)	(49,728)	(226,041)	(153,622)
Other expenses		(2,625)	(14,137)	(13,633)	(38,839)
Total Expenses		(272,140)	(281,842)	(871,347)	(837,907)
(Loss) Profit before income tax from continued operations		(134,272)	291,001	(198,950)	497,965
Income tax expense		2,425	(33,400)	(34,395)	(55,300)
(Loss) Profit for the period from continued operations		(131,847)	257,601	(233,345)	442,665
Profit for the period from discontinued operations		-	97,904	-	45,300
(Loss) Profit for the period		(131,847)	355,505	(233,345)	487,965
Attributable to:					
Shareholders of the company		(124,544)	359,710	(210,507)	506,987
Non-controlling interests		(7,303)	(4,205)	(22,838)	(19,022)
		(131,847)	355,505	(233,345)	487,965
		<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>
Basic and diluted earnings (Losses) per share for the period		(0/005)	0/013	(0/008)	0/019

The accompanying notes from 1 to 14 form part of these interim condensed consolidated financial statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018 (UNAUDITED)

	For the three months ended 30 September		For the nine months ended 30 September	
	2018	2017	2018	2017
	JD	JD	JD	JD
(Loss) Profit for the period	(131,847)	355,505	(233,345)	487,965
Add: other comprehensive income not to be reclassified to profit and loss in subsequent periods:				
Change in fair value of financial assets at fair value through other comprehensive income	(128,739)	(5,822)	(549,859)	350
Total comprehensive income for the period	<u>(260,586)</u>	<u>349,683</u>	<u>(783,204)</u>	<u>488,315</u>
Attributable to:				
Shareholders of the company	(253,283)	353,888	(760,366)	507,337
Non-controlling interests	<u>(7,303)</u>	<u>(4,205)</u>	<u>(22,838)</u>	<u>(19,022)</u>
	<u>(260,586)</u>	<u>349,683</u>	<u>(783,204)</u>	<u>488,315</u>

The accompanying notes from 1 to 14 form part of these interim condensed consolidated financial statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2018 (UNAUDITED)

		For the nine months ended 30 September	
	Note	2018 JD	2017 JD
<u>OPERATING ACTIVITIES</u>			
(Loss) profit for the period from continuing operations before tax		(198,950)	497,965
Profit for the period from discontinued operations before tax		-	45,300
(Loss) Profit for the period before tax		(198,950)	543,265
Adjustments for -			
Depreciation and amortization		226,041	170,715
Change in fair value of financial assets at fair value through profit and loss		301,659	(66,240)
Interest Income		(16,303)	(21,026)
Share of profit from associate		(601,382)	(822,622)
Profit from sale of a subsidiary		-	(97,904)
Gain from disposal of property and equipment		-	(15,500)
End of Service Indemnity		18,922	-
Changes in working capital -			
Financial assets at fair value through profit or loss		(142,625)	(84,798)
Accounts receivable and other debit balances		4,587	11,850
Accounts payable and other credit balances		(71,205)	(207,071)
Income tax paid		(62,629)	(44,999)
Net cash flows used in operating activities		(541,885)	(634,330)
<u>INVESTING ACTIVITIES</u>			
Purchase of investment properties		(114,627)	(27,226)
Purchase of financial assets at fair value through other comprehensive income		12,048	-
Dividends received from associate		-	1,345,158
Interest Income received		16,303	21,026
Purchase of property and equipment		(52,822)	(19,160)
Proceeds from sale of property and equipment		-	15,500
Net cash proceed from sale of a subsidiary		-	430,313
Net cash flows (used in) from investing activities		(139,098)	1,765,611
<u>FINANCING ACTIVITIES</u>			
Bank Loans		(83,464)	(396,274)
Net cash flows used in financing activities		(83,464)	(396,274)
Net (decrease) increase in cash and cash equivalents		(764,447)	735,007
Cash and cash equivalents at beginning of the period		1,016,777	430,481
Cash and cash equivalents at end of the period	10	252,330	1,165,488

The accompanying notes from 1 to 14 form part of these interim condensed consolidated financial statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

(1) GENERAL

Jordan Investment Trust was incorporated in Jordan as a public shareholding company and registered on April 23, 1998 with an authorized capital of JD 20,000,000 divided into 20,000,000 shares, at a per value of 1 JD each. The authorized and paid up capital was increased several time during previous years to reach JD 29,513,889.

