

To: Jordan Securities Commission
Amman Stock Exchange

Date: ١٢/٤/٢٠١٩

Subject: Quarterly Report as of March 31, 2019

Attached the Quarterly Report of (Jordan Investment Trust) as of March 31, 2019 in English.

السادة هيئة الأوراق المالية المحترمين

السادة بورصة عمان المحترمين

التاريخ: ١٥/٤/٢٠١٩

الموضوع: التقرير ربع السنوي كما هي في 2019/3/31

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة الثقة للاستثمارات الأردنية كما هي بتاريخ 2019/3/31 باللغة الانجليزية.

Regards

وتفضلوا بقبول فائق الاحترام،،،

Jordan Investment Trust

Ahmad H. Tantash

CEO

شركة الثقة للاستثمارات الأردنية

الرئيس التنفيذي
أحمد طنطش

- To Securities depository center

- نسخة السادة مركز إيداع الأوراق المالية

بورصة عمان	
السادة الإدارة الإدارية والمالية	
الديوان	
١٢ أيار ٢٠١٩	
2868	الرقم التسلسل:
31039	رقم الملف:
١١/٤/٢٠١٩	الجهة المختصة:

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)

31 MARCH 2019



Building a better
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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 ("together the Group") as of 31 March 2019 comprising of interim consolidated statement of financial position as of 31 March 2019 and the related interim consolidated income statement, interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity, and the interim consolidated statement of cash flows for the three months period then ended and explanatory notes. Board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Amman - Jordan
25 April 2019

Ernst & Young

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2019

	Notes	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<u>ASSETS</u>			
Cash on hand and at banks		962,666	285,876
Financial assets at fair value through profit or loss		1,924,335	1,894,156
Financial assets at fair value through other comprehensive income		4,191,894	4,256,007
Accounts receivable - net		101,940	102,497
Investment in associate	4	12,582,036	13,313,523
Other debit balances		463,122	410,633
Property and equipment		2,240,272	2,255,169
Investment properties		9,245,915	9,253,622
Total Assets		31,712,180	31,771,483
<u>LIABILITIES AND EQUITY</u>			
Liabilities -			
Loans	9	670,606	681,955
Brokerage customers payables		83,238	51,087
Other credit balances		883,066	883,335
Total Liabilities		1,636,910	1,616,377
Equity -			
Shareholders equity	11		
Paid in capital		26,383,725	26,383,725
Share premium		746,349	746,349
Statutory reserve		2,627,073	2,627,073
Voluntary reserve		154,602	154,602
Fair value reserve		(316,244)	(252,131)
Accumulated losses		(1,447,641)	(1,438,927)
Shareholders equity		28,147,864	28,220,691
Non-controlling interests		1,927,406	1,934,415
Net Equity		30,075,270	30,155,106
Total Liabilities and Equity		31,712,180	31,771,483

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial Statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)

	<u>Notes</u>	<u>31 March 2019 JD</u>	<u>31 March 2018 JD</u>
Revenues -			
Interest income		3,293	9,311
Profit (loss) from financial assets at fair value through profit or loss	5	30,179	(145,202)
Brokerage commissions		2,432	6,559
Share of profit from associate	4	163,219	221,434
Other income		32,550	45,140
Net revenue		<u>231,673</u>	<u>137,242</u>
Interest and commission		(17,863)	(6,580)
Administrative expenses		(192,437)	(184,377)
Depreciation and amortization		(33,130)	(59,748)
Other expenses		-	(8,083)
Loss for the period before income tax		<u>(11,757)</u>	<u>(121,546)</u>
Income tax expense	8	(3,966)	(5,414)
Loss for the period		<u>(15,723)</u>	<u>(126,960)</u>
Attributable to:			
Shareholders of the company		(8,714)	(107,191)
Non-controlling interests		(7,009)	(19,769)
		<u>(15,723)</u>	<u>(126,960)</u>
		<u>Fils /JD</u>	<u>Fils JD</u>
Basic and diluted earnings per share from loss for the period		<u>(0/001)</u>	<u>(0/004)</u>

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)

	<u>31 March</u> 2019 JD	<u>31 March</u> 2018 JD
Loss for the period	(15,723)	(126,960)
Add: other comprehensive income not to be reclassified to profit and loss in subsequent periods:		
Change in fair value of financial assets at fair value through other comprehensive income	<u>(64,113)</u>	<u>(118,554)</u>
Total comprehensive income for the period	<u>(79,836)</u>	<u>(245,514)</u>
Attributable to:		
Shareholders of the company	(71,914)	(234,607)
Non-controlling interests	<u>(7,922)</u>	<u>(10,907)</u>
	<u>(79,836)</u>	<u>(245,514)</u>

