

شركة المجموعة الاستشارية
الاستثمارية المساهمة العامة المحدودة

الرقم : 2017/235 /12/5
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السادة بورصة عمان المحترمين

تحية طيبة وبعد

مرفق طيه البيانات المالية باللغة الانجليزية للربع الثالث للعام 2017 حتى تاريخ 2017/9/30
لشركة المجموعة الاستشارية الاستثمارية المساهمة العامة المحدودة.

وتفضلوا بقبول فائق الاحترام

المدير العام


الدكتور موسى صالح



بورصة عمان
الدائرة الإدارية والمالية
الديوان
٠٩ تشرين الثاني ٢٠١٧
الرقم التسلسلي ٥٢٦٤
رقم الملف ٢١٠٥٢
جهة الاختصاص: وزارة الاقتصاد

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN

CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE NINE
MONTHS ENDED SEPTEMBER 30, 2017

TOGETHER WITH REVIEW REPORT



THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2017

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Review Report

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AM/ 81586

To the Chairman and Members of the Board of Directors
The Consultant and Investment Group Company
(A Public Limited Shareholding Company)
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim statement of financial position of The Consultant and Investment Group Company (A Public Limited Shareholding Company) as of September 30, 2017, and the related condensed interim statements of income and comprehensive income, changes in Shareholders' equity, and cash flows for the nine-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed 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 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.

Basis for Qualified Conclusion

We were unable to verify the accounts receivable balance of JD 894 thousand as of December 31, 2016, which became JD 1,906 million as of September 30, 2017 (Note 9). Moreover, we were unable to verify the doctors payable balance of JD 3,2 million as of December 31, 2016, which became JD 3,4 million as of September 30, 2017 (Note 25). This doctors payable balance was deducted from the net receivables balance as of that date, as we were not provided with an aging report of accounts receivable nor with a detailed report of doctors receivable, as part of the claims from insurance companies, contra to doctors payable as of that date. We were also unable to verify the aforementioned through adopting alternative review procedures and whether any additional impairment provision for these receivables is required.

Qualified Conclusion

Based on our review, and except for the effect of the matter described in the "Basis for Qualified Conclusion", nothing has come to our attention indicating that the accompanying condensed interim financial statements for the Consultant and Investment Group Company are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Explanatory Paragraph

The Company's fiscal year ends on December 31 of each year. However, the condensed interim financial statements have been prepared for management purposes, and for the Jordan Securities Commission's requirements.

Other Matter

The accompanying financial statements are a translation of the original financial statements which are in the Arabic language, to which reference should be made.

Amman - Jordan
October 31, 2017

Deloitte & Touche (M.E.) Jordan



THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		September 30, 2017	
	Note	(Reviewed not Audited)	December 31, 2016
NON-CURRENT ASSETS:		JD	JD
Property and equipment - net	5	14,757,698	13,902,707
Investment in unconsolidated subsidiary	6	15,000	15,000
Projects under construction	7	47,680	333,581
Payments for medical equipments in transit	8	615,431	1
Deferred tax assets	23/a	117	190,792
Total Non-Current Assets		<u>15,435,926</u>	<u>14,442,081</u>
CURRENT ASSETS:			
Medicine and medical supplies		1,166,953	977,762
Accounts receivable - net	9	1,906,111	894,443
Other debit balances	10	486,733	330,841
Checks under collection - short term		57,415	59,553
Cash on hand and at banks	4	4,312,153	623,529
Total Current Assets		<u>7,929,365</u>	<u>2,886,128</u>
TOTAL ASSETS		<u><u>23,365,291</u></u>	<u><u>17,328,209</u></u>
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY:			
Authorized capital	1	13,500,000	9,825,362
Paid-up capital	18	13,500,000	9,825,362
Statutory reserve		275,503	275,503
Retained earnings		516,801	516,801
Profit for the period		687,707	-
Total Shareholders' Equity		<u>14,980,011</u>	<u>10,617,666</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Long-term liabilities against finance lease contract	11	3,947,784	3,912,205
Total Non-Current Liabilities		<u>3,947,784</u>	<u>3,912,205</u>
CURRENT LIABILITIES:			
Accounts payable		2,417,710	1,600,414
Unearned revenue		23,253	-
Short-term liabilities against finance lease contracts	11	220,590	68,261
Provision for claims		401,785	401,785
Other credit balances	12	1,374,158	696,656
Income tax provision	23/b	-	31,222
Total Current Liabilities		<u>4,437,496</u>	<u>2,798,338</u>
TOTAL LIABILITIES		<u>8,385,280</u>	<u>6,710,543</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u><u>23,365,291</u></u>	<u><u>17,328,209</u></u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
AND WITH THE ACCOMPANYING REVIEW REPORT.