The main objectives of the Company are to invest in all available fields of investment in industrial, agricultural, financial, real estate, tourism and services sectors, and in particular to purchase and hold shares, allotments, real estate, bonds and manage investment portfolios. Other activities include, providing consulting services and capital market operations services which support and foster investment, acting as a broker in organizing the capital financing operations required for establishment, expansion and development of the companies including the undertakings of issuance of shares and bond or participate with the gatherings that aim to such undertakings.

The Company's registered office is located in Jabal Amman, Amman – The Hashemite Kingdom of Jordan.

The main objectives of the subsidiaries are to invest in all available fields of investments.

These financial statements were authorized for issuance by the Board of Directors on 24 October 2018.

The company's shares are listed in the Amman Stock Exchange.

(2) BASIS OF PREPARATION

The accompanying interim condensed consolidated financial statements for the Group as of 30 September 2018 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been presented in Jordanian Dinars, which is the functional currency of the Group.

The financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value at the interim condensed consolidated financial statements date.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual financial statements as of 31 December 2017. In addition, the results for the nine months ended 30 September 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of Jordan Investment Trust Company and its wholly owned subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, profits and losses relating to transactions between members of the Group are eliminated.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- Derecognizes the carrying amount of any non-controlling interest;
- Derecognizes the translation reserve of the foreign currencies
- Recognizes the fair value of the consideration received;
- Recognizes the fair value of any investment retained in the subsidiary;
- Recognizes profit or loss resulting from controlling loss; and
- Reclassifies the company's share of components previously recognised in other comprehensive income to profit or loss.

CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011.

IFRS 9 requires the Group to record an allowance for ECLs for all debt instruments measured at amortization cost.

The standard eliminates the use of the IAS 39 incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

For all debt instruments, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

The effect of the change in accounting policy on the items of the interim condensed consolidated financial statements is as follows:

	Before restatement JD	Re- classification JD	ECL calculation JD	After restatement JD
Accumulated losses	(108,401)	(766,818)	(150,000)	(1,025,219)
Financial assets at fair value through profit or loss	7,154,099	(3,164,558)	-	3,989,541
Fair value reserve	(153,675)	766,818	-	613,143
Financial assets at fair value through other comprehensive income	108,333	3,164,558	-	3,272,891
	<u>7,000,356</u>	<u>-</u>	<u>(150,000)</u>	<u>6,850,356</u>

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The application of IFRS 15 did not have significant impact on the Group's interim condensed consolidated financial statements.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

This Interpretation does not have any impact on Group's interim condensed consolidated financial statements.

Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

(3) SEGMENT INFORMATION

Main business segment information:

For management purposes, the Group is organized into two major business segments:

Financial investments - Principally trading in equities and bonds, in addition to investment in associates and deposits at banks and act as a custodian.

Investment properties - Principally trading and renting properties and land owned by the Group.

These segments are the basis on which the Group reports its primary segment information.

Below are the segment information:

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000 (Unaudited)
For the nine months ended 30 September 2018 –				
Segment revenues	546	94	32	672
Allocated expenses	(526)	(78)	(267)	(871)
Profit (loss) before income tax	20	16	(235)	(199)
Income tax expense	-	-	-	(34)
Loss for the period				(233)
For the nine months ended 30 September 2017 -				
Segment revenues	1,132	70	134	1,336
Allocated expenses	(509)	(60)	(269)	(838)
Profit (loss) before income tax from continued operations	623	10	(135)	498
Profit for the period from discontinued operations				45
Income tax expense	-	-	-	(55)
Profit for the period				488

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

(3) SEGMENT INFORMATION (CONTINUED)

	Financial Investments JD'000	Investment properties JD'000	Others JD'000	Total JD'000 (Unaudited)
30 September 2018 -				
Assets and Liabilities				
Segment assets	22,161	9,261	552	31,974
Segment liabilities	981	61	238	1,280
Other segment information for the nine months ended 30 September 2018				
Depreciation and Amortization				226
31 December 2017 -				
Assets and Liabilities				
Segment assets	23,173	9,192	666	33,031
Segment liabilities	1,048	61	294	1,403
Other segment information for or the nine months ended 30 September 2017				
Depreciation and amortization				170

(4) INVESTMENT IN AN ASSOCIATE

This item represents the following:

	Ownership percentage %	Country of incorporation	Nature of activity	30 September 2018 JD (Unaudited)	31 December 2017 JD (Audited)
First Education Holding (FEH)	31.6	Bahrain	Education	13,091,196	12,489,814

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

(4) INVESTMENT IN AN ASSOCIATE (CONTINUED)

The following table illustrates the movement on the investments in associate:

	30 September 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	12,489,814	12,976,435
Gain from liquidation of an associate	-	95,497
Group net share from associate's profit	601,382	860,141
Dividends received from an associate	-	(1,442,259)
Balance at the end of the period/ year	<u>13,091,196</u>	<u>12,489,814</u>

(5) (LOSS) PROFIT FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	For the nine months ended 30 September	
	2018	2017
	JD (Unaudited)	JD (Unaudited)
Realized Gain	3,153	1,620
Change in fair value of financial assets at fair value through profit or loss	(301,659)	66,240
Dividends income	210,840	203,853
	<u>(87,666)</u>	<u>271,713</u>

(6) CONTINGENT LIABILITIES

As of the date of the interim condensed consolidated financial statements, the Group is contingently liable in respect of a bank guarantee amounting to JD 1,840,000 as of 30 September 2018 (31 December 2017: JD 1,840,000) for the benefit of the Jordan Securities Commission in accordance with the Jordan Securities Commission Law, in addition to other bank letter of guarantee for the benefit of the Securities Depository Center amounted to JD 500,000.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

(7) LOANS

	Loan installments		30 September 2018 JD (Unaudited)	31 December 2017 JD (Audited)
	Short term JD	Long term JD		
The Bank of Jordan (1)	132,264	-	132,264	206,431
The Bank of Jordan (2)	12,396	40,311	52,707	62,004
			<u>184,971</u>	<u>268,435</u>

The Bank of Jordan Loan (1)

On 2 September 2010, loan agreement was signed with the Bank of Jordan where the Group received an amount of JD 1,650,000 at annual interest rate of 8.5%. The loan is due after a grace period of 2 years over 60 equal monthly installment by JD 32,616 for each, the first installment became due on 19 September 2012, and the loan is secured by the mortgage of the property owned by Al Tawon Real Estate Management Company (Subsidiary) by JD 900,000. During 2017 an amount of JD 460,099 was paid with no penalty for early settlement and loan was rescheduled so that the first installment will be on 14 November 2017 and the final installment on 14 October 2018.

The Bank of Jordan Loan (2)

On 11 January 2017, loan agreement was signed with the Bank of Jordan where the Group received an amount of JD 74,400 at annual interest rate of 8.75%. The loan was used to finance the purchase of a new vehicle. The loan is payable over 60 equal monthly installment of JD 1,033 for each, starting 31 January 2017 until the final settlement.

(8) OFF-STATEMENT OF FINANCIAL POSITION ITEMS

The Group holds investments for others amounting to JD 692,881 as at 30 September 2018 (31 December 2017: JD 544,940).

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2018 (UNAUDITED)

(9) INCOME TAX

Movement on income tax provision is as follows:

	30 September 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/ year	35,834	45,381
Income tax expense for the period/ year	74,395	35,452
Paid income tax	(62,629)	(44,999)
Balance at the end of the period/ year	47,600	35,834

The income tax expense in the interim condensed consolidated income statement represents the following:

	For the nine months ended 30 September	
	2018	2017
	JD	JD
	(Unaudited)	(Unaudited)
Deferred tax assets	40,000	-
Income tax expense for the period	(74,395)	(55,300)
	(34,395)	(55,300)

Jordan Investment Trust Company has reached a final settlement with the Income and Sales Tax Department up to 2013, the Income and Sales Tax Department reviewed the Company's records for the years 2014 and 2015 except 2009 for which the Income and Sales Tax Department rejected the carryforward of the accumulated losses which is still pending at the court as no decision was reached up to the date of these financial statements. The Income and Sales Tax Department claimed total income tax for the year 2014 for an amount of JD 52,125 and legal compensation amounting to JD 40,900. In addition, during the year 2015 the Income and Sales Tax Department claimed income tax of JD 206,365 where the Company has raised an objection in the court of law, and no decision was reached up to the date of these interim condensed consolidated financial statements.

Jordan Investment Trust Company submitted the tax declaration for the years 2016 and 2017, however the Income and Sales Tax Department did not review it up to the date of these financial statements.

