

**Arab International Company For
Education And Investment
(P.S.C)
Amman - The Hashemite Kingdom of Jordan**

**Condensed interim financial statements
As of March 31, 2018
(Reviewed not audited)**

**Arab International Company For
Education And Investment
(P.S.C)
Amman - The Hashemite Kingdom of Jordan**

Index

	<u>Page</u>
Independent auditors' report on review of condensed interim financial statements	1
Statement of condensed interim financial position as of March 31, 2018 (Exhibit A)	2-3
Statement of condensed interim of comprehensive income for the three months ended March 31, 2018 (Exhibit B)	4
Statement of condensed interim of change in owners' equity for the three months ended March 31, 2018 (Exhibit C)	5
Statement of condensed interim of cash flows for the three months ended March 31, 2018 (Exhibit D)	6-7
Notes to condensed interim financial statements	8-23

Report on the review of the condensed interim financial statements

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To the Board of Directors of
Arab International Company for Education and Investment (P.S.C)
Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying condensed interim financial statements of **Arab International Company for Education and Investment (P.S.C)** comprising of condensed interim statement of financial position as at 31 March 2018, and the related condensed interim statements of comprehensive income, changes in owners' equity and cash flows for three months ended 31 March 2018 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with *IAS 34 –interim Financial Reporting* ("IAS 34"). 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 2410 "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of the 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. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects in accordance with IAS 34.

Other matters:

Condensed interim financial statements were prepared for Instructions for listing the stock exchange in the Amman Stock Exchange & for management's purposes.

Al Abbasi & Partners Co.


Nabeel Moh'd Obeidat

License No. 877



Amman in
28 April 2018

**Arab International Company For
Education And Investment
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Statement of condensed interim financial position
As of March 31, 2018**

Reviewed not audited - Exhibit A

	Note	31-Mar-2018	31-Dec-2017
		JD	JD
<u>Assets</u>			
<u>Non - current assets</u>		(Reviewed)	(Audited)
Property , plant & equipments - net	5	35,168,382	35,560,048
Intangible assets - Net		19,537	24,475
Projects under constructions		288,894	253,054
Investments in associates	6	54,528,363	53,401,917
Financial assets at fair value through comprehensive income st.		<u>64,000</u>	<u>62,400</u>
Total non - current assets		<u>90,069,176</u>	<u>89,301,894</u>
<u>Current assets</u>			
Cash on hand and at banks		377,418	202,624
Accounts receivable & cheques under collection - net		1,891,299	3,020,858
Due from related parties	16 A	360,103	304,129
Financial assets at fair value through income		519,251	536,224
Supplies warehouse and other		405,422	422,790
Other debit balances		<u>1,628,236</u>	<u>1,246,061</u>
Total current assets		<u>5,181,729</u>	<u>5,732,686</u>
Total assets		<u>95,250,905</u>	<u>95,034,580</u>

The accompanying notes form from (1) To (19) is an integral part of these statements

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Follow - statement of condensed interim financial position

As of March 31, 2018

Reviewed not audited - Exhibit A

	<u>Note</u>	<u>31-Mar-2018</u>	<u>31-Dec-2017</u>
<u>Owners' equity and liabilities</u>		JD	JD
<u>Owners' equity</u>		(Reviewed)	(Audited)
Capital		40,500,000	40,500,000
Statutory reserve		10,125,000	10,125,000
Fair value reserve		2,170,089	1,305,353
Retained earnings	7	29,321,142	30,662,718
Profit for the period		<u>1,750,006</u>	<u>-</u>
Total owners' equity		<u>83,866,237</u>	<u>82,593,071</u>
<u>Non-current liabilities</u>			
Provision for end of service indemnity	8	<u>357,559</u>	<u>357,559</u>
Total non-current liabilities		<u>357,559</u>	<u>357,559</u>
<u>Current liabilities</u>			
Banks overdraft	9	349,995	2,800,529
Notes and accounts payable		484,666	410,572
Due to related parties	16 B	232,370	392,703
Unearned revenues		4,946,522	3,799,799
Students refundable deposits		282,939	283,584
Income tax provision	10	1,728,403	1,372,028
Other credit balances		<u>3,002,215</u>	<u>3,024,735</u>
Total current liabilities		<u>11,027,110</u>	<u>12,083,950</u>
Total owners' equity and liabilities		<u>95,250,905</u>	<u>95,034,580</u>