Chairman of Board of Directors

General Manager

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF INCOME
AND OTHER COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	Note	For the Three Months		For the Nine Months	
		2017	2016	2017	2016
		JD	JD	JD	JD
Operating revenue	13	4,123,398	3,668,976	11,754,166	9,747,250
Cost of revenue	14	(3,393,956)	(3,085,735)	(9,035,779)	(8,166,562)
Gross profit		729,442	583,241	2,718,387	1,580,688
General and administrative expenses	15	(492,205)	(379,356)	(1,793,813)	(1,876,382)
Finance costs		(98,215)	(130,597)	(277,646)	(335,862)
Surplus in provision for doubtful debts - net	9	(70)	356,267	28,365	405,389
Other revenue - net	16	73,845	82,218	203,089	228,582
Profit for the period before Tax		212,797	511,773	878,382	2,415
Amortization of deferred tax assets for the period	23/c	(68,744)	-	(190,675)	-
Profit for the Period / Total Comprehensive Income for the Period		144,053	511,773	687,707	2,415
Earnings per share from the profit for the period - Basic and diluted (JD/Share)	17			0.061	-

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Chairman of Board of Directors

General Manager

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

Note	Paid-up Capital	Share Premium	Statutory Reserve	Retained Earnings (Accumulated Losses)	Profit for the Period	Total
	JD	JD	JD	JD	JD	JD
For the Nine Months Ended September 30, 2017						
Balance at the beginning of the period	9,825,362	-	275,503	516,801	-	10,617,666
Capital increase payments	3,674,638	-	-	-	-	3,674,638
Gross comprehensive profit for the period	-	-	-	-	687,707	687,707
Balance at the End of the Period	13,500,000	-	275,503	516,801	687,707	14,980,011
For the Nine Months Ended September 30, 2016						
Balance at the beginning of the period	22,000,000	2,361,700	235,811	(14,536,338)	-	10,061,173
Gross comprehensive profit for the period	-	-	-	-	2,415	2,415
Balance at the End of the Period	22,000,000	2,361,700	235,811	(14,536,338)	2,415	10,063,588

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THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

