

# جور دإنفست

شركة الثقة للاستثمارات الأردنية

To: Jordan Securities Commission

Amman Stock Exchange

Date:

Subject: Quarterly Report as of March 31, 2018

Attached the Quarterly Report of (Jordan Investment Trust) as of March 31, 2018

Regards

Jordan Investment Trust

Ahmad H. Tantash

CEO

شركة الثقة للاستثمارات الأردنية

To Securities depository center

السادة هيئة الأوراق المالية المحترمين

السادة بورصة عمان المحترمين

التاريخ: ٢٠١٨/٤/٢٠

الموضوع: التقرير ربع السنوي كما هي في 2018/3/31

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة الثقة للاستثمارات الأردنية كما هي بتاريخ 2018/3/31.

وتفضلوا بقبول فائق الاحترام،،،

شركة الثقة للاستثمارات الأردنية

الرئيس التنفيذي

أحمد طنطش

شركة الثقة للاستثمارات الأردنية

نسخة السادة مركز إيداع الأوراق المالية

بورصة عمان  
الدائرة الإدارية والمالية  
الديوان

١٥ أيار ٢٠١٨

2985

الرقم المتسلسل:

31039

رقم الملف:

29961

الجهة المختصة:

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

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

**31 MARCH 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 ("together the Group") as of 31 March 2018 comprising of interim consolidated statement of financial position as of 31 March 2018 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  
26 April 2018



**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 MARCH 2018**

		31 March 2018 JD (Unaudited)	31 December 2017 JD (Audited)
<b><u>ASSETS</u></b>	<b><u>Notes</u></b>		
Cash on hand and at banks	10	543,872	1,016,777
Financial assets at fair value through profit or loss		3,997,784	7,154,099
Financial assets at fair value through other comprehensive income		3,154,337	108,333
Accounts receivable - net		180,414	158,811
Investment in associate	4	12,711,248	12,489,814
Other debit balances		494,460	507,194
Property and equipment		2,364,905	2,404,617
Investment properties		9,183,412	9,192,015
<b>Total Assets</b>		<b>32,610,432</b>	<b>33,031,460</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Liabilities -</b>			
Loans	9	265,336	268,435
Brokerage customers payables		95,207	123,642
Other credit balances		1,017,812	1,011,792
<b>Total Liabilities</b>		<b>1,378,355</b>	<b>1,403,869</b>
<b>Equity -</b>			
<b>Shareholders equity</b>	12		
Paid in capital		26,383,725	26,383,725
Share premium		746,349	746,349
Statutory reserve		2,627,073	2,627,073
Voluntary reserve		154,602	154,602
Fair value reserve		494,589	(153,675)
Accumulated losses		(1,132,410)	(108,401)
<b>Shareholders equity</b>		<b>29,273,928</b>	<b>29,649,673</b>
Non-controlling interests		1,958,149	1,977,918
<b>Net Equity</b>		<b>31,232,077</b>	<b>31,627,591</b>
<b>Total Liabilities and Equity</b>		<b>32,610,432</b>	<b>33,031,460</b>

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 ENDED 31 MARCH 2018 (UNAUDITED)**

	<u>Notes</u>	<u>31 March 2018 JD</u>	<u>31 March 2017 JD</u>
<b>Revenues -</b>			
Interest income		9,311	2,223
(Loss) profit from financial assets at fair value through profit or loss	5	(145,202)	228,322
Brokerage commissions		6,559	4,634
Share of profit from associates	4	221,434	235,366
Other income		45,140	69,722
<b>Net revenue</b>		<u>137,242</u>	<u>540,287</u>
Interest and commission		(6,580)	(14,112)
Administrative expenses		(184,377)	(169,306)
Depreciation and amortization		(59,748)	(81,572)
Other expenses		(8,083)	(14,498)
<b>(Loss) profit for the period before income tax from continued operations</b>		<u>(121,548)</u>	<u>280,799</u>
Income tax expense	8	(5,414)	(19,326)
<b>(Loss) profit for the period from continued operations</b>		<u>(126,960)</u>	<u>261,473</u>
Loss for the period from discontinued operations	13	-	(16,691)
<b>(Loss) Profit for the period</b>		<u>(126,960)</u>	<u>244,782</u>
Attributable to:			
Shareholders of the company		(107,191)	252,776
Non-controlling interests		(19,769)	(7,994)
		<u>(126,960)</u>	<u>244,782</u>
		<u>Fils /JD</u>	<u>Fils JD</u>
<b>Basic and diluted earnings per share from (loss) profit for the period</b>		<u>(0/004)</u>	<u>0/009</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 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2018 (UNAUDITED)**

