

To: Jordan Securities Commission

Amman Stock Exchange

Date: 13/8/2020

Subject: Quarterly Report as of March 31, 2020

Attached the Quarterly Report of (Jordan Investment Trust) as of March 31, 2020 in English.

السادة هيئة الأوراق المالية المحترمين

السادة بورصة عمان المحترمين

التاريخ: 13/8/2020

الموضوع: التقرير ربع السنوي كما هي في 2020/3/31

مرفق طيه نسخة من انبيئات المالية ربع السنوية لشركة الثقة للاستثمارات الاردنية كما هي بتاريخ 2020/3/31 باللغة الانجليزية.

Regards

وتفضلوا بقبول فائق الاحترام...

Jordan Investment Trust

Compliance Officer

Haya Al Jabali

شركة الثقة للاستثمارات الاردنية

ضابط الامتثال

هيا الجبالي

جوردن انفيست

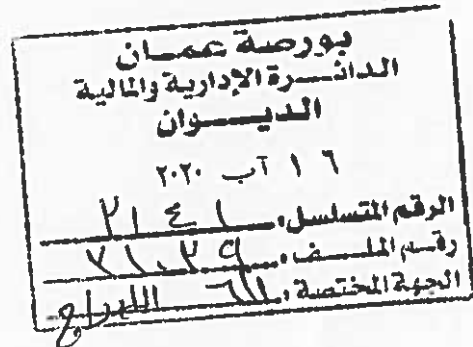
شركة الثقة للاستثمارات الاردنية م.ع.م  
عمان - الاردن

- To Securities depository center

- نسخة السادة مركز ايداع الأوراق المالية

**Jordinvest**

Jordan Investment Trust P.L.C  
Amman Jordan



**JORDAN INVESTMENT TRUST COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL**  
**STATEMENTS (UNAUDITED)**

**31 MARCH 2020**

**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 ("together the Group") as of 31 March 2020 comprising of interim consolidated statement of financial position as of 31 March 2020 and the related interim consolidated income statement, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity, and the interim consolidated statement of cash flows for the three 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  
23 July 2020



**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 MARCH 2020**

	<u>Notes</u>	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<b><u>ASSETS</u></b>			
Cash on hand and at banks		7,305,209	8,107,991
Financial assets at fair value through profit or loss		1,792,677	1,909,808
Financial assets at fair value through other comprehensive income		4,256,385	4,463,019
Accounts receivable - net		89,030	78,604
Investment in associate	4	10,524,522	10,576,250
Other debit balances		645,481	394,593
Property and equipment		2,197,455	2,209,156
Investment properties		10,503,765	10,247,728
<b>Total Assets</b>		<b>37,314,524</b>	<b>37,987,149</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Liabilities -</b>			
Loans	9	517,210	555,559
Brokerage customers payables		49,710	51,687
Other credit balances		811,501	1,042,749
Income tax provision	8	710,552	710,552
<b>Total Liabilities</b>		<b>2,088,973</b>	<b>2,360,547</b>
<b>Equity -</b>			
<b>Shareholders' equity</b>			
Paid in capital	10	27,270,078	27,270,078
Statutory reserve		1,342,748	1,342,748
Fair value reserve		(180,548)	16,859
Retained earnings		4,966,818	5,153,971
<b>Shareholders' equity</b>		<b>33,399,096</b>	<b>33,783,656</b>
Non-controlling interests		1,826,455	1,842,946
<b>Net Equity</b>		<b>35,225,551</b>	<b>35,626,602</b>
<b>Total Liabilities and Equity</b>		<b>37,314,524</b>	<b>37,987,149</b>

The accompanying notes from 1 to 12 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 ENDED 31 MARCH 2020 (UNAUDITED)**

	<u>Notes</u>	<u>31 March 2020 JD</u>	<u>31 March 2019 JD</u>
<b>Revenues -</b>			
Interest income		54,397	3,293
Gain from financial assets	5	18,540	30,179
Brokerage commissions		2,282	2,432
Share of (loss) profit from associate	4	(51,728)	163,219
Other income		24,067	32,550
<b>Net revenues</b>		<u>47,558</u>	<u>231,673</u>
Interest and commission		(14,893)	(17,863)
Administrative expenses		(193,716)	(192,437)
Depreciation and amortization		(33,366)	(33,130)
<b>Loss for the period before income tax</b>		<u>(194,417)</u>	<u>(11,757)</u>
Income tax expense	8	-	(3,966)
<b>Loss for the period</b>		<u>(194,417)</u>	<u>(15,723)</u>
Attributable to:			
Shareholders of the company		(187,153)	(8,714)
Non-controlling interests		(7,264)	(7,009)
		<u>(194,417)</u>	<u>(15,723)</u>
		<u>Fils /JD</u>	<u>Fils JD</u>
<b>Basic and diluted earnings per share from loss for the period</b>		<u>(0/007)</u>	<u>(0/001)</u>