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements and to be read with the review report

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)**

	Reserves										Total equity JD						
	Paid in capital		Share premium		Statutory		Voluntary		Fair value reserve			Accumulated losses		Total		Not-controlling interest	
	JD		JD		JD		JD		JD			JD		JD		JD	
For the three months period ended 31 March 2019-																	
Balance as at 1 January 2019	26,383,725		746,349		2,627,073		154,602		(252,131)		(1,438,927)		28,220,691		1,934,415		30,155,106
Total comprehensive income for the period	-		-		-		-		(64,113)		(8,714)		(72,827)		(7,009)		(79,836)
Balance as of 31 March 2019	26,383,725		746,349		2,627,073		154,602		(316,244)		(1,447,641)		28,147,864		1,927,406		30,075,270
For the three months period ended 31 March 2018-																	
Balance as at 1 January 2018	26,383,725		746,349		2,627,073		154,602		(153,675)		(108,401)		29,649,673		1,977,918		31,627,591
The effect of applying 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	-		-		-		-		(118,554)		(107,191)		(225,745)		(19,769)		(245,514)
Balance as of 31 March 2018	26,383,725		746,349		2,627,073		154,602		494,589		(1,132,410)		29,273,928		1,958,149		31,232,077

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements and to be read with the review report

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)

	31 March 2019	31 March 2018
	<u>JD</u>	<u>JD</u>
<u>OPERATING ACTIVITIES</u>		
Loss for the period before income tax	(11,757)	(121,546)
Adjustments for -		
Depreciation and amortization	33,130	59,748
Change in fair value of financial assets at fair value through profit and loss	(30,179)	145,202
Share of profit from associates	(163,219)	(221,434)
Interest income	(3,293)	(9,311)
Changes in working capital		
Financial assets at fair value through profit or loss	-	(153,445)
Account receivables and other debit balances	(51,932)	(139,069)
Account payables and other credit balances	40,789	(27,829)
Income tax paid	(12,873)	-
Net cash used in operating activities	<u>(199,334)</u>	<u>(467,684)</u>
<u>INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(3,260)	(5,065)
Purchase of investment property	(7,266)	(6,368)
Interest income	3,293	9,311
Dividends received from associate	894,706	-
Net cash from (used in) investing activities	<u>887,473</u>	<u>(2,122)</u>
<u>FINANCING ACTIVITY</u>		
Loans	(11,349)	(3,099)
Net cash used in financing activity	<u>(11,349)</u>	<u>(3,099)</u>
Net increase (decrease) in cash and cash equivalents	676,790	(472,905)
Cash and cash equivalents at beginning of the period	<u>285,876</u>	<u>1,016,777</u>
Cash and cash equivalents at end of the period	<u>962,666</u>	<u>543,872</u>

The accompanying notes from 1 to 12 form part of these interim condensed consolidated financial statements and to be read with the review report

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019 (UNAUDITED)**

(1) GENERAL

Jordan Investment Trust was incorporated in Jordan as a public shareholding company and registered on April 23, 1998 with an authorized capital of JD 20,000,000 divided into 20,000,000 shares, at a par value of JD 1 each. The authorized and paid up capital was increased several times during previous years to reach JD 29,513,889.

The main objectives of the Company are to invest in all available fields of investment in industrial, agricultural, financial, real estate, tourism and services sectors, and in particular to purchase and hold shares, allotments, real estate, bonds and manage investment portfolios. Other activities include, providing consulting services and capital market operations services which support and foster investment, acting as a broker in organizing the capital financing operations required for establishment, expansion and development of the companies including the undertakings of issuance of shares and bond or participate with the gatherings that aim to such undertakings.

The Company's registered office is located in Jabal Amman, Amman – The Hashemite Kingdom of Jordan.

The main objectives of the subsidiaries are to invest in all available fields of investment.

These financial statements were authorized for issuance by the Board of Directors on 25 April 2019.

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

(2) BASIS OF PREPARATION AND THE ACCOUNTING POLICIES

BASIS OF PREPARATION

The accompanying interim condensed consolidated financial statements for the Group as of 31 March 2019 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed consolidated financial statements have been presented in Jordanian Dinars "JD" which is the functional currency of the Group.

The financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value at the financial statements date.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual financial statements as at 31 December 2018. In addition, the results for the three months ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019 (UNAUDITED)**

BASIS OF CONSOLIDATION

The interim condensed consolidated financial statements comprise the financial statements of Jordan Investment Trust Company and its wholly owned subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Group controls an investee only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, profits and losses relating to transactions between members of the Group are eliminated.

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019 (UNAUDITED)**

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 used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2018 except for the adoption of new standards effective as of 1 January 2019 shown below:

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The adoption of IFRS 16 did not have material impact on the Group's consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments do not have any impact on the Group's financial statements.

Amendments to IAS 28: Long-term Interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the Group's consolidated financial statements.

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 31 MARCH 2019 (UNAUDITED)**

(3) SEGMENT INFORMATION

Segment information for the basic sectors:

For management purposes, the Group is organized into two 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)
For the three months ended 31 March 2019 –				
Segment revenues	199	31	2	232
Distributed expenses	(188)	(22)	(34)	(244)
Loss before income tax for the period	11	9	(32)	(12)
Income tax expense				(4)
Loss for the period				(16)
For the three months ended 31 March 2018 –				
Segment revenues	92	27	18	137
Distributed expenses	(155)	(26)	(78)	(259)
Loss before income tax for the period	(63)	1	(60)	(122)
Income tax expense				(5)
Loss for the period				(127)

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019 (UNAUDITED)

	<u>Financial Investments</u> JD'000	<u>Investment properties</u> JD'000	<u>Others</u> JD'000	<u>Total</u> JD'000
31 March 2019 - (Unaudited)				
Assets and Liabilities				
Segment assets	21,901	9,246	565	<u>31,712</u>
Segment liabilities	1,291	80	286	<u>1,637</u>
Other segment information for the three months ended 31 March 2019 -				
Depreciation and amortization				<u>33</u>

	<u>Financial Investments</u> JD'000	<u>Investment properties</u> JD'000	<u>Others</u> JD'000	<u>Total</u> JD'000
31 December 2018 – (Audited)				
Segment assets	22,004	9,254	513	<u>31,771</u>
Segment liabilities	1,267	63	286	<u>1,616</u>
Other segment information for the three months ended 31 March 2018 -				
Depreciation and amortization				<u>60</u>

(4) INVESTMENT IN ASSOCIATE

This item represents the following:

	<u>Ownership percentage</u> %	<u>Country of incorporation</u>	<u>Nature of activity</u>	<u>31 March 2019</u> JD (Unaudited)	<u>31 December 2018</u> JD (Audited)
First Education Holding (FEH)	31.6	Bahrain	Education	<u>12,582,036</u>	<u>13,313,523</u>

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019 (UNAUDITED)

The following table illustrates the movement on the investment in associate:

	31 March 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year	13,313,523	12,489,814
Group share from associate profit	163,219	823,709
Dividends received from associate	(894,706)	-
Balance at the end of the period/ year	<u>12,582,036</u>	<u>13,313,523</u>

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

	31 March 2019	31 March 2018
	JD (Unaudited)	JD (Unaudited)
Change in fair value of financial assets through profit or loss	<u>30,179</u>	<u>(145,202)</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 1,440,000 as of 31 March 2019 (31 December 2018: JD 1,440,000) 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 150,000. As of 31 March 2019 (31 December 2018:JD 300,000)

(7) OFF-BALANCE SHEET ITEMS

The Group holds investments for others amounting to JD 720,160 as of 31 March 2019 (31 December 2018: JD 657,560).

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
 NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 31 MARCH 2019 (UNAUDITED)**

(8) INCOME TAX

Income tax provision -

Movement on income tax provision is as follows:

	<u>31 March 2019</u>	<u>31 December 2018</u>
	JD	JD
	(Unaudited)	(Audited)
Balance as at the beginning of the period/ year	40,251	35,834
Provision for income tax for the period/ year	3,966	39,920
Paid income tax	(12,873)	(75,503)
Subsidiaries income tax	-	40,000
Balance at the end of the period/ year	<u>31,344</u>	<u>40,251</u>

Jordan Investment Trust Company has reached a final settlement with the Income tax department until the end of the financial year of 2013, the Income tax department reviewed Jordan Investment Trust Company's accounting records for the years 2014 and 2015 and reached a decision as not to accept the accumulated losses for the year 2009. The case is still pending before court as no decision was reached till this date.