	<b>31 March 2018 JD</b>	<b>31 March 2017 JD</b>
(Loss) profit for the period	<u>(126,980)</u>	<u>244,782</u>
<b>Add: other comprehensive income 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	<u>(118,554)</u>	<u>4,407</u>
<b>Total comprehensive income for the period</b>	<u><b>(245,514)</b></u>	<u><b>249,189</b></u>
<b>Attributable to:</b>		
Shareholders of the company	<u>(234,607)</u>	<u>257,183</u>
Non-controlling interests	<u>(10,907)</u>	<u>(7,994)</u>
	<u><b>(245,514)</b></u>	<u><b>249,189</b></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 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2018 (UNAUDITED)**

	Reserves						Non-controlling interest	Total equity		
	Paid in capital	Share premium	Statutory		Voluntary	Fair value reserve			Accumulated losses	Total
			JD	JD						
For the three months period ended 31 March 2018-										
Balance as at 1 January 2018	26,383,725	746,349	2,627,073	154,602	(153,675)	(108,401)	1,977,918	31,627,591		
The effect of applying IFRS 9	-	-	-	-	766,818	(916,818)	-	(150,000)		
Restated balance as of 1 January 2018	26,383,725	746,349	2,627,073	154,602	613,143	(1,025,219)	1,977,918	31,477,591		
Total comprehensive income for the period	-	-	-	-	(118,554)	(107,191)	(19,769)	(245,514)		
Balance as of 31 March 2018	26,383,725	746,349	2,627,073	154,602	494,589	(1,132,410)	1,958,149	31,232,077		
For the three months period ended 31 March 2017 -										
Balance as at 1 January 2017	25,783,125	746,349	2,578,727	755,202	(132,210)	(762,259)	2,235,475	31,204,409		
Total comprehensive income for the period	-	-	-	-	4,407	252,776	(7,994)	249,189		
Balance as of 31 March 2017	25,783,125	746,349	2,578,727	755,202	(127,803)	(509,483)	2,227,481	31,453,598		

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 STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2018 (UNAUDITED)**

	<u>Note</u>	<u>31 March 2018 JD</u>	<u>31 March 2017 JD</u>
<b><u>OPERATING ACTIVITIES</u></b>			
(Loss) profit for the period before tax from continued operation		(121,546)	280,799
Loss for the period before tax from discontinued operation		-	(16,691)
		<u>(121,546)</u>	<u>264,108</u>
<b>Adjustments for -</b>			
Depreciation and amortization		59,748	61,572
Change in fair value of financial assets at fair value through profit and loss		145,202	(227,333)
Share of profit from associates		(221,434)	(235,386)
Interest income		(9,311)	(2,223)
<b>Changes in working capital -</b>			
Financial assets at fair value through profit or loss		(153,445)	-
Account receivables and other debit balances		(139,069)	(117,610)
Account payables and other credit balances		<u>(27,829)</u>	<u>(59,758)</u>
<b>Net cash used in operating activities</b>		<u>(467,684)</u>	<u>(316,630)</u>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property and equipment		(5,065)	(38,300)
Purchase of investment property		(8,368)	-
Interest income		9,311	2,223
Dividends received from associate		-	1,345,159
<b>Net cash (used in) from investing activities</b>		<u>(2,122)</u>	<u>1,309,082</u>
<b><u>FINANCING ACTIVITY</u></b>			
Loans		<u>(3,099)</u>	<u>(223,765)</u>
<b>Net cash used in financing activity</b>		<u>(3,099)</u>	<u>(223,765)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>		<u>(472,905)</u>	<u>768,687</u>
Cash and cash equivalents at beginning of the period		1,016,777	430,481
<b>Cash and cash equivalents at end of the period</b>	10	<u>543,872</u>	<u>1,199,168</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)  
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
31 MARCH 2018 (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 JD 1 each. The authorized and paid up capital was increased several times 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 investment.