The accompanying notes form from (1) To (19) is an integral part of these statements

**Arab International Company For
Education And Investment
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Statement of condensed interim of comprehensive income
For the three months ended March 31, 2018**

Reviewed not audited - Exhibit B

	<u>Note</u>	<u>31-Mar-2018</u> JD	<u>31-Mar-2017</u> JD
Revenues		5,909,595	6,919,122
Operating expenses	11	<u>(4,012,723)</u>	<u>(4,565,908)</u>
Gross profit margin		1,896,872	2,353,214
General & administrative expenses	12	(233,489)	(227,685)
Company's share of associates' profit		330,557	118,100
Unrealized (loss) gains from financial assets at fair value through income		(16,973)	11,114
Finance expenses		(53,982)	(15,822)
Other revenues		<u>185,167</u>	<u>202,796</u>
Profit for the period before tax		2,108,152	2,441,717
Income tax	10	<u>(356,374)</u>	<u>(466,750)</u>
Profit for the period		<u>1,751,778</u>	<u>1,974,967</u>
<u>Add: other comprehensive income items</u>			
Net changes in fair value for financial assets through comprehensive income statement		864,736	235,658
(Loss) from sales of financial assets through comprehensive income		<u>(1,772)</u>	<u>-</u>
Total comprehensive income for the period (Exhibit C)		<u>2,614,742</u>	<u>2,210,625</u>
		<u>Fils/Dinar</u>	<u>Fils/Dinar</u>
Basic and diluted earning per share	13	<u>0.043</u>	<u>0.049</u>

The accompanying notes form from (1) To (19) is an integral part of these statements

**Arab International Company For
Education And Investment
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Statement of condensed interim of changes in owners' equity
For the three months ended March 31, 2018**

Reviewed not audited - Exhibit C

Description	Capital	Statutory reserve	Fair value reserve *	Retained earnings		Profit of the period		Total retained earnings	Total
				Realized	Unrealized *	Realized	Unrealized *		
	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the three months ended March 31, 2018									
Balance as of January 1, 2018 (Exhibit A) - Audited	40,500,000	10,125,000	1,305,353	16,303,913	14,358,805	-	-	30,662,718	82,593,071
Amendments to initial application of IFRS 9	-	-	-	(1,190,740)	-	-	-	(1,190,740)	(1,190,740)
Amendments to initial application of IFRS 9 - Associates	-	-	-	-	(150,836)	-	-	(150,836)	(150,836)
Adjusted opening balances	40,500,000	10,125,000	1,305,353	15,113,173	14,207,969	-	-	29,321,142	81,251,495
Profit for the period	-	-	-	-	-	1,347,960	403,818	1,751,778	1,751,778
Fair value reserve	-	-	864,736	-	-	-	-	-	864,736
(Loss) from sales of financial assets through comprehensive income	-	-	-	-	-	-	(1,772)	-	(1,772)
Total comprehensive income for the period (Exhibit B)	-	-	864,736	-	-	1,347,960	402,046	1,751,778	2,614,742
Balance as of March 31, 2018 (Exhibit A) - Reviewed	40,500,000	10,125,000	2,170,089	15,113,173	14,207,969	1,347,960	402,046	31,072,920	83,866,237
For the three months ended March 31, 2017									
Balance as of January 1, 2017	40,500,000	10,125,000	3,853,656	16,032,507	15,462,975	-	-	31,495,482	85,974,138
Prior years' adjustments on company's share in associates	-	-	-	-	(467,057)	-	-	(467,057)	(467,057)
Adjusted opening balances	40,500,000	10,125,000	3,853,656	16,032,507	14,995,918	-	-	31,028,425	85,507,081
Profit for the period	-	-	-	-	-	1,553,152	421,815	1,974,967	1,974,967
Fair value reserve	-	-	235,658	-	-	-	-	-	235,658
Total comprehensive income for the period (Exhibit B)	-	-	235,658	-	-	1,553,152	421,815	1,974,967	2,210,625
Balance as of March 31, 2017	40,500,000	10,125,000	4,089,314	16,032,507	14,995,918	1,553,152	421,815	33,003,392	87,717,706

In accordance with the instructions of Securities Commission , it is prohibited to dispose fair value reserve & Unrealized retained earnings through dividends to shareholders or capitalization or loss amortization or anything else .