		For the Nine Months Ended September 30,	
	Note	2017	2016
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period		878,382	2,415
Adjustments:			
(Surplus) in the provision for doubtful debts - net	9	(28,365)	(405,389)
Finance costs		277,646	335,862
Provision for employees' vacations	12	65,468	57,299
Depreciation of property and equipment		448,486	679,528
(Profit) on sale of property and equipment	5	-	(35,824)
Net Cash Flows from Operating Activities before Changes in Working Capital Items		1,641,617	633,891
(Increase) in medicine and medical supplies		(189,191)	(301,503)
(Increase) decrease in accounts receivables		(983,303)	226,008
(Increase) decrease in checks under collection		2,138	(17,488)
(Increase) in other debit balances		(155,892)	(115,000)
Increase in accounts payable		301,866	1,210,629
Increase in unearnd revenue		23,253	-
Increase (decrease) in other credit balances		641,747	(137,609)
Net Cash Flows from Operating Activities before Provision Paid for Employees' Vacation		1,282,235	1,498,928
Paid from provision for employees' vacations	12	(29,713)	-
Paid from provision for income tax		(31,222)	-
Net Cash Flows from Operating Activities		1,221,300	1,498,928
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment	5	(664,427)	(159,313)
Payments for medical equipments in transit	8	(100,000)	(19,999)
Projects under construction	7	(353,149)	(136,389)
Net Cash Flows (used in) Investing Activities		(1,117,576)	(315,701)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in liabilities against finance lease contracts		187,908	3,895,226
Payments for capital increase	18	3,674,638	-
Finance costs paid		(277,646)	(335,862)
(Decrease) in loan		-	(715,420)
Net Cash Flows from Financing Activities		3,584,900	2,843,944
Net Increase in Cash and Cash Equivalent		3,688,624	4,027,171
Cash and cash equivalent - beginning of the year		623,529	(2,607,851)
Cash on and cash equivalent - End of the Period	4	4,312,153	1,419,320
Non - Cash Transactions:			
Payment for Medical equipments in transit	8	515,430	-
Transferred from projects under construction to property and equipment	5	639,050	-

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THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- a- The Consultant and Investment Group Company (Al-Istishari Hospital) was established and registered on 7 November 1995 as a public limited shareholding company under No.(299) with a paid-up capital of JD (8) million.

The Company's capital was increased, in several stages in the past years, to JD 22 million, divided into 22 million shares at a par value of JD 1 each. During the year 2016, the Company decreased its capital to amortize accumulated losses, thus rendering capital at JD 9,825,362, divided into 9,825,362 shares at a par value of JD 1 each. In this regard, the Company completed the capital decrease procedures during the year 2016.

In its meeting held on July 17, 2016, the Company's Board of Directors approved issuance of 3,674,638 shares of the authorized shares of JD1 each, so that capital would become JD 13.5 million. Moreover, the Company completed the legal procedures for capital increase and obtained the required approvals during July 2017. So that capital has become JD 13.5 million after the last increase in July 4, 2017.

The Company's address is Wadi Saqra, P.O. Box 840431, Amman 11184-the Hashemite Kingdom of Jordan.

- b - The Company's objectives are the following:
- Carrying out industrial constructions, conducting commercial agencies, and investing in commercial and financial projects;
 - Setting up and managing health, real estate, housing, building, and industrial projects as well as commercial markets;
 - Constructing commercial markets of all types; and
 - Conducting health - related services.
- c - The Company is exempted from income tax at a rate of 25% for ten years ending on September 22, 2016 according to Article (27) of the Investment Promotion Law No. (68) for the year 2003. The exemption has been extended to January 28, 2018.
- d - The condensed interim financial statements were approved by the Board of Directors on October 24, 2017.

2. Basis of Preparation of the Condensed Interim Financial Statements

- The accompanying condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".
- The condensed interim financial statements are prepared in accordance with the historical cost principle, except for certain financial assets and financial liabilities stated at fair value as of the date of the condensed interim financial statements.
- The condensed interim financial statements are stated in Jordanian Dinar, which is the financial currency of the Company.

- The accompanying condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and must be read with the annual report of the Company as of December 31, 2016. In addition, the results of the Company's operations for the nine months ended September 30, 2017 do not necessarily indicate the expected results for the year ending December 31, 2017.
- The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those adopted for the year ended December 31, 2016.

3. Using Estimates

Preparation of the condensed interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities and disclosures on contingent liabilities. These estimates and judgments impact revenues, expenses, and provisions. In particular, this requires from the Company's management to issue significant judgments for estimating the amounts of future cash flows and their timing. These estimates are necessarily based on several assumptions and factors with varying degrees of consideration and uncertainty. Actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Management believes that the estimates in the condensed interim financial statements are reasonable, and consistent with the estimates used at the end of 2016.