These financial statements were authorized for issuance by the Board of Directors on 26 April 2018.

The company's shares are listed on the 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 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 "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 2017. In addition, the results for the three months ended 31 March 2018 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2018.

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2018 (UNAUDITED)**

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**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**  
**31 MARCH 2018 (UNAUDITED)**

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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 adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Group's annual 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. 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.

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

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**  
**31 MARCH 2018 (UNAUDITED)**

The effect of the change in accounting policy on the items of the 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.

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2018 (UNAUDITED)**

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**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 organisation, 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 recognised; (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**  
**31 MARCH 2018 (UNAUDITED)**

**(3) SEGMENT INFORMATION**

**Segment information for the basic sectors :**

For management purposes, the Group is organized into three 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.

**Food and Beverage** - Principally providing food and beverage services.

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

**Below are the segment information:**

	Financial Investments JD'000	Investment properties JD'000	Food and Beverage JD'000	Others JD'000	Total JD'000 (Unaudited)
<b>For the three months ended 31 March 2018 - (Unaudited)</b>					
Segment revenues	92	27	13	5	137
Distributed expenses	(155)	(26)	(43)	(35)	(259)
Loss before income tax for the period	(83)	1	(30)	(30)	(122)
Income tax expense					(5)
Loss for the period					(127)
<b>For the three months ended 31 March 2017 - (Unaudited)</b>					
Segment revenues	471	27	37	5	540
Distributed expenses	(134)	(30)	(44)	(51)	(259)
Profit before income tax from continued operations	337	(3)	(7)	(46)	281
Loss before income tax from discontinued operations					(17)
Income tax expense					(18)
Profit for the period					245

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2018 (UNAUDITED)**

	Financial Investments JD'000	Investment properties JD'000	Food and Beverage JD'000	Others JD'000	Total JD'000 (Unaudited)
<b>31 March 2018 - (Unaudited)</b>					
<b>Assets and Liabilities</b>					
Segment assets	22,773	9,183	494	160	32,610
Segment liabilities	(792)	(67)	(95)	(434)	(1,378)
Other segment information for the three months ended 31 March 2018 - (Unaudited)					
Depreciation and amortization					60

	Financial Investments JD'000	Investment properties JD'000	Food and Beverage JD'000	Others JD'000	Total JD'000 (Audited)
<b>31 December 2017 - (Audited)</b>					
Segment assets	23,173	9,192	807	159	33,031
Segment liabilities	(1,048)	(62)	(84)	(210)	(1,404)
Other segment information for the three months ended 31 March 2017 - (Unaudited)					
Depreciation and amortization					62

**(4) INVESTMENT IN ASSOCIATE**

This item represents the following:

	Ownership percentage %	Country of Incorporation	Nature of activity	31 March 2018 JD (Unaudited)	31 December 2017 JD (Audited)
First Education Holding (FEH)	31.6	Bahrain	Education	12,711,248	12,489,814
				12,711,248	12,489,814

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2018 (UNAUDITED)**

**(8) INCOME TAX**

**Income tax provision -**

Movement on income tax provision is as follows:

	31 March 2018 JD (Unaudited)	31 December 2017 JD (Audited)
Balance as at the beginning of the period/ year	35,834	45,381
Provision for income tax for the period/ year	5,414	35,452
Paid income tax	-	(44,999)
Balance at the end of the period/ year	41,248	35,834