The accompanying notes form from (1) To (19) is an integral part of these statements

**Arab International Company For
Education And Investment
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Statement of condensed interim of cash flows
For the three months ended March 31, 2018**

Reviewed not audited - Exhibit D

	<u>Note</u>	<u>31-Mar-2018</u>	<u>31-Mar-2017</u>
		JD	JD
<u>Cash flows from operating activities</u>			
Profit for the period before tax		2,108,152	2,441,717
Depreciation & amortization		616,556	539,921
Company's share of associates (profit)		(330,557)	(118,100)
Realized loss (gains) loss from financial assets at fair value through income statement		16,973	(11,114)
Capital loss		2,533	-
Finance expenses		53,982	15,822
Operating income before changes in working capital		2,467,639	2,868,246
<u>(Increase) decrease in current assets</u>			
Accounts receivable & cheques under collection		(61,182)	(751,238)
Due from related parties		(55,974)	(1,803,660)
Supplies warehouse and other		17,368	20,945
Other debit balances		(382,175)	(133,657)
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		74,094	60,818
Due to related parties		(160,333)	(173,194)
Unearned revenues		1,146,723	1,392,576
Students refundable deposits		(645)	9,431
Other credit balances		(22,520)	11,556
Net cash provided from operating activities before paid tax		3,022,995	1,501,823
Paid tax	10	-	(500,000)
Net cash provided from operating activities		3,022,995	1,001,823

The accompanying notes form from (1) To (19) is an integral part of these statements

**Arab International Company For
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(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Follow - statement of condensed interim of cash flows
For the three months ended March 31, 2018**

Reviewed not audited - Exhibit D

	<u>Note</u>	<u>30-Sep-2018</u> JD	<u>30-Sep-2017</u> JD
<u>Cash flows from investing activities</u>			
Acquisitions of property , plant & equipments	5	(223,265)	(293,368)
Acquisitions of intangible assets		-	(1,305)
Associates' shares purchased		(85,360)	(625,655)
Proceeds from sales of prperty , plant & equipments		780	-
Paid on projects under construction		(35,840)	-
Financial assets at fair value through income		-	46
Net cash (used in) investing activities		<u>(343,685)</u>	<u>(920,282)</u>
<u>Cash flows from financing activities</u>			
Banks overdraft		(2,450,534)	-
Finance expenses		(53,982)	(15,822)
Net cash (used in) financing activities		<u>(2,504,516)</u>	<u>(15,822)</u>
Net increase increase in cash		174,794	65,719
Cash on hand and at banks at beginning of period		<u>202,624</u>	<u>418,717</u>
Cash on hand and at banks at end of period (Exhibit A)		<u><u>377,418</u></u>	<u><u>484,436</u></u>

The accompanying notes form from (1) To (19) is an integral part of these statements

**Arab International Company For
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Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

1- Company's registration and objectives

The **Arab International Company For Education And Investment** was established & registered as a public shareholding company under number (208) on **November 20, 1991** , the company operates its educational activities through the **Applied Science University** , which started teaching as of **October 13, 1991**.

One of company's main objectives is to found and establish a private university to accommodate students from Jordan and abroad and prepare them as specialists at the university level in the technological fields mainly inlaid with human and social studies that can contribute to meet the needs of the Kingdom and neighbouring Arab countries .

It also aims to establish a number of centers and institutes for the rehabilitation of students enrolled to a leading positions in various scientific , training and performance fields .

The company may, in order to achieve its objectives directly , carry out all the investment activities required by its business and its interest in selling, buying, owning, brokering , lending , borrowing , pledging and lending . The company may also have an interest to participate in any way in the bodies and institutions that cooperate to achieve its objectives in The Hashemite Kingdom of Jordan or outside .

The condensed interim financial statements were approved by the board of directors at its meeting held on **April 28, 2018**, these financial statements aren't subject to the approval of the general assembly of shareholders .

2- Significant accounting policies

Basis of preparation of interim financial statements

These condensed interim financial statements have been prepared in accordance with international accounting standards ((IFRS) IAS 34)(Interim Financial Reporting).

