



<p>To: Jordan Securities Commission</p> <p>Date: 14/05/2017</p> <p><u>Subject: Quarterly Report as of</u> <u>31/03/2017</u></p>	<p>السادة هيئة الأوراق المالية</p> <p>التاريخ:- 2017/05/14</p> <p><u>الموضوع: التقرير ربع السنوي كما هي في 2017/03/31</u></p>
<p>Attached the Quarterly Report of Jordan International Investment Co. as of 31/03/2017</p> <p>In English.</p>	<p>مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة الأردن الدولية للإستثمار كما هي بتاريخ 2017/03/31. باللغة الانجليزية.</p>
<p>Kindly accept our highly appreciation and respect</p>	<p>وتفضلوا بقبول فائق الاحترام،،،</p>
<p>Jordan International Investment Co.</p>	<p> هاني حداد شركة الأردن الدولية للإستثمار</p>



JORDAN INTERNATIONAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2017
TOGETHER WITH THE
REVIEW REPORT

JORDAN INTERNATIONAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
MARCH 31, 2017

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Review Report

AM/ 81448

H.E. The Chairman and Members of the Board of Directors of
Jordan International Investment Company
(Public Shareholding Limited Company)
Amman – Hashemite kingdom of Jordan

Introduction

We have reviewed the condensed consolidated interim statement of financial position of Jordan International Investment Company (a Public Shareholding limited Company) as of March 31, 2017 and the related condensed consolidated interim statements of income and comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial information in accordance with International Accounting Standard (IAS) 34 relating to Interim Financial Reporting. Our responsibility is to express an opinion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Company. A review of condensed consolidated 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 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard (34) relating to interim financial reporting.

Explanatory Paragraphs

1. The fiscal year for the company ends on December 31, of each year. However, the accompanying condensed consolidated interim financial statements have been prepared for management and Jordan Securities Commission purposes.
2. The accompanying condensed consolidated interim financial statements are a translation of the statutory condensed consolidated interim financial statements in the Arabic language to which reference should be made.

**Amman – Hashemite Kingdom of Jordan
April 27, 2017**

JORDAN INTERNATIONAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL
POSITION

		March 31, 2017 (Reviewed not Audited)	December 31, 2016
	Note	JD	JD
<u>ASSETS</u>			
<u>Current assets</u>			
Cash on hand and at banks	4	1,057,360	1,083,167
Checks under collection		2,000	10,000
Financial assets at fair value through other comprehensive Income		21,436	21,436
Accounts receivable and other debit balances		105,490	91,293
Due from a related party	8	8,172	6,228
Total Current Assets		1,194,458	1,212,124
Investment property – net	5	8,186,886	8,190,315
Deferred tax assets	6/D	29,256	29,256
Fixed Assets:			
Fixed assets - at cost		117,045	117,045
Less : Accumulated depreciation		87,299	86,706
Net Book Value of Fixed Assets		29,746	30,339
TOTAL ASSETS		9,440,346	9,462,034
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Accounts payable and other credit balances		103,519	111,908
Income tax provision		-	-
Total Current Liabilities		103,519	111,908
<u>Shareholders' Equity</u>			
Paid-up capital		10,000,000	10,000,000
Statutory reserve		29,806	29,806
Special reserve		2,225	2,225
Financial assets fair value reserve		(9,252)	(9,252)
Accumulated (losses)		(672,653)	(672,653)
(Loss) for the period		(13,299)	-
Net Shareholders' Equity		9,336,827	9,350,126
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		9,440,346	9,462,034

Chairman of the Board of Directors

General Manager

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements and should be read with them and with the accompanying review report.

JORDAN INTERNATIONAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF INCOME AND
COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	<u>Note</u>	For the Three Months Ended	
		March 31,	
		2017	2016
		JD	JD
Rent revenue – net		4,715	4,000
Other (expenses)		(1,231)	(1,888)
Interest revenue		9,220	5,119
Total revenue		12,704	7,231
<u>Less:</u> General and administrative expenses		(26,003)	(44,664)
(Loss) for the period before Income Tax		(13,299)	(37,433)
<u>Less:</u> Tax benefit		-	183
(Loss) for the period / Total Comprehensive (loss) for the period		<u>(13,299)</u>	<u>(37,250)</u>
(Loss) per Share (Basic and Diluted)	7	<u>(0/001)</u>	<u>(0/004)</u>

Chairman of the Board of Directors

General Manager

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements and should be read with them and with the accompanying review report.