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

	31 March 2018 JD (Unaudited)	31 March 2017 JD (Unaudited)
Income tax expense for the period	5,414	19,326
	5,414	19,326

Jordan Investment Trust Company has reached a final settlement with the Income tax department until the end of the financial year of 2013, the Income tax department reviewed Jordan Investment Trust Company's accounting records for the years 2014 and 2015 and reached a decision as not to accept the accumulated losses for the year 2009 which is still pending before the court as no decision was reached till this date. The company claimed total income tax for the year 2014 for an amount of JD 52,125 in addition to a legal compensation equal to JD 40,900, in 2015 income tax claimed was JD 206,365 which raised an objection in the court of law and no decision was reached to the date of preparing these financial statements.

Jordan Investment Trust Company submitted the tax declaration for the year 2016, however the income tax department did not review it to the date of preparing these financial statements.

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)  
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The Income Tax Department reviewed the subsidiary Imcan for financial services (Subsidiary) accounting records for the years from 2007 to 2009 and decided to impose income tax differences of JD 210,850 and JD 57,889, and to roll forward losses with amount of JD 368,508. In the management and the group tax consultant opinion the company will not be subject to any obligations against these claims. Final settlement was reached with income tax department for the year 2014. The company submitted its annual declaration for 2015 and 2016, however the income tax department did not review it to the date of preparing these financial statements.

A final clearance was reached with the sales and income tax department for Al-Ihdathiat Real Estate Company until year 2014. Al-Ihdathiat also submitted their annual declaration for the years 2015 and 2016, however the income tax department did not review it to the date of preparing these financial statements.

Medical Clinics Company submitted the tax declaration for the years 2013 to 2016, 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 for the year 2012.

**(9) LOANS**

	<u>Loan installments</u>		<u>31 March 2018</u>	<u>31 December 2017</u>
	<u>Short term</u>	<u>Long term</u>		
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
			(Unaudited)	(Audited)
The Bank of Jordan (1)	206,431	-	206,431	206,431
The Bank of Jordan (2)	12,396	46,509	58,905	62,004
			<u>265,336</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 fell due on 19 September 2012, 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.

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**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 8.25%. The loan was used to finance the purchase price 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.

**(10) CASH ON HAND AND AT BANKS**

Cash and cash equivalents for the purpose of preparing the consolidated cash flow is as follow:

	31 March 2018	31 March 2017
	JD	JD
	(Unaudited)	(Unaudited)
Cash on hand	192	554
Call deposits*	45,029	69,466
Time deposits *	358,092	945,946
Current accounts	140,559	183,202
	<u>543,872</u>	<u>1,199,168</u>

\* Time deposits and call deposits represent monthly deposits in Jordanian Dinar with an annual average interest rate 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.

**(12) EQUITY**

**Paid in capital -**

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

The details of the capital are as follows:

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

\* Treasury shares represent 2,026,491 share owned by Trust and Dubai Investment (a subsidiary) since January 2010. On acquisition date, total shares price amounted to JD 2,837,555. Noting that the Group has purchased these shares before the acquisition date.

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**(13) DISCONTINUED OPERATIONS**

On 1 August 2017, the Group sold Al-Mota'dedeh for Restaurants Management (subsidiary), that the Group owns 100% for an amount of JD 475,000. The date of the transfer of the company was considered to be 30 June 2017 based on the agreement signed with the buyer. Accordingly, the Company's results were reclassified as discontinued operations for the period ended 31 March 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 are approved by the Group's management.

**Executive management's Compensations and remunerations**

The remuneration of executive management was as follows:

	<u>31 March 2018</u>	<u>31 March 2017</u>
	<u>JD</u>	<u>JD</u>
	<u>(Unaudited)</u>	<u>(Unaudited)</u>
<b>Salaries and benefits</b>	<b><u>62,804</u></b>	<b><u>57,665</u></b>

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**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 2018	31 December 2017
			JD (Unaudited)	JD (Audited)
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	73	1,300,000	1,300,000
Aker 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 Oibah 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