The condensed interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

The condensed interim financial statements have been prepared on historical cost except financial assets and liabilities which appear on fair value.

These condensed interim financial statements do not include all the information required for a complete set of IFRS financial statements, However , selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31, 2017**, in addition, The results for the three months period ended **March 31, 2018** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2018**, and no appropriation was made for the three months profit ended **March 31, 2018** since it was made at the year-end .

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

3- Use of estimates

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities . These estimates and assumptions also affect the revenues and expenses and the resultant provisions and particular , considerable judgement by management is required in the estimation of the amount and timing of future cash flows . Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ, resulting in future change in such provisions .

Management believe that the estimates are reasonable and are as follows :

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of condensed interim comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable . For individually significant amounts , this estimation is performed on an individual basis . Amounts which are not individually significant , but which are past due , are assessed collectively and a provision applied according to the length of time past due , based on historical recovery rates .
- Inventories are held at the lower of either cost or net realizable value . When inventories become old or obsolete , an estimate is made of their realizable value . For individually significant amounts this estimation is performed on an individual basis . Amounts which are not individually significant , but which are old or obsolete , are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence , based on historical selling prices.
- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of condensed interim comprehensive

4- Changes in accounting policies

During the current period, the Group adopted the below new and amended International Financial Reporting Standards (“IFRS”) and improvements to IFRS that are effective for periods beginning on 1 January 2018:

- * IFRS 15 “Revenue from Contracts with Customers”
- * IFRS 9 “Financial Instruments”
- * Amendments to IFRS 2 “Classification and Measurement of Share-based Payment Transaction
- * Amendments to IFRS 4 “Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contra
- * Amendments to IAS 40 “Transfers of Investment Property”
- * Annual improvements to IFRS 2014-2016 Cycle “Amendments to IFRS 1 and IAS 28”.

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

* IFRIC 22 Foreign Currency Transactions and Advances consideration.

The adoption of the above new and amended IFRS and improvements to IFRS had no significant impact on the condensed consolidated interim financial statements, except for IFRS 9, which led an increase in the provision for impairment of trade and other receivables

IFRS 9 "Financial Instruments"

IFRS 9 sets out requirements for recognizing and measuring financial assets and financial liabilities this standard replaces IAS 39 "Financial Instruments: Recognition and Measurement"

The following table summarizes the impact of transition to IFRS 9 on the opening balance of retained earnings (for a description of the transition method),

<u>Line item impacted in the financial statements</u>	As reported at 31 December 2017	Estimated adjustments due to adoption of IFRS 9	Estimated adjusted opening balances as at 1 January 2018
	JD	JD	JD
Provision for impairment of trade receivables	548,076	1,190,740	1,190,740
Retained earnings	30,662,718	(1,190,740)	(1,190,740)

1- Classification and measurements for recognizing and measuring financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurements of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, and available-for-sale financial assets. The adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below:

On initial recognition a financial asset is classified as:

- Amortized cost;
- Fair Value Through Other Comprehensive Income (FVOCI) debt investment;
- FVOCI equity investment; or
- Fair Value Through Profit or Loss (FVTPL).

**Arab International Company For
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(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The Group only has financial assets measured at amortized cost which are amortized using the effective interest method. The amortized cost is reduced by any impairment losses see note (4/2)

The effect of adopting IFRS 9 on the carrying amounts of the Company's financial assets at 1 January 2018 relates solely to the impairment requirements, as described further below.

Trade and other receivables which were previously classified as loans and receivables under IAS 39 have been classified at amortized cost as per IFRS 9. An increase of JD 1,190,740 in the provision for impairment of these receivables was recognized in opening retained earnings at 1 January 2018 on transition to IFRS9.

2- Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credited loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than under IAS 39

The financial assets at amortized cost comprise of trade receivables and cash at bank under IFRS 9 and loss allowances are measured on either of the following bases:

- * 12-months ECLs: these are ECLs that result from possible default events within the 12-months after the reporting date.
- * Lifetime ECLs: these are ECLs the result from all possible default events over the expected life of a financial instruments

The Company has elected to measure loss allowance its financial assets at an amount equal to lifetime ECLs.