**The accompanying notes from 1 to 12 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 STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

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	31 March 2020 JD	31 March 2019 JD
<b>Loss for the period</b>	(194,417)	(15,723)
<b>Add: other comprehensive income items not to be reclassified to profit and loss in subsequent periods:</b>		
Change in fair value of financial assets at fair value through other comprehensive income	(206,634)	(64,113)
<b>Total comprehensive income for the period</b>	(401,051)	(79,836)
<b>Attributable to:</b>		
Shareholders of the company	(384,560)	(72,827)
Non-controlling interests	(16,491)	(7,009)
	(401,051)	(79,836)

**The accompanying notes from 1 to 12 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 STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

	Reserves								Total equity	
	Treasury Shares		Share premium	Statutory	Voluntary	Fair value reserve	Retained earnings / (Accumulated losses)	Total		Non-controlling interests
	JD	JD	JD	JD	JD	JD	JD	JD		JD
For the three months period ended 31 March 2020-										
Balance as at 1 January 2020	27,270,078	-	-	1,342,748	-	16,859	5,153,971	33,783,656	1,842,946	35,626,602
Total comprehensive income for the period	-	-	-	-	-	(197,407)	(187,153)	(384,560)	(16,491)	(401,051)
Balance as of 31 March 2020	27,270,078	-	-	1,342,748	-	(180,548)	4,966,818	33,399,096	1,826,455	35,225,551
For the three months period ended 31 March 2019-										
Balance as at 1 January 2019	29,513,889	(3,130,164)	746,349	2,627,073	154,602	(252,131)	(1,438,927)	28,220,691	1,934,415	30,155,106
Total comprehensive income for the period	-	-	-	-	-	(64,113)	(8,714)	(72,827)	(7,009)	(79,836)
Balance as of 31 March 2019	29,513,889	(3,130,164)	746,349	2,627,073	154,602	(316,244)	(1,447,641)	28,147,864	1,927,406	30,075,270

In accordance with the Jordan Securities Commission regulations there is a restricted amount of JD 180,548 as at 31 March 2020 from the retained earnings which represents the negative fair value reserve.

The accompanying notes from 1 to 12 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 STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2020 (UNAUDITED)**

	31 March 2020 JD	31 March 2019 JD
<b><u>OPERATING ACTIVITIES</u></b>		
Loss for the period before income tax	(194,417)	(11,757)
<b>Adjustments -</b>		
Depreciation and amortization	33,366	33,130
Change in fair value of financial assets at fair value through profit or loss	163,288	(30,179)
Share of loss (profit) from associate	51,728	(163,219)
Interest income	(54,397)	(3,293)
<b>Changes in working capital</b>		
Financial assets at fair value through profit or loss	(46,157)	-
Accounts receivable and other debit balances	(261,314)	(51,932)
Accounts payable and other credit balances	(233,225)	40,789
Income tax paid	-	(12,873)
<b>Net cash flows used in operating activities</b>	<b>(541,128)</b>	<b>(199,334)</b>
<b><u>INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment	(4,608)	(3,260)
Purchase of investment property	(273,094)	(7,266)
Interest income	54,397	3,293
Dividends received from associate	-	894,706
<b>Net cash flows (used in) from investing activities</b>	<b>(223,305)</b>	<b>887,473</b>
<b><u>FINANCING ACTIVITIES</u></b>		
Loans	(38,349)	(11,349)
<b>Net cash flows used in financing activities</b>	<b>(38,349)</b>	<b>(11,349)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(802,782)</b>	<b>676,790</b>
Cash and cash equivalents at beginning of the period	8,107,991	285,876
<b>Cash and cash equivalents at end of the period</b>	<b>7,305,209</b>	<b>962,666</b>

The accompanying notes from 1 to 12 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**  
**31 MARCH 2020 (UNAUDITED)**

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**(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 par value of 1JD each. The authorized, issued and paid up capital was increased several times over the years to reach JD 27,270,078.