JORDAN INTERNATIONAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

	Paid-Up Capital	Statutory Reserve	Special Reserve	Financial Assets Fair Value Reserve *	Accumulated (Losses)	(Loss) for the Period	Net Shareholders' Equity
	JD	JD	JD	JD	JD	JD	JD
For the Three Months Ended March 31, 2017							
Balance - beginning of the period	10,000,000	29,806	2,225	(9,252)	(672,653)	-	9,350,126
Total comprehensive (loss) for the period	-	-	-	-	-	(13,299)	(13,299)
Balance - End of the Year	10,000,000	29,806	2,225	(9,252)	(672,653)	(13,299)	9,336,827
For the Three Months Ended March 31, 2016							
Balance - beginning of the year	10,000,000	28,958	2,225	(4,626)	(672,463)	-	9,354,094
Total comprehensive (loss) for the period	-	-	-	-	-	(37,250)	(37,250)
Balance - End of the Year	10,000,000	28,958	2,225	(4,626)	(672,463)	(37,250)	9,316,844

- Accumulated losses include a restricted amount of JD 29,256 against deferred tax assets as of March 31, 2017.

* Financial assets fair value reserve with a negative amount of JD 9,252 as of March 31, 2017 (JD 9,252 as of December 31, 2016) is restricted and may not be utilized as instructed by Jordan Securities Commission.

The accompanying notes constitute an integral part of these condensed consolidated interim financial statements and should be read with them and with the accompanying review report.

JORDAN INTERNATIONAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended	
		March 31,	
		2017	2016
		JD	JD
Cash Flows from Operating Activities			
(Loss) for the period before tax		(13,299)	(37,433)
Adjustments for:			
Interest (revenue)		(9,220)	(5,119)
Depreciation of fixed assets and investment property		4,022	4,905
Net Cash Flows (used in) Operations before Changes in Working Capital		(18,497)	(37,647)
Decrease in checks under collection		8,000	41,000
(Increase) In accounts receivable and other debit balances		(14,197)	(6,683)
(Increase) In due from related parties		(1,944)	(5)
(Decrease) in accounts payable and other credit balances		(8,389)	(4,623)
Net Cash Flows (used in) Operating Activities		(35,027)	(7,958)
Cash Flows from Investing Activities			
(Acquisition) of fixed assets		-	(392)
Interest received		9,220	5,119
Net Cash Flows from Investing Activities		9,220	4,727
Net (decrease) In Cash		(25,807)	(3,231)
Cash on hand at and banks - beginning of the year		1,083,167	850,106
Cash on Hand and at Banks - End of the period	4	1,057,360	846,875

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JORDAN INTERNATIONAL INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS

1. General

- a. Based on the letter from His Excellence Minister of Industry and Trade, number 13259 dated June 15, 2006, the approval was obtained to merger Jordan International Industries Company - a public shareholding limited company-and the Jordan International Company for Tourism and Real Estate Investments - a limited liability company to become Jordan International Investment Company, a public shareholding Limited Company. The company's address is the 6th circle, P.O.Box 930657 Amman 11181 - Jordan, with a paid-up capital of JD 10 million / Share, and it was registered at the Companies Control Department under Number (412) on July 13, 2006.
- Jordan International Insurance Company has 90.69% ownership of the Company's shares.
- b. The Company's main objectives:
- Acquiring land 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; and establishing and licensing car park lots.
- d. The Company's Board of Directors approved the condensed consolidated interim financial statements on April 27, 2017.

2. Summary of Significant Accounting Policies

A- Basis of Preparation of the Condensed Consolidated Interim Financial Statements

- The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 (Interim Financial Reporting).
- The condensed consolidated interim financial statements are stated in Jordanian Dinar which represents the main currency for the Company.
- The condensed consolidated interim financial statements are prepared in accordance with the historical cost principle, except for financial assets at fair value through profit and loss which are stated at fair value as of the date of the condensed consolidated interim financial statements.
- The condensed consolidated interim financial statements do not include all information and disclosures required for the annual consolidated financial statements prepared in accordance with International Financial Reporting Standards and should be read with the annual report for the Company as of December 31, 2016. Moreover, the results of operations for the three-month period ended March 31, 2017 do not necessarily provide an indication of the expected results of operations for the year ending December 31, 2017, where no reserves have been recorded on the income for the period as of March 31, 2017 where it performed at the end of the fiscal year.

The same accounting policies, presentation and methods of computation have been followed in these condensed consolidated interim financial statements as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2016. except for the following:

- Annual Improvements to IFRS Standards during the years 2014 - 2016 including amending to IFRS 12.
- Amendments to IAS 12 Income Taxes relating to the recognition of deferred tax assets for unrealized losses
- Amendments to IAS 7 Statement of Cash Flows which aims to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Adoption of the above new standards had no impact on the amounts reported and disclosures made in the condensed consolidated interim financial statements.

