

# جور دإنفست

شركة الثقة للاستثمارات الأردنية

To: Jordan Securities Commission  
Amman Stock Exchange

السادة هيئة الأوراق المالية المحترمين  
السادة بورصة عمان المحترمين

Date: 31/7/2018

التاريخ: 2018/7/31

Subject: Semi-Annual Report as of June 30, 2018

الموضوع : التقرير نصف السنوي كما هو في 2018/06/30

- Attached the company's Semi- Annual Report of (Jordan Investment Trust) as of June 30, 2018.
- The International Accounting Standard (IFRS 9) was applied in the first quarter of the year.

- مرفق طيه نسخة من التقرير نصف السنوي لشركة الثقة للاستثمارات الأردنية كما هو بتاريخ 2018/06/30.
- تم تطبيق المعيار المحاسبي الدولي IFRS 9 خلال الربع الأول من العام.

Regards

وتفضلوا بقبول فائق الاحترام،،،

Ahmad H. Tantash  
CEO

شركة الثقة للاستثمارات الأردنية  
الرئيس التنفيذي  
أحمد طنطش

- To Securities depository center

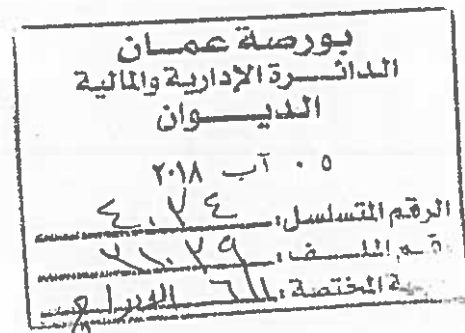
- نسخة السادة مركز إيداع الأوراق المالية

**Jordinvest**

Jordan Investment Trust P.L.C  
Amman Jordan

**جور دإنفست**

شركة الثقة للاستثمارات الأردنية مع م  
عمان - الأردن



JORDAN INVESTMENT TRUST COMPANY  
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL  
STATEMENTS (UNAUDITED)

30 JUNE 2018





Building a better  
working world

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**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 June 2018 comprising of interim condensed consolidated statement of financial position as of 30 June 2018 and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim consolidated statement of changes in equity, and the interim condensed consolidated statement of cash flows for the six 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  
29 July 2018

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

	<u>Notes</u>	<u>30 June 2018</u> JD (Unaudited)	<u>31 December 2017</u> JD (Audited)
<b><u>ASSETS</u></b>			
Cash on hand and at banks	10	553,277	1,016,777
Financial assets at fair value through profit or loss		2,336,136	7,154,099
Financial assets at fair value through other comprehensive income		4,438,391	108,333
Accounts receivable - net		160,261	158,611
Investments in associate	4	12,915,888	12,489,814
Other debit balances		466,961	507,194
Property and equipment		2,257,103	2,404,617
Investment properties		9,212,034	9,192,015
<b>Total Assets</b>		<b>32,340,051</b>	<b>33,031,460</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Liabilities -</b>			
Loans	7	220,808	268,435
Income tax provision	9	36,820	35,834
Brokerage customers payables		173,652	123,642
Other credit balances		953,798	975,958
<b>Total Liabilities</b>		<b>1,385,078</b>	<b>1,403,869</b>
<b>Equity -</b>			
<b>Shareholders' equity</b>			
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		218,986	(153,675)
Accumulated losses		(1,111,182)	(108,401)
<b>Equity attributed to the shareholders' of the Company</b>		<b>29,019,553</b>	<b>29,649,673</b>
Non-controlling interests		1,935,420	1,977,918
<b>Net Equity</b>		<b>30,954,973</b>	<b>31,627,591</b>
<b>Total Liabilities and Equity</b>		<b>32,340,051</b>	<b>33,031,460</b>

The accompanying notes from 1 to 15 form part of these interim condensed consolidated financial statements