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 investment.

The financial statements were authorized for issuance by the Board of Directors on 8 July 2020.

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

**(2) BASIS OF PREPARATION AND THE ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

The accompanying interim condensed consolidated financial statements for the Group as of 31 March 2020 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 "JD" 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 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 at 31 December 2019. In addition, the results for the three months ended 31 March 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

**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.

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:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the translation reserve of the foreign currencies
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the subsidiary;
- Recognises 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 used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2019 except for the adoption of new standards effective as of 1 January 2020 shown below:

##### **Amendments to IFRS 3: Definition of a Business**

The IASB issued amendments to the definition of a business in IFRS (3) Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, the Group does not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

**Interest Rate Benchmark Reform Amendments to IFRS (9) and IFRS (7)**

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an "RFR").

The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB's project.

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

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2020 (UNAUDITED)**

**(3) SEGMENT INFORMATION**

**Segment information for the basic sectors**

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)
<b>For the three months ended 31 March 2020 –</b>				
Segment revenues	24	24	-	48
Distributed expenses	(171)	(24)	(47)	(242)
Loss before income tax for the period	(147)	-	(47)	(194)
Income tax expense				-
<b>Loss for the period</b>				<b>(194)</b>
<b>For the three months ended 31 March 2019 –</b>				
Segment revenues	199	31	2	232
Distributed expenses	(188)	(22)	(34)	(244)
Loss before income tax for the period	11	9	(32)	(12)
Income tax expense				(4)
<b>Loss for the period</b>				<b>(16)</b>

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2020 (UNAUDITED)**

	Financial Investments JD'000	Investment properties JD'000	Others JD'000	Total JD'000
<b>31 March 2020 - (Unaudited)</b>				
<b>Assets and Liabilities</b>				
Segment assets	26,076	10,504	735	37,315
Segment liabilities	470	66	1,553	2,089
<b>Other segment information for the three months ended 31 March 2020 -</b>				
Depreciation and amortization	10	13	10	33
<b>31 December 2019 – (Audited)</b>				
<b>Assets and Liabilities</b>				
Segment assets	27,267	10,248	472	37,987
Segment liabilities	699	64	1,598	2,361
<b>Other segment information for the three months ended 31 March 2019 - (Unaudited)</b>				
Depreciation and amortization	10	15	8	33

**(4) INVESTMENT IN ASSOCIATE**

This item represents the following:

	Ownership percentage %	Country of incorporation	Nature of activity	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
First Education Holding (FEH)	31.6	Bahrain	Education	10,524,522	10,576,250

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2020 (UNAUDITED)**

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

	31 March 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year	10,576,250	13,313,523
Group's share from associate (loss) profit	(51,728)	7,113,978
Dividends received from associate	-	(9,851,251)
Balance at the end of the period/ year	10,524,522	10,576,250

**(5) GAINS FROM FINANCIAL ASSETS**

	31 March 2020	31 March 2019
	JD (Unaudited)	JD (Unaudited)
Dividends income	181,828	-
Change in fair value of financial assets through profit or loss	(163,288)	30,179
	18,540	30,179

**(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 1,440,000 as of 31 March 2020 (31 December 2019: JD 1,440,000) for the benefit of the Jordan Securities Commission in accordance with the Jordan Securities Commission Law No. 76 of 2007, in addition to other bank letters of guarantee for the benefit of the Securities Depository Center amounted to JD 150,000 as of 31 March 2020 ( 31 December 2019:JD 150,000) with security deposits of JD 67,000.

**(7) OFF-BALANCE SHEET ITEMS**

The Group holds investments for others amounting to JD 546,570 as of 31 March 2020 (31 December 2019: JD 686,893).

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2020 (UNAUDITED)**

**(8) INCOME TAX**

**Income tax provision**

Movement on income tax provision is as follows:

	31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
Balance at the beginning of the period/ year	710,552	40,251
Income tax provision for the period/ year	-	710,406
Paid income tax	-	(40,105)
Balance as at the end of the period/ year	710,552	710,552

Income Tax provision for the period ended 31 March 2020 was calculated in accordance with the Income tax law No. (38) of 2018.

Jordan Investment Trust Company submitted tax declarations for the years 2016, 2017, 2018 and 2019, however the income tax department did not review it to the date of preparing these financial statements. A final settlement was reached with the income tax department until the end of the financial year of 2015.