4. Cash on hand and at banks

	September 30, 2017	December 31, 2016
	JD	JD
Cash on hand	118,866	51,475
Current accounts at bank	1,193,287	572,054
Deposit*	3,000,000	-
	<u>4,312,153</u>	<u>623,529</u>

- * This item represents a deposit with the Arabic Islamic Bank for a period of six months at an annual murabaha rate 3% as of September 30, 2017.

5. Property and Equipment - Net

- Additions to property and equipment totaled JD 664,427 as of September 30, 2017 (JD 159,313 as of September 30, 2016).
- During the nine months ended September 30, 2017, the Company transferred JD 639,050 from projects under construction (Note-7), representing improvements of the hospital's outpatient clinics.
- The depreciation expense of property and equipment for the nine months ended September 30, 2017 amounted to JD 448,486 (JD 679,528 for the nine months ended September 30, 2016).

6. Investment in Un-Consolidated Subsidiary

This item represents the investment in the Mutamalyzah Hospital Management Company established for managing hospitals in the region on September 15, 2011 with an authorized and paid capital of JD 15,000. Moreover, this investment has not been included in the Company's financial statements for the period ended September 30, 2017, as the subsidiary company has not conducted any commercial activities nor commenced the purposes for which it was founded until the date of the financial statements, and due to the immateriality of its assets and liabilities.

7. Projects under Construction

This item represents the following projects:

1. Leasehold improvements project: during the first half of the year 2017, the Company has completed the project with total cost of JD 639 thousand, and was capitalized on property and equipment during the first half of the year 2017.
2. Solar project: during the period ended September 30, 2017 the Company incurred JD 37 thousand representing design expenses of the project. Project is expected to be completed at the end of 2017 with a total cost of JD 2.5 M.
3. Expansion of the main building of the hospital project: the percentage of completion of the project was 0.3% as of September 30, 2017 with cost of JD 10 thousands. Project is expected to be completed during 2018 with total cost of JD 3 million.

Movement on projects under construction during the period / year was as follows:

	For the Nine months Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	333,581	-
Additions during the period/year	353,149	333,581
Transferred property and equipment-Note (5)	(639,050)	-
Balance at period/year-end	47,680	333,581

8. Payments for Medical Equipment in Transit

This amount represent payments for purchasing medical equipments with an amount of JD 615,430, expected to be delivered during 2017. These amounts were paid as cash payments and post dated checks (note 12).

9. Accounts Receivable – Net

	September 30, 2017	December 31, 2016
	JD	JD
Accounts receivable	9,492,265	8,425,878
Doctors payable	(3,420,404)	(3,197,135)
The Company's portion of the receivables*	6,071,861	5,228,743
Provision for doubtful debts **	(4,165,750)	(4,334,300)
	1,906,111	894,443

- * This item appears on the net after deducting JD 3,420,404 of doctors' fees, which the hospital collects on doctors' behalf (Note 25). It also includes amounts due from internal and external parties with maturities exceeding 360 days. A provision for the hospital related amounts has been booked as of September 30, 2017 and December 31, 2016. The details are as follows:

	September 30, 2017	December 31, 2016
	JD	JD
Libyan governmental hospitals	2,013,998	2,013,998
Palestinian Authority	87,036	87,036
Ministry of Health - Jordan	178,419	178,419
Total	2,279,453	2,279,453

** The movement on the provision for doubtful debts during the period/year is as follows:

	For the Nine Months Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period / year	4,334,300	4,827,457
Provided during the period / year	-	9,661
Written off*	(140,115)	(87,768)
Debts settled during the period/year (collected)	(28,435)	(415,050)
Balance at the End of the Period / Year	4,165,750	4,334,300

* These write off have been approved by the board of directors.