Credit- impaired financial assets

At each reporting date, the Group assesses the financial assets carried at amortized cost A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets occurred.

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

Presentation of impairment

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Impairment losses related to trade and other receivables are presented under general and administrative expenses in the condensed consolidated statement of profit or loss.

3- Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using the cumulative effect method. The Group has taken an exemption not to restate comparative of prior periods.

Difference in the carrying amounts of the financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings as at 1 January 2018.

Accordingly, the information presented for 2017 does not reflect the requirements of IFRS 9 but those of IAS 20.

The assessment has been made on the facts and circumstance that existed at the date of initial application.

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

5- Property , plant & equipments - Net

A. This item consists of the following :

	Lands	Buildings & constructions	Laboratory equipment & office machines	Furniture & fixtures	Scientific research instrument - solar energy	Cars & buses	Books & periodicals	Tools & equipments	Laboratory equipments	Educational & clarification tools	Power plant	Others	Irrigation networks	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<u>Cost</u>														
Balance beginning of the period	10,014,099	41,604,793	13,725,600	4,465,038	2,560,869	2,523,190	3,179,287	259,122	103,075	327,267	151,191	52,062	15,081	78,980,674
Additions	119,367	19,602	28,066	23,536	-	-	27,197	5,497	-	-	-	-	-	223,265
Disposals	-	-	(4,666)	(3,056)	-	-	-	-	-	-	-	-	-	(7,722)
Balance ending of the period	10,133,466	41,624,395	13,749,000	4,485,518	2,560,869	2,523,190	3,206,484	264,619	103,075	327,267	151,191	52,062	15,081	79,196,217
<u>Accumulated depreciations</u>														
Balance beginning of the period	-	21,384,333	11,932,620	4,079,687	508,320	2,263,412	2,404,494	215,555	97,524	319,622	151,184	48,801	15,074	43,420,626
Additions	-	324,482	144,214	23,649	63,145	32,300	14,973	3,195	3,918	1,396	-	345	-	611,617
Disposals	-	-	(3,294)	(1,114)	-	-	-	-	-	-	-	-	-	(4,408)
Balance ending of the period	-	21,708,815	12,073,540	4,102,222	571,465	2,295,712	2,419,467	218,750	101,442	321,018	151,184	49,146	15,074	44,027,835
Net book value as of March 31, 2018 (Reviewed)	10,133,466	19,915,580	1,675,460	383,296	1,989,404	227,478	787,017	45,869	1,633	6,249	7	2,916	7	35,168,382
Net book value as of December 31, 2017 (Audited)	10,014,099	20,220,460	1,792,980	385,351	2,052,549	259,778	774,793	43,567	5,551	7,645	7	3,261	7	35,560,048

B. Cost of depreciated property , plant & equipments JD **25,936,825** as of **March 31, 2018** (JD **24,959,683** as of **December 31, 2017**) .

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

6- **Investments in associates**

A. This item consists of :

	Number of shares Share	Ownership rate %	Market value JD	Fair value	
				31-Mar-2018 JD (Reviewed)	31-Dec-2017 JD (Audited)
National					
Public shareholding companies (listed)					
Arab Int'l Food & Factories & Investments Co.	4,856,545	46.252	8,887,477	11,731,383	11,295,339
International Co. for Medical Investments	2,070,588	46	2,774,588	1,333,289	1,345,730
Ettihad Schools Co.	6,246,489	41.643	8,620,155	7,966,120	7,913,457
First Finance Co.	8,062,863	23	6,047,147	11,867,141	11,744,097
Jordanian Real Estate Co. For Development	5,582,601	16.181	2,958,779	5,644,894	5,617,409
Ibn Alhaytham Hospital Co.	9,737,443	48.687	9,542,694	10,503,477	10,347,962
Contemporaries Co. for Housing projects	580,924	8.334	517,022	694,391	593,737
Total			39,347,862	49,740,695	48,857,731
Limited liability companies (unListed)					
Alomana' for Investment & portfolio management	3,732,424	41.471	-	4,341,472	4,091,353
Trans World Information Technology Co. *	45,810	44.911	-	339,231	339,232
Applied Energy Co.	20,000	40	-	3,364	10,000
University Scientific Research Co. *	6,000	20	-	6,000	6,000
Jordanian Consultative Center for Administrative Development & Capacity Building *	500	50	-	500	500
Total			-	4,690,567	4,447,085
International					
Limited liability companies (unListed)					
Arab Int'l Co. for Education & Investments - Maskat *	52,500	50	-	97,101	97,101
Total			-	97,101	97,101
Total				54,528,363	53,401,917

* Not evaluated by equity method according to not issuing interim financial statements / couldn't measure its fair value trustly .