The tax department raised a claim against the Company for income tax by JD 52,125 and a legal compensation of JD 40,900 for the year 2014 and by JD 206,365 for the year 2015. The Company raised an objection in the court of law and a decision was reached by the first instance court to cancel the entire tax imposed after the deduction of the losses incurred in 2009. The income and sales tax department appealed the decision to the court and no further decisions were reached up to the date of preparing these financial statements.

Jordan Investment Trust Company submitted tax returns for the years 2016 and 2017. The Income and Sales Tax Department did not review the records up to the date of preparing these financial statements.

The Income Tax Department reviewed Imcan For Financial Services (Subsidiary) accounting records for the years 2007 and 2008 and imposed income tax differences, the company appealed this decision. On 12 February 2018 a final decision was reached to by the court as to cancel the tax imposed for 2007 and to impose a tax of JD 57,215 for 2008.

Imcan For Financial Services (subsidiary) submitted its tax returns for the years from 2015 to 2017, however the income tax department did not review the records up to the date of preparing these financial statements. A final settlement was reached with the income tax department up to the year 2014.

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2019 (UNAUDITED)

(9) LOANS

	Loan installments		31 March 2019	31 December 2018
	Short term	Long term		
	JD	JD	JD (Unaudited)	JD (Audited)
The Bank of Jordan (1)	33,000	51,097	84,097	92,347
The Bank of Jordan (2)	12,396	34,113	46,509	49,608
The Bank of Jordan (3)	108,000	432,000	540,000	540,000
			<u>670,608</u>	<u>681,955</u>

The Bank of Jordan Loan (1)

On 2 September 2010, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 1,650,000 with an annual interest rate of 8.5%. the loan is repayable after a grace period of 2 years in 60 equal monthly installment of JD 32,616 each, starting 19 September 2012, the loan is secured by the mortgage of the property owned by Al Tawon Real Estate Management Company by JD 900,000, During 2017 an amount of JD 460,099 was settled from the loan without any penalty for early settlement and it was rescheduled so first installment is due on 14 November 2017 and the final installment on 14 October 2018, in 2018 the loan was rescheduled and the monthly installment become JD 2,750 instead of JD 32,616 starting from 14 November 2018, in addition to an increase in the interest rate to 9%.

The Bank of Jordan Loan (2)

On 11 January 2017, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 74,400 with an annual interest rate of 8.75%. the loan is repayable in 60 equal monthly installment of JD 1,033 each, the first due on 31 December 2017 until the final settlement. The loan is used to finance the purchase of a car.

The Bank of Jordan Loan (3)

On 2 October 2018, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 540,000 with an annual interest rate of 9%. the loan is repayable in 60 equal monthly installment of JD 9,000 each, the first installment due on 21 April 2019 until the final settlement. The loan is secured by the mortgage of the property owned by AlTawon Real Estate Management Company by JD 900,000.

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(10) STATUTORY RESERVE

The Group's General Assembly approved in its extraordinary meeting on 25 April 2019 to write off the Group's accumulated losses amounting to JD 1,438,927 as of 31 December 2018 in the voluntary reserve by JD 154,602 and the statutory reserve by JD 1,284,325. The balance of accumulated losses and statutory reserve after the write off will become zero and the voluntary reserve will become JD 1,342,748. These resolutions are subject to the approval of the Companies Control Department.

The Group did not deduct statutory reserve according to the Companies law since these are interim financial statement.

(11) EQUITY

Paid in capital -

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

The details of the capital are as follows:

	<u>31 March 2019</u>	<u>31 December 2018</u>
	JD (Unaudited)	JD (Audited)
Subscribed and paid in capital	29,513,889	29,513,889
Treasury shares owned by the company	(292,609)	(292,609)
Treasury shares owned by subsidiaries	<u>(2,837,555)</u>	<u>(2,837,555)</u>
	<u>26,383,725</u>	<u>26,383,725</u>

The Group's General Assembly approved in its extraordinary meeting on 25 April 2019 the transfer of 2,053,806 treasury shares owned by the subsidiary (Trust and Dubai Investment) to Jordan Investment Trust Company at JD 1.382/share. This will result in a discount of JD 783,749 that will be accounted for in the share premium and accumulated losses, so that the balance of the share premium will be zero after the amortization of the share discount.

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The General Assembly approved the reduction of the Company's share capital by 2,243,811 shares so that the authorized, issued and paid up capital becomes 27,276,078 shares instead of 29,513,889 shares, through the write off of the 2,053,806 treasury shares of (Trust and Dubai Investments) which will be transferred to Jordan Investment Trust