10. Other Debit Balances

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Earned revenue-unissued patients invoices	218,553	95,382
Claim on patients' deposits*	127,676	127,676
Advance payments for purchase of computer programs	284,150	284,150
Advance payments for purchase of an electric generator	99,229	99,228
Prepared expenses	197,800	193,109
Refundable deposits	38,850	38,850
Outstanding billings	7,463	1,768
Other	24,066	1,732
	997,787	841,895
<u>Less:</u> Provision for Payments of purchasing computer programs	(284,150)	(284,150)
Provision for payments of purchasing an electric generator	(99,228)	(99,228)
Provision for patients' deposits difference*	(127,676)	(127,676)
	486,733	330,841

* This item represents the balance of a claim for patients' deposits and related provision to settle the difference in the patients' account.

11. Liabilities against Finance Lease Contract

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Liabilities against short-term finance lease contracts - Islamic International Arab Bank	268,029	115,700
Short-term land ownership transfer fees	(47,439)	(47,439)
	220,590	68,261
Liabilities against long-term finance lease contracts - Islamic International Arab Bank	4,271,951	4,271,951
Long-term land ownership transfer fees	(324,167)	(359,746)
	3,947,784	3,912,205
	4,168,374	3,980,466

The finance lease contract signed on July 28, 2016 relates to the purchase of land No. (1284) from the Islamic International Arab Bank through selling the land to the Islamic International Arab Bank and leasing it as lease-to-own. Consequently, the Company incurred ownership transfer fees of JD 426,951, paid to Amman Land Registry. This amount has been recorded as a contra liability account, and will be amortized over the loan term.

The lease contract is for 108 months, divided into 9 lease years. Moreover the lease amount will be paid starting from August 31, 2017 in monthly installments of JD 55,931 each.

The lease return for the first year stood at 6.5% of the lease principal. Moreover, the varied margin for the first year is 1%. Moreover, the lease return amount was JD 208,260 for the period ended September 30, 2017.

According to the finance lease contracts, the Company's liabilities are guaranteed by the lessor's ownership of the leased properties and comprehensive insurance thereon. The fair value of the finance lease contracts approximates their carrying amount.

12. Other Credit Balances

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Post dated check's - note (8)	515,430	-
Employees' vacations provision *	217,962	182,207
Shareholders' deposits-fractional shares		
Note(18)	156,800	-
Accrued salaries and expenses	62,629	64,843
Provision for potential claims	62,827	62,829
Electromechanical contractors' retentions	86,550	86,550
Patients' deposits	12,841	54,071
Deposits and stamp fees	69,495	69,495
Social security deposits	77,278	68,851
End-of-service indemnity provision	49,423	37,256
Income tax deposits	18,515	16,607
Other	44,408	53,947
	<u>1,374,158</u>	<u>696,656</u>

* The movement on the provision for employees' vacations during the period/year is as follows:

	For the Nine Months Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period /year	182,207	168,798
<u>Add:</u> Provided during the period / year	65,468	79,438
<u>Less:</u> Paid during the period / year	(29,713)	(66,029)
Balance at the end of the period /year	<u>217,962</u>	<u>182,207</u>

13. Operating Revenue

This item consists of the following:

	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
Room fees	1,348,455	1,089,453
Medical supplies	2,745,703	2,013,010
Medical procedures	2,931,757	2,892,791
Pharmacy	2,304,042	1,939,794
Other departments	2,424,209	1,812,202
	<u>11,754,166</u>	<u>9,747,250</u>

14. Cost of Revenue

This item consists of the following:

	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
Salaries and fringe benefits	2,950,582	2,632,124
Social security	366,079	315,946
Medicine and medical supplies	3,040,677	2,559,306
Electricity and water	786,370	824,282
Cleaning	247,417	243,116
Maintenance	226,975	161,304
Food	193,887	165,888
Consumables	276,247	175,243
Cafeteria	59,821	52,735
Fuel	128,230	102,096
Rent	249,553	49,623
Revenue stamps	15,480	27,033
Depreciation of property and equipment	348,298	569,928
Real-estate fees	20,197	21,469
Governmental fees	61,213	27,066
Prior years expenses	-	217,931
Other	64,753	21,472
	<u>9,035,779</u>	<u>8,166,562</u>