B. The company owned shares of **1,206,727** in associates (Amana Agricultural & Industrial Investments Co. PSC) . The company has taken an impairment provision for full value in previous years .

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

6- Investments in associates - follow

C. The following summary of assets, liabilities, revenues and companys' share of associates P/L :

	Activity	Assets JD	Liabilities JD	Revenues JD	Companys' share of associates P/L JD
<u>National</u>					
<u>Public shareholding companies (listed)</u>					
Arab Int'l Food & Factories & Investments Co.	Industry	25,564,972	201,465	6,209	(24,190)
International Co. for Medical Investments	Trade	3,907,500	1,009,865	5,558	(28,190)
Ettihad Schools Co.	Education	24,003,939	4,874,385	1,906,139	126,595
First Finance Co.	Finance	68,720,394	17,207,001	1,964,101	156,758
Jordanian Real Estate Co. For Development	Real-estate	36,615,201	1,729,262	59,049	(4,247)
Ibn Alhaytham Hospital Co.	Medical	31,468,995	9,895,522	3,526,115	81,883
Contemporaries Co. for Housing prjects**	Real-estate	7,563,945	391,961	2,141,628	25,294
Total		197,844,946	35,309,461	9,608,799	333,903
<u>Limited liability companies (unListed)</u>					
Alomana' for Investment & portfolio management	Brokerage	11,351,017	882,324	98,808	13,290
Trans World Information Technology Co. *	Programing	-	-	-	-
Applied Energy Co. **	Renewble energy	11,678	3,267	-	16,636-
University Scientific Research Co. *	Food	-	-	-	-
Jordanian Consultative Center for Administrative Development & Capacity Building *	Trainig	-	-	-	-
Total		11,362,695	885,591	98,808	-3,346
<u>International</u>					
<u>Limited liability companies (unListed)</u>					
Arab Int'l Co. for Education & Investments - Maskat *	Investment	-	-	-	-
Total		-	-	-	-
Total		209,207,641	36,195,052	9,707,607	330,557

* Financial information are not available according to not issueing interim financial statements .

** Financial information for the financial statements as of **December 31, 2017**. No interim financial statements are available.

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

6- **Follow - Investment in associates**

D- **Transaction of investment in associates during the period represents of :**

	31-Mar-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period / year	53,401,917	56,012,569
Company's share of associates profit	330,557	1,566,502
Associates shares purchased	85,360	625,654
(Loss) from sales financial assets through comprehensive income	(1,772)	(2,416)
Amendments to initial application of IFRS 9	(150,836)	-
Net changes in fair value for associates	863,137	(2,530,703)
Dividends received from associates	-	(2,253,870)
Prior years' income tax	-	(15,819)
Balance ending of the period / year	54,528,363	53,401,917

E- For purposes of company's membership in the associates board of directors and other purposes for Security Depository Center , the number of share reserved as follows:

	No. of shares	31-Mar-2018	31-Dec-2017
	Share	Market Value	
		JD	JD
		(Reviewed)	(Audited)
Arab Int'l Food & Factories & Investments Co.	5,000	9,150	9,100
International Co. for Medical Investments	20,000	26,800	16,000
Ettihad Schools Co.	20,000	27,600	25,000
First Finance Co.	50,000	37,500	40,000
Jordanian Real Estate Co. For Development	5,000	2,650	2,500
Ibn Alhaytham Hospital Co.	20,000	19,600	21,200
Total		123,300	113,800