B - Basis of Consolidation of the Condensed Interim Financial Statements

The accompanying condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiary after eliminating Inter-company transactions and balances:

<u>Company's Name</u>	<u>Paid up Capital</u>	<u>Percentage Ownership</u>	<u>Principal Activity</u>	<u>Place of Activity</u>	<u>Date of Ownership</u>
	JD	%			
Telal Salem Industrial and Real Estate Company	150,000	100	Real Estate Investment's	Amman	2012

The balances the subsidiary company as of March 31, 2017 is as follows:

<u>Company's Name</u>	<u>March 31, 2017</u>			
	<u>Assets</u>	<u>Liability</u>	<u>Revenue</u>	<u>Expenses</u>
	JD	JD	JD	JD
Telal Salem Industrial and Real Estate Company	625,150	478,735	-	-

Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All Inter-Company transactions, revenue and expenses between the company and the subsidiary are eliminated.

The results of the subsidiary are incorporated into the condensed consolidated interim statement of income and comprehensive income from the effective date of acquisition, which is the date on which actual control over the subsidiary is assumed by the Company. Moreover, the operating results of the disposed of subsidiary are incorporated into the condensed consolidated interim statement of income and comprehensive income up to the effective date of disposal, which is the date on which the Company loses control over the subsidiary.

The financial statements of the subsidiaries are prepared for the same fiscal period using the same accounting policies adopted by Jordan International Investment Company. If the accounting policies adopted by the subsidiary are different from those adopted by the parent Company, the necessary adjustments to the condensed interim financial statements of the subsidiary are made to comply with the accounting policies used by the parent company.

3. Accounting Estimates

Preparation of the condensed consolidated interim financial statements and the application of the accounting policies require the Company's management to perform assessments and assumptions that affect the amounts of financial assets and liabilities and the disclosure of contingent liabilities. Moreover, these assessments and assumptions affect revenue, expenses and provisions. In particular, this requires the Company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

We believe that the critical judgments and estimates that have been made in the condensed consolidated interim financial statements are reasonable and consistent with that followed in the preparation of the consolidated financial statements for the year ended December 31, 2016.

4. Cash on Hand and at Banks

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Cash on hand	198	198
Current accounts	18,296	9,311
Deposits at banks*	1,038,866	1,073,658
	1,057,360	1,083,167

The interest rate on deposits at bank ranges from 1.5% to 4.35% during the period and it is renewed monthly .

5. Investment Property - Net

This item consists of the following:

	March 31, 2017	December 31, 2016
	JD	JD
Land	7,637,796	7,637,796
Buildings	467,119	467,119
Apartments	120,697	120,697
Wadi Saqra office	88,433	88,433
	8,314,045	8,314,045
<u>Less:</u> Accumulated depreciation	(121,033)	(117,604)
Impairment In investment properties	(6,126)	(6,126)
	8,186,886	8,190,315

- Investment property has been reevaluated by two accredited sreal estate appraisers. The estimated average market value amounted to JD 10,757,579 according to the latest available real estate evaluation dated June 30, 2016, and for Al Qastal lands dated December 31, 2015. Moreover, the fair value of the investment property has been compared to the market value of other similar investment properties.

6. Income Tax

a. Tax Status

A settlement has been reached with the Income and Sales Tax Department up to the end of the year 2014. Moreover, the company filed its Income tax return for the years 2015 and 2016. However, the returns have not yet been reviewed and no final settlement has been reached with the Income and Sales tax department yet.

A settlement has been reached with the Income and Sales Tax Department up to the end of the year 2015 except for the years 2008 and 2009 for Telal Salem Company (a subsidiary). Furthermore, the Company submitted its income tax returns for the years 2008, 2009 and 2016. However, the returns have not yet been reviewed by the Income and Sales Tax Department, and no final decision has been issued.

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

b. The movement on the income tax provision was as follows:

	March 31, 2017	December 31, 2016
	JD	JD
Balance – beginning of the period / year	-	-
Income tax expense for the period / year	-	-
Balance – End of the period / year	-	-

c. Tax benefit / Income tax in the condensed consolidated interim statement of income represents the following:

	For Three Months Ended March 31,	
	2017	2016
	JD	JD
Deferred tax assets for the period	-	183
	-	183

d. Deferred Tax Assets

This item consists of the following:

	March 31, 2017			December 31, 2016	
<u>Accounts Included</u>	Balance – Beginning of the Year	Released Amounts	Additions	Balance – End of the Year	Deferred Tax
<u>Deferred Tax Assets</u>	JD	JD	JD	JD	JD
Provision for doubtful debts	48,741	-	-	48,741	9,748
Impairment in Investment properties	6,126	-	-	6,126	1,226
Impairment in the value of the change In financial assets through profit or loss	5,900	-	-	5,900	1,180
Impairment in the value of the change in financial assets through other comprehensive income	11,564	-	-	11,564	2,312
Provision for contingent liabilities	68,500	-	-	68,500	13,700
Provision for lawsuits	5,449	-	-	5,449	1,090
	146,280	-	-	146,280	29,256

Defferd tax benefits were calculated on a percentage of 20 % as of March 31, 2017 and December 31, 2016 according to effective income tax law No. (34) for the year 2014, which came into force on January 1st, 2015 .