15. General and Administrative Expenses

This item consists of the following:

	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
Salaries, wages, and benefits	714,227	821,803
Social security	78,203	77,160
End-of-service indemnity	29,168	17,851
End-of-service bonuses*	-	140,283
Computer and software expenses	16,978	17,323
Stationery and printing	40,569	55,567
Recruitment expenses	33,515	51,079
Security and sentry	40,883	49,862
Maintenance	219,962	149,760
Professional fees	50,812	74,295
Insurance expense	102,320	31,375
Advertisements and subscriptions	96,542	38,386
Postage and telephone	25,238	28,449
Legal fees	33,057	60,860
Board of directors transportation fees	31,500	13,556
Rent expenses	22,770	8,767
Employees' vacations provision	65,468	57,299
Hospitality and cleanliness	24,106	17,875
International reliability	13,432	17,810
Consumables	10,904	16,348
Depreciation of property and equipment	100,188	109,600
Other	43,971	21,075
	<u>1,793,813</u>	<u>1,876,382</u>

* This item represents the amounts paid as end-of-service bonuses and is non-recurring.

16. Other Revenue - Net

This item consists of the following:

	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
Rent	108,090	45,619
Car park income	39,745	34,066
Profit on sale of property and equipment	-	35,824
Recovered end-of-service indemnity paid	-	57,750
Other	55,254	55,323
	<u>203,089</u>	<u>228,582</u>

17. Earnings Per Share - Basic and Diluted (JD/Share)

This item consists of the following:

	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
Profit (Loss) for the period	687,707	2,415
	Share	Share
	11,363,727	22,000,000
Weighted average number of shares		
	JD/Share	JD/Share
Earning (loss) per share for the period relating to the Company's shareholders-Basic and diluted	0.061	0.000

- The weighted average number of shares basic and diluted related to the Company's shareholders has been calculated based on the number of authorized shares for the year 2016 and the period ended September 30, 2017. Moreover, average capital for the year 2017 has been calculated after restructuring the Company's capital according to the requirements of International Accountings Standard No. (33).

18. Capital

During the year 2016, the Company decreased its capital to amortize accumulated losses, thus rendering capital at JD 9,825,362, divided into 9,825,362 shares of JD 1 each. Moreover, the Company completed the capital decrease procedures during 2016. In its meeting held on July 17, 2016, the Company's General Assembly approved increasing the Company's authorized capital to JD 13,500,000 and covering capital increase of JD 3,674,638 through private subscription by the Company's shareholders. In this respect, the Company's capital restructuring was approved by the Ministry of Industry, Trade, and Supply on November 21, 2016. Moreover, a letter was obtained from the Securities Depository Center on May 23, 2017. In addition, the Company's subscribed capital has been increased to 12,791,693 shares of JD 1 each. Previously unsubscribed shares relating to unexercised subscription rights of 708,307 shares were sold in Amman Stock Exchange on June 19, 2017 for a net amount of approximately JD 865 thousand. This amount includes JD 708 thousand to increase capital and JD 156 thousand, representing shareholders' deposits-fractional shares. In this regard, the Company completed the legal procedures for capital increase and obtained the required approvals during July 2017. So that capital has become JD 13.5 million after the last increase in July 4, 2017.

19. Related Party Transactions and Balances

The following are the details of balances and transactions with related parties:

<u>Condensed interim statement of income items:</u>	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
End-of-service bonuses*	-	140,283
Executive management's salaries	207,750	150,034
Board of Directors' transportation	31,500	13,000
Recovered end-of-serviced indemnity paid**	-	(57,750)

* This item represents the amounts paid as end -of-service bonuses and is non-recurring.