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE MONTHS AND SIX MONTHS PERIOD ENDED 30 JUNE 2018 (UNAUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2018 JD	2017 JD	2018 JD	2017 JD
<b>Revenues -</b>					
Interest income		4,287	9,667	13,598	11,890
Profit (Loss) from financial assets at fair value through profit or loss	5	134,878	(98,189)	(10,324)	130,133
Brokerage commissions		7,399	4,937	13,958	9,571
Share of profit from associates	4	204,640	232,923	426,074	468,309
Other income		46,083	61,959	91,223	131,681
<b>Net revenue</b>		<b>397,287</b>	<b>211,297</b>	<b>534,529</b>	<b>751,584</b>
<b>Expenses -</b>					
Interest and commission		(6,104)	(11,479)	(12,684)	(25,591)
Administrative expenses		(202,112)	(232,569)	(386,489)	(401,875)
Depreciation and amortization		(129,280)	(42,321)	(189,028)	(103,893)
Other (expenses) income		(2,923)	1,239	(11,006)	(13,259)
<b>Profit (loss) for the period before income tax from continued operations</b>		<b>56,868</b>	<b>(73,833)</b>	<b>(64,678)</b>	<b>206,966</b>
Income tax expense	9	(31,406)	(2,574)	(36,820)	(21,900)
<b>Profit (loss) for the period from continued operations</b>		<b>25,462</b>	<b>(76,407)</b>	<b>(101,498)</b>	<b>185,066</b>
Loss for the period from discontinued operations		-	(35,915)	-	(52,606)
<b>(Loss) profit for the period</b>		<b>25,462</b>	<b>(112,322)</b>	<b>(101,498)</b>	<b>132,460</b>
Attributable to:					
Shareholders of the company		21,228	(105,499)	(85,963)	147,277
Non-controlling interests		4,234	(6,823)	(15,535)	(14,817)
		<b>25,462</b>	<b>(112,322)</b>	<b>(101,498)</b>	<b>132,460</b>
		<b>JD/ Fils</b>	<b>JD/ Fils</b>	<b>JD/ Fils</b>	<b>JD/ Fils</b>
<b>Basic and diluted earnings (loss) profit per share for the period</b>	15	<b>0/001</b>	<b>(0/004)</b>	<b>(0/003)</b>	<b>0/005</b>

The accompanying notes from 1 to 15 form part of these interim condensed consolidated financial statements

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

	For the three months ended 30 June		For the six months ended 30 June	
	2018	2017	2018	2017
	JD	JD	JD	JD
Profit (loss) for the period	25,462	(112,322)	(101,498)	132,460
<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	(302,566)	1,765	(421,120)	6,172
<b>Total comprehensive income for the period</b>	<b>(277,104)</b>	<b>(110,557)</b>	<b>(522,618)</b>	<b>138,632</b>
<b>Attributable to:</b>				
Shareholders of the company	(245,513)	(103,734)	(480,120)	153,449
Non-controlling interests	(31,591)	(6,823)	(42,498)	(14,817)
	<b>(277,104)</b>	<b>(110,557)</b>	<b>(522,618)</b>	<b>138,632</b>

The accompanying notes from 1 to 15 form part of these interim condensed consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)  
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2018 (UNAUDITED)

	Share holders' equity									
	Reserves					Non-				
						controlling				
	Paid in capital	Share premium	Statutory	Voluntary	Fair value reserve	Accumulated losses	Total	JD	JD	Total equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the six months period ended 30 June 2018-										
Balance as of 1 January 2018	26,383,725	746,349	2,627,073	154,602	(153,675)	(108,401)	29,649,673	1,977,918	31,627,591	
Effect of adopting IFRS 9	-	-	-	-	766,818	(916,818)	(150,000)	-	(150,000)	
Restated balance as of 1 January 2018	26,383,725	746,349	2,627,073	154,602	613,143	(1,025,219)	29,499,673	1,977,918	31,477,591	
Total comprehensive income for the period	-	-	-	-	(394,157)	(85,963)	(480,120)	(42,498)	(522,618)	
Balance as of 30 June 2018	26,383,725	746,349	2,627,073	154,602	218,986	(1,111,182)	29,019,553	1,935,420	30,954,973	
For the six months period ended 30 June 2017 -										
Balance as of 1 January 2017	25,783,125	746,349	2,578,727	755,202	(132,210)	(762,259)	28,968,934	2,235,475	31,204,409	
Share dividends (note 12)	600,600	-	-	(600,600)	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	6,172	147,277	153,449	(14,817)	138,632	
Balance as of 30 June 2017	26,383,725	746,349	2,578,727	154,602	(126,038)	(614,982)	29,122,383	2,220,658	31,343,041	