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The Income and Sales Tax Department reviewed the records of Imcan for financial services (Subsidiary) for the years 2007 and 2008 and decided to impose income tax differences for those years and the Company appealed the decisions issued. A final decision was issued by the Court of Cassation on 12 February 2018 to cancel the full tax imposed for 2007 and to impose a tax of JD 57,215 for 2008.

Imcan for Financial Services has submitted its tax declaration for the year from 2015 to 2017 however the Income and Sales Tax Department did not review it up to the date of these interim condensed consolidated financial statements.

Final settlement with the Income and Sales Tax Department was reached by 2014.

(10) CASH ON HAND AND AT BANKS

Cash and cash equivalents for the purpose of preparing the interim consolidated statement of cash flows is as follows:

	30 September 2018	30 September 2017
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand	600	633
Call deposits*	37,377	54,954
Time deposits*	61,373	915,403
Current accounts	152,980	194,498
	<u>252,330</u>	<u>1,165,488</u>

* Time deposits represent monthly deposits in Jordanian Dinar with an annual interest rate ranges between 4% - 5%.

(11) STATUTORY RESERVE

The Company has not deducted any statutory reserve according to the Companies law since these are interim financial statement.

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(12) EQUITY

Share capital -

The authorized share capital amounted to JD 29,513,889 at a par value JD 1 per share.

The details of the capital are as follows:

	30 September 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Subscribed and paid in capital	29,513,889	29,513,889
Treasury shares owned by the company (190,005 shares)	(292,609)	(292,609)
Treasury shares*	(2,837,555)	(2,837,555)
	<u>26,383,725</u>	<u>26,383,725</u>

* Treasury shares represent 2,026,491 shares owned by Trust and Dubai Investment (a subsidiary) which became a subsidiary on 1 January 2010. On acquisition date, total shares cost amounted to JD 2,837,555, noting that the Company has purchased these shares before the acquisition date.

(13) DISCONTINUED OPERATIONS

On 1 August 2017, the Group sold Al-Mota'dedeh for Restaurants Management (subsidiary), that own 100% of it for an amount of JD 475,000. The date of the transfer of the ownership of the company was considered to be 30 June 2017 according to the agreement with the buyer. Accordingly, the Company's results were reclassified as discontinued operations for the period ended 30 September 2017.

(14) RELATED PARTIES TRANSACTIONS

Related parties Transactions represent the transactions made with associated companies, major shareholders, directors, and key management personnel of the Group, and entities which have main controlling shareholders.

Pricing policies and terms of the transactions with related parties were approved by the Group's management.

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Executive management's Compensations and remunerations

The remuneration of executive management was as follows:

	For the nine month ended 30	
	September	
	2018	2017
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and compensations	172,979	161,404

Subsidiaries

The consolidated financial statements include the financial statements of Jordan Investment Trust Company and the subsidiaries listed in the following table:

Company's name	Country of incorporation	Ownership percentage	Company's capital	
			30 September	31 December
			2018	2017
		%	JD	JD
Medical Clinics	Jordan	100	1,958,834	1,958,843
Imcan for Financial Services	Jordan	73	1,300,000	1,300,000
Akar Limited Company	British Virgin Islands	100	300,000	300,000
Amwaj Financial Investments	Jordan	100	60,000	60,000
Mazaya Financial Investments	Jordan	100	60,000	60,000
Burhan Al-Thiqa Financial Investments	Jordan	100	60,000	60,000
Nebras Financial Investments	Jordan	100	-	60,000
Knowledge Bases Financial Investments	Jordan	100	60,000	60,000
Al Rafah Financial Investments	Jordan	100	60,000	60,000
Trust and Sham Financial Investments	Jordan	100	81,000	81,000
Trust and Hospitality Financial Investments	Jordan	100	2,000,000	2,000,000
Al Sahel Financial Investments	Jordan	100	60,000	60,000
The Arabian Coffee	Jordan	100	60,000	60,000
Zohoor Al-Thiqa for Real Estate	Jordan	100	50,000	50,000
Al Olbah Real Estate	Jordan	100	50,000	50,000
Al Tawon for Real Estate Management	Jordan	100	10,000	10,000
Al-Ihdathiat Real Estate Company	Jordan	58	4,486,627	4,486,627
Trust and Dubai Investment	Jordan	100	2,334,842	2,334,842