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

7- Retained earnings

A. This item consists of :

	31-Mar-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Retained earnings at beginning of the period / year	30,662,718	31,495,482
Amendments to initial application of IFRS 9	(1,190,740)	-
Amendments to initial application of IFRS 9 - Associates	(150,836)	-
Prior years' expenses	-	(355,208)
Adjusted opening balance	29,321,142	31,140,274
Profit for the year	-	7,624,860
(Loss) from selling financial assets through comprehensive income	-	(2,416)
Dividends paid to shareholders	-	(8,100,000)
Retained earnings at ending of the period / year	29,321,142	30,662,718
<u>It's distributed as follows:</u>		
Retained earnings from realized profit	15,113,173	16,303,913
Retained earnings from unrealized profit	14,207,969	14,358,805
Total	29,321,142	30,662,718

B. The board of directors decided in its meeting held on **February 6, 2018** to subject to the ordinary general assembly for distributing cash dividends for the year **2017** at the rate of **20%** of capital, amounted of **JD 8,100,000** .

8- Provision for end of service indemnity

Transaction of provision of end of service indemnity during the period represents of :

	31-Mar-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	357,559	839,184
Addition for the period/year	-	48,945
Paid during the period/year	-	(530,570)
Balance ending of the period/year	357,559	357,559

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

9- Banks overdraft

A. This item consists of :

	<u>Facilities limit</u>	<u>Interest rate</u>	<u>31-Mar-2018</u>	<u>31-Dec-2017</u>
	JD	JD	JD	JD
			(Reviewed)	(Audited)
Rajihi bank	6,000,000	7.50	349,995	2,500,000
Arab bank	5,000,000	8.35	-	300,529
Total			<u>349,995</u>	<u>2,800,529</u>

B. Rajihi facilities due date during **June 2018** .

C. Arab bank facilities due date during **May 2018** .

D. All facilities had been given to company of companys' name gurantee .

10- Income tax provision

A. Transaction of income tax provision during the period represents of :

	<u>31-Mar-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the period/year	1,372,028	1,907,297
Tax of the period/year (Note 10 C)	356,374	1,541,862
Paid tax during the period/year	-	(2,077,131)
Balance ending of the period/year	<u>1,728,403</u>	<u>1,372,028</u>

B. The income tax return for the years **2016 & 2017** have been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this financial statements.

C. Reconciliation of taxable income

	<u>31-Mar-2018</u>	<u>31-Dec-2017</u>
	JD	JD
	(Reviewed)	(Audited)
Recorded profit	2,108,152	9,166,722
Non-taxable income	(347,530)	(2,270,417)
Non-taxable expenses	21,250	813,007
Taxable income	<u>1,781,872</u>	<u>7,709,312</u>
Income tax rate	20%	20%
Income tax for the period / year	<u>356,374</u>	<u>1,541,862</u>

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

11- Operating expenses

This item consists of :

	<u>31-Mar-2018</u>	<u>31-Mar-2017</u>
	JD	JD
Employees costs (Note 11 B)	2,141,978	2,394,334
Teaching, research, scholarship and students activities needs	750,901	692,691
Depreciations & amortizations	600,858	531,676
Water, electricity & fuel	219,787	361,341
College accreditation fees	22,250	101,000
Maintenance	97,569	118,846
Insurance and licenses	61,085	71,401
Stationary , printing and computers' needs	29,610	42,964
Students medical insurance	12,824	48,763
Advertising , newspapers & magazines	20,034	45,387
Entertainment , cleaning & donations	9,944	52,350
issuning	2,600	1,560
Communications and post	9,336	9,955
Others	6,979	4,984
Trustees board transportations	14,250	14,948
Professional fees & sues	12,718	68,353
Judicial expenses	-	5,355
Total	<u>4,012,723</u>	<u>4,565,908</u>

Employees costs (operating)

This item consists of :

	<u>31-Mar-2018</u>	<u>31-Mar-2017</u>
	JD	JD
Salaries , wages and bonuses	1,881,279	2,099,017
Company's share of social security	229,277	246,550
Medical insurance	25,077	40,386
Clothes & protective materials	6,345	8,381
Total	<u>2,141,978</u>	<u>2,394,334</u>

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

12- General and administrative expenses

This item consists of :	<u>31-Mar-2018</u>	<u>31-Mar-2017</u>
	JD	JD
Employees costs (Note 12 B)	162,229	147,667
Water, electricity & fuel	1,162	1,463
Insurance and licenses	16,437	16,283
Maintenance	94	1,411
Entertainment , cleaning & donations	234	996
Advertising , newspapers & magazines	50	189
Board of directors transportaions	9,000	9,000
Communications and post	2,553	6,639
Stationary , printing and computers' needs	3,001	3,890
Depreciatios & amortizations	2,982	4,495
Rents	14,497	14,402
Income tax	21,250	21,250
Total	<u><u>233,489</u></u>	<u><u>227,685</u></u>

Employees costs (administrative)

This item consists of :	<u>31-Mar-2018</u>	<u>31-Mar-2017</u>
	JD	JD
Salaries , wages and bonuses	152,639	134,034
Company's share of social security	4,700	4,578
Medical insurance	4,890	9,055
Total	<u><u>162,229</u></u>	<u><u>147,667</u></u>

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

13- Basic and diluted earning per share

This item consists of :

	31-Mar-2018	31-Mar-2017
	JD	JD
Profit of the period after tax (JD)	1,751,778	1,974,967
Weighted average shares (share)	40,500,000	40,500,000
Basic and diluted earning per share	0.043	0.049

The diluted earning per share is equal to the basic earning per share .

14- Contingent liabilities

At the date of financial statements there were contingent liabilities represented of :

	31-Mar-2018	31-Dec-2017
	JD	JD
	(Reviewed)	(Audited)
Banks guarantees	1,754,256	1,754,256
Total	1,754,256	1,754,256

15- Issues

There are issues facing company from other amounted of JD **1,831,344** , it includes issues facing Ministry of Higher Education and Scientific Research , the subject is to prevent a claim of JD **1,626,256** on the basis that this amount is surplus of dedicated rate of scientific research for previous years and the company must transfer it to scientific research fund.

There are issues facing others amounted of JD **347,229** and it in all labour issues .

Legal consultant opinion that the results of these issues will be favour to company , the company take enough provisions for it inside financial statements .

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

16- Related parties transactions

Realated parties include key shareholders , key management personnel , key managers , associates and subsidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

A. Details of due from related parties appear on financial position

	Type of transaction	31-Mar-2018 JD (Reviewed)	31-Dec-2017 JD (Audited)
<u>Associates</u>			
Arab Int'l Food & Factories & Investments Co.	Exp. & property	25,046	24,800
Inernational Co. for Medical Investments	Expenses	177,207	110,553
Ettihad Schools Co.	Expenses	52,041	51,683
First Finance Co.	Expenses	6,845	8,196
Jordanian Real Estate Co. For Development	Expenses	1,620	290
Alomana' for Investment & portfolio management	Brokerage	-	11,275
Applied Energy Co.	Finance	2,712	2,700
University Scientific Research Co.	Finance	8,132	8,132
Jordanian Consultative Center for Administrative Development & Capacity Building	Finance	86,500	86,500
Total		360,103	304,129

B. Details of due to related parties appear on financial position

	Type of transaction	31-Mar-2018 JD (Reviewed)	31-Dec-2017 JD (Audited)
<u>Associates</u>			
Arab Int'l Co. for Education & Investments - Maskat	Finance	91,958	91,958
Trans World Information Technology Co.	Softwares	63,178	63,230
Ibn Alhaytham Hospital Co.	Treatments	77,234	237,515
Total		232,370	392,703

**Arab International Company For
Education And Investment
(P.S.C)**

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

16- Follow - related parties transactions

C. Details related parties balances appear on statement of income

	Type of transaction	31-Mar-2018 JD	31-Mar-2017 JD
<u>Associates</u>			
Ibn Alhaytham Hospital Co.	Treatments	423,330	85,566
Trans World Information Technology Co.	Materials	18	-
Arab Int'l Food & Factories & Investments Co.	Materials	-	173
Ettihad Schools Co.	Materials	-	502

D. Wages , allowances and other benefits for senior excutive managements :

	31-Mar-2018 JD	31-Mar-2017 JD
Wages & other benefits	190,503	172,265

17- Risk management

Company is facing finance , credit , liquidity and market risks , in general the main objectives and policies of company in finance risk management which financial statement is faced , it is similar to what declared in financial statements on **December 31, 2017**.

18- Subsequent events

There are no subsequent events may have material affects to financial position .

19- Comparative figures

Certain comparative figures were reclassified to conform with the presentation of the current period.