The accompanying notes from 1 to 15 form part of these interim condensed consolidated financial statements



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

	Note	30 June 2018 JD	30 June 2017 JD
<b>OPERATING ACTIVITIES</b>			
(Loss) profit for the period before income tax from continuing operations		(64,678)	206,966
Loss for the period before tax from discontinued operation		-	(52,606)
(Loss) profit for the period		(64,678)	154,360
<b>Adjustments for -</b>			
Depreciation and amortization		189,028	120,987
Interest income		(13,598)	(11,890)
Change in fair value of financial assets at fair value through profit and loss		200,637	75,340
Share of profit from associates		(426,074)	(468,309)
(Gain) from disposal of property and equipment		-	(15,500)
<b>Changes in working capital -</b>			
Financial assets at fair value through profit or loss		(93,852)	(82,136)
Account receivables and other debit balances		(151,417)	(30,304)
Account payables and other credit balances		27,850	(139,765)
Income tax paid		(35,834)	(44,999)
<b>Net cash flows (used in) from operating activities</b>		<b>(367,938)</b>	<b>(442,216)</b>
<b>INVESTING ACTIVITIES</b>			
Proceeds from selling property and equipment		-	15,500
Purchase of property and equipment		(11,566)	(14,261)
Received interest income		13,598	11,890
Purchase of investment properties		(49,967)	(27,224)
Dividends received from associate		-	1,345,158
<b>Net cash flows from investing activities</b>		<b>(47,935)</b>	<b>1,331,063</b>
<b>FINANCING ACTIVITY</b>			
Loans		(47,627)	(229,034)
<b>Net cash flows used in financing activity</b>		<b>(47,627)</b>	<b>(229,034)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(463,500)</b>	<b>659,813</b>
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	<b>553,277</b>	<b>1,090,294</b>

The accompanying notes from 1 to 15 form part of these interim condensed consolidated financial statements



**(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 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 investment.

These financial statements were authorized for issuance by the Board of Directors on 29 July 2018.

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

**(2) BASIS OF PREPARATION**

**BASIS OF PREPARATION**

The accompanying interim condensed consolidated financial statements for the Group as of 30 June 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 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 six months ended 30 June 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.

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 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. 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**  
**30 JUNE 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.



**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 JUNE 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.

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 six months ended 30 June 2018 -</b>				
Segment revenues	447	62	26	535
Distributed expenses	(330)	(50)	(219)	(599)
Profit (loss) before income tax	117	12	(193)	(64)
Income tax expense	-	-	-	(37)
<b>Profit for the period</b>				<b>(101)</b>
<b>For the six months ended 30 June 2017 -</b>				
Segment revenues	620	49	83	752
Distributed expenses	(332)	(38)	(175)	(545)
Profit (loss) before income tax	288	11	(92)	207
Loss for the period before income tax from discontinued operations	-	-	-	(53)
Income tax expense	-	-	-	(22)
<b>Profit for the period</b>				<b>132</b>



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

	Financial Investments JD'000	Investment properties JD'000	Others JD'000	Total JD'000 (Unaudited)
30 June 2018 - Assets and Liabilities				
Segment assets	22,501	9,212	627	32,340
Segment liabilities	1,054	55	276	1,385
Other segment information for the six months ended 30 June 2018 - Depreciation and amortization				189

	Financial Investments JD'000	Investment properties JD'000	Others JD'000	Total JD'000 (Audited)
31 December 2017 - Assets and Liabilities				
Segment assets	23,173	9,351	507	33,031
Segment liabilities	1,048	84	272	1,404
Other segment information for the six months ended 30 June 2017 - Depreciation and amortization				(Unaudited) 104

**(4) INVESTMENT IN ASSOCIATES**

This item represents the following:

	Ownership percentage %	Country of incorporation	Nature of activity	30 June 2018 JD (Unaudited)	31 December 2017 JD (Audited)
First Education Holding (FEH)	31.6	Bahrain	Education	12,915,888	12,489,814

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

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

	30 June 2018 JD (Unaudited)	31 December 2017 JD (Audited)
Balance at the beginning of the period/ year	12,489,814	12,976,435
Gain from associate liquidation	-	95,497
Group share from associates profit	426,074	860,141
Dividends received from associates	-	(1,442,259)
Balance at the end of the period/ year	<u>12,915,888</u>	<u>12,489,814</u>

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

	30 June 2018 JD (Unaudited)	30 June 2017 JD (Unaudited)
Realized Gain	3,153	1,620
Change in fair value of financial assets at fair value through profit or loss	(200,637)	(75,340)
Dividends income	<u>187,160</u>	<u>203,853</u>
	<u>(10,324)</u>	<u>130,133</u>

**(6) CONTINGENT LIABILITIES**

As of the date of the financial statements, the Group is contingently liable in respect of a bank guarantee amounting to JD 1,840,000 as of 30 June 2018 (31 December 2017: JD 1,840,000) 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 500,000.

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**(7) LOANS**

	Loan installments		30 June	31 December
	Short term	Long term	2018	2017
	JD	JD	JD	JD
			(Unaudited)	(Audited)
The Bank of Jordan (1)	163,553	-	163,553	206,431
The Bank of Jordan (2)	12,396	44,859	57,255	62,004
			<u>220,808</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 2018 and the final installment on 14 October 2018.

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

On 11 January 2018, 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 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-BALANCE SHEET ITEMS**

The Group holds investments for others amounting to JD 665,554 as at 30 June 2018 (31 December 2017: JD 544,940).

**(9) INCOME TAX**

Movement on income tax provision is as follows:

	30 June	31 December
	2018	2017
	JD	JD
	(Unaudited)	(Audited)
Balance as at the beginning of the period/ year	35,834	45,381
Provision for income tax for the period/ year	36,820	35,452
Paid income tax	<u>(35,834)</u>	<u>(44,999)</u>
Balance at the end of the period/ year	<u>36,820</u>	<u>35,834</u>

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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 were the Company has raised an objection in the court of law, and no decision was reached up to the date of these 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.

The Income and Sales Tax Department reviewed the subsidiary Imcan for financial services (Subsidiary) records 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 submitted the tax declaration from 2015 to 2017 however the Income and Sales Tax Department did not review it up to the date of these financial statements.

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

**(10) CASH AND CASH EQUIVALENT**

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

	30 June 2018 JD (Unaudited)	30 June 2017 JD (Unaudited)
Cash on hand	172	554
Call deposits *	37,137	56,573
Time deposits *	233,583	793,601
Current accounts	282,385	239,566
	<u>553,277</u>	<u>1,090,294</u>

\* Time deposits represent monthly deposits in Jordanian Dinar with an annual 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**

**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 June 2018 JD (Unaudited)	31 December 2017 JD (Audited)
Subscribed and paid in capital	29,513,889	29,513,889
Treasury shares owned by the parent company (190,005 Shares)	(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>

\* The treasury shares represent 2,026,491 share 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 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:

	30 June 2018	30 June 2017
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and compensations	119,695	100,530



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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	
			30 June 2018	31 December 2017
			JD	JD
Medical Clinics	Jordan	100	1,958,843	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
O'sos Al Ma'refa 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

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(15) EARNINGS PER SHARE

	For the three months		For the six months	
	30 June	30 June	30 June	30 June
	2017	2018	2017	2018
	JD	JD		
(Loss) Profit for the period attributable to shareholders (JD)	21,228	(105,499)	(85,963)	147,277
Paid in Capital	29,513,889	29,513,889	29,513,889	29,513,889
Less: Treasury stocks	(2,216,496)	(2,216,496)	(2,216,496)	(2,216,496)
Weighted average number of shares (share)	27,297,393	27,297,393	27,297,393	27,297,393
	Fils/ JD	Fils/ JD	Fils/ JD	Fils/ JD
Basic and diluted earnings per share	0/001	(0/004)	(0/003)	0/005

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