The movement on deferred tax assets during the period / year was as follow:

	March 31, 2017	December 31, 2016
	JD	JD
Balance – beginning of the period / year	29,256	35,918
Additions	-	1,645
Relased	-	(8,307)
Balance – End of the period / Year	29,256	29,256

7. (Loss) per Share for the period

(Loss) per share is calculated by dividing the (loss) for the period over the weighted average number of shares during the period as follows:

	For Three Months Ended March 31,	
	2017	2016
	JD	JD
Loss for the period	(13,299)	(37,250)
Weighted average number of shares	10,000,000	10,000,000
Earnings per Share (Basic and Diluted)	JD/Share (0/001)	JD/Share (0/004)

8. Related Parties Balances and Transactions

The balances and transactions with related parties for the period / year were as follows:

Condensed Consolidated Interim Statement of Financial Position Items:

	March 31, 2017		December 31, 2016	
	Due from JD	Due to JD	Due from JD	Due to JD
Jordan International Insurance Company (Parent Company)	8,172	-	6,228	-
	8,172	-	6,228	-

Condensed Consolidated Interim Statement of Income and Comprehensive Income Items:

	For Three Months Ended March 31,			
	2017		2016	
	Revenue JD	Expenses JD	Revenue JD	Expenses JD
Jordan International Insurance Company (Parent Company)	1,375	1,248	1,400	1,500
Total	1,375	1,248	1,400	1,500

Salaries and bonuses of Executive Management

The salaries and bonuses of executive management amounted to JD 3,657 for the three months ended March 31, 2017

9. Sectoral and Geographical Distribution

All of the Company's assets and activities are inside Jordan, where the company's operations is concentrated in Investing in lands and real estate and establishing projects.

10 . Risk Management

All risk management objectives and policies are consistent with those disclosed in the company's annual consolidated financial statement for the year ended December 31, 2016 .

11. Contingent Liabilities

- a- As of the condensed consolidated interim financial statements date, the Company had contingent liabilities representing bank letters of guarantees of JD 10,000.
- b- A claim was lodged against the Company by the Free Zone Corporation with an amount of JD 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 the Amman Court of First Instance. The case is presently in the court, pending the issuance of the decision. 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 March 31, 2017.

12. Lawsuits against the Company

There are lawsuits filed against the Company at courts claiming compensation for labor issues a total amount of JD 2,692 as of March 31, 2017 where the case has been dropped temporarily on November 9, 2015. In the opinion of the Company's management and its legal consultant, the Company will not incur any additional amounts for this case.

13. Fair Value Hierarchy

a. The Fair value of financial assets and financial liabilities of the company specified at fair value on an ongoing basis

Some financial assets and financial liabilities of the company are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used):

Financial Assets / Financial Liabilities	Fair Value As of March 31, 2017 JD	Fair Value As of December 31, 2016 JD	The Level of Fair Value	Valuation Technique	Significant Unobservable Inputs	Relationship of Unobservable Inputs to fair Value
<u>Financial assets at fair value</u>						
Financial assets at fair value through other comprehensive Income						
Company shares	21,436	21,436	Level 2	Discounted Cash Flow	N/A	N/A
Total	<u>21,436</u>	<u>21,436</u>				

There were no transfers between Level 1 and 2 during the three months ended March 31, 2017 and the year ended December 31, 2016 .

b. The fair value of financial assets and financial liabilities of the company (non-specific fair value on an ongoing basis):

Except for what is detailed in the following table, we believe that the carrying amount of financial assets and financial liabilities shown in the Company's condensed consolidated interim financial statements approximate their fair value. This is due to the short-term maturity of financial assets and that their interest rates are repriced during the year.

Financial Assets / Financial Liabilities	March 31, 2017		December 31, 2016		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial asset undetermined at fair value					
Deposits at bank	1,038,866	1,038,866	1,073,658	1,073,658	Level 2
Investment property	8,186,886	10,757,579	8,190,315	10,757,579	Level 2
Total Financial Assets					
Non-Specific Fair Value	9,225,752	11,796,445	9,263,973	11,831,237	

The fair value of the above items has been determined for the 2nd and 3rd level financial assets and liabilities based on agreed upon pricing models that reflect the credit risk of the other parties that the Company deals with.