** This item represents the recovered end-of-service bonuses paid and is non-recurring.

20. Operating Sectors

a- Information about the Company's Activities

The Company conducts one type of activity, representing the provision of medical care.

b. Geographical Distribution

The Company's activities are mainly in the Hashemite kingdom of Jordan with no activities abroad.

21. Lawsuits against the Company

Lawsuits against the Company amounted to JD 136,902 as of September 30, 2017 (December 31, 2016, JD 157,840). In the opinion of the Company's management and its legal advisor, most of the lawsuit is for the Company's benefits.

- There are lawsuits raised by the Company against others of JD 8,076,096 as of September 30, 2017 (December 31, 2016 JD 8,155,017). The lawsuits are still pending at the courts.

22. Contingent Liabilities

The Company had contingent liabilities at the date of the condensed interim statement of financial position as follows:

- Performance guarantees of JD 34,000 with cash margins of JD 30,400
- Expansion of the main building of the hospital project amounted to JD 3M as agreed to the Murabha contract with the International Arab Islamic Bank.
- Solar project amounted to JD 2.5M.
- Contingent liabilities against unpaid shares in the capital of Madrid Housing and Real Estate Company Ltd amounted to JD 30,000.

23. Income Tax

a- Deferred Tax Assets:

A settlement has been reached with the Income and Sales Tax Department for the years from 2012 to 2014, and resulted in carrying forward accumulated losses of approximately JD 967,088. Accordingly, the Company recorded deferred tax assets against those losses of JD 193,417 were used during the period ended September 30, 2017. In this regard, the Company's management and tax advisor believe that the Company is capable of utilizing the deferred tax assets. The details are as follows:

For the Period Ended September 30, 2017				Deferred Tax Amount as of	
Balance at the Beginning of the Period	Amounts Added	Amounts Released	Balance at Period-end	September 30, 2017	December 31, 2016
JD	JD	JD	JD	JD	JD
953,963	-	(953,378)	585	117	190,792
953,963	-	(953,378)	585	117	190,792

- The Company's income is taxable at 20%.
- The movement on the income tax provision is as follows:

	For the Nine Months Ended September 30,	For the Year Ended December 31, 2016
	JD	JD
Balance at the beginning of the period/year	31,222	-
Income tax for the prior years*	-	31,222
Income tax paid for the prior years	(31,222)	-
Balance of the end of the period/year	-	31,222

- ** During the year 2016, the Tax Instance Court issued a decision obligating the Company to pay JD 31,222 to the Income and Sales Tax Department, representing tax on imported services.

The Income tax stated in the condensed interim statement of income and comprehensive income is as follows:

	September 30, 2017 JD	December 31, 2016 JD
Amortization of deferred tax assets relating to the profits for the period	190,675	-
	190,675	-

A final settlement has been reached with the Income and Sales Tax Department until the end of the year 2014. Moreover, the tax returns for the years 2015 and 2016 have been submitted and the due taxes paid. However, these returns have not been reviewed by the Income and Sales Tax Department yet. In the opinion of the Company's management and its tax consultant, the tax provisions are adequate, and no additional decisions are needed in this regard.

24. Fair Value Hierarchy

The Company's management believes that the carrying value of financial assets and financial liabilities approximates their fair value.

25. Contra Accounts

Accounts receivable are stated net after deducting JD 3,420,404, representing doctors' fees, whereby the hospital collects these fees on behalf of doctors with no legal obligation. Consequently, this amount is shown as a contra account in the condensed interim financial statements.

26. Subsequent Event

There are lawsuits raised by the Company for Tax court under No. 1176/2017 dated October 12, 2017 to stop a sales tax claim related to services of patients facilities amounted to JD 129,867 for the years 2013 and 2014 including service tax and its double tax penalty and other penalty. In the opinion of the management and tax consultant, there is no need to book any provision for this lawsuit, those amounts are originally illegitimate as they are based on incorrect judgements by Income Sales and Tax Department.