**(9) LOANS**

	Loan installments		31 March 2020 JD (Unaudited)	31 December 2019 JD (Audited)
	Short term JD	Long term JD		
The Bank of Jordan (1)	33,000	18,097	51,097	59,347
The Bank of Jordan (2)	12,396	21,717	34,113	37,212
The Bank of Jordan (3)	108,000	324,000	432,000	459,000
			517,210	555,559

**The Bank of Jordan Loan (1)**

On 2 September 2010, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 1,650,000 at an annual interest rate of 8.5%. the loan is due after a grace period of 2 years over 60 monthly installments of JD 32,616 each, the first of which fell due on 19 September 2012 until the final settlement, the loan is secured by the mortgage of the property owned by Al Tawon Real Estate Management Company (Subsidiary) which is equal to JD 900,000. In 2018 the loan was rescheduled, and the monthly installment was now JD 2,750 instead of JD 32,616 starting from 14 November 2018 and holds an interest rate of 9,25%.



### **The Bank of Jordan Loan (2)**

On 11 January 2017, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 74,400 with an annual interest rate of 8.75%. the loan is payable in 60 monthly installments of JD 1,033 each, starting on 31 January 2017. The loan was used to finance the purchase of a new vehicle. During 2019 interest rate was increased to 9,25%.

### **The Bank of Jordan Loan (3)**

On 2 October 2018, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 540,000 with an annual interest rate of 9%. the loan is payable after a grace period of 5 months in 60 monthly installments of JD 9,000 each, starting on 21 April 2019. The loan is secured by the mortgage of the property owned by AlTawon Real Estate Management Company (Subsidiary) by JD 900,000. During 2019 interest rate was increased to 9,25%.

## **(10) EQUITY**

### **Legal Reserves-**

The Shareholders' general assembly approved in its extraordinary meeting on 25 April 2019 to write off the Group's accumulated losses amounting to JD 1,438,927 as of 31 December 2018 in the voluntary and statutory reserves by JD 154,602 and JD 1,284,325 respectively, so that the balance of accumulated losses and statutory reserve after the write off will become zero and JD 1,342,748 respectively. The legal procedures were completed for this transaction on 20 June 2019.

### **Share Capital Reduction-**

The Shareholders' general assembly approved in its extraordinary meeting on 25 April 2019 to transfer 2,053,806 treasury shares with par value of JD 1 from Trust and Dubai Investment (subsidiary) to Jordan Investment Trust Company. This will result in a discount of JD 783,749 that will be accounted for in the shares premium and accumulated losses, so that the balance of the share premium will be zero. The legal procedures of transferring the shares from Trust and Dubai Investment Company to Jordan Investment Trust Company were completed on 10 July 2019.

Also, the general assembly approved to reduce the Company's share capital by 2,243,811 shares so that the authorized, issued and paid up capital will be 27,270,078 shares instead of 29,513,889 shares through the write-off of the transferred treasury shares of Trust and Dubai Investments (subsidiary) to Jordan Investment Trust Company, and the 190,005 treasury shares owned by Jordan Investment Trust Company. The Legal procedures to reduce share capital were completed and approved by the Ministry of Industry and Trade on 3 September 2019, and by Securities Depository Center on 30 September 2019.

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2020 (UNAUDITED)**

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**Dividends-**

The shareholders' general assembly approved in its ordinary meeting held on 20 May 2020 the distribution of cash dividends at 12,835% of the capital amounting to JD 3,500,000.

**(11) 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 are approved by the Group's management.

**Executive management's Compensations and remunerations**

The remuneration of executive management was as follows:

	31 March 2020 JD (Unaudited)	31 March 2019 JD (Unaudited)
Salaries and benefits	239,779	58,275

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2020 (UNAUDITED)**

**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	
			31 March 2020	31 December 2019
			JD (Unaudited)	JD (Audited)
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	77	1,359,897	1,359,897
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
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	50,000	50,000
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

**(12) CORONAVIRUS SPREAD (COVID – 19) AND ITS IMPACT ON THE GROUP**

As a result of the continued impact of the Corona virus (Covid-19) on the global economy and various business sectors and the accompanying restrictions and measures imposed by the Jordanian Government and neighboring countries and the rest of the world, it is possible that operational activities may be affected by global developments that currently affect various economic and geographical sectors. The management in process to determine the impact of the Corona virus on the Group's activities and the financial performance of the Group to take appropriate measures to enable it to continue its activities and the possibility of recovering its assets and meeting its obligations in light of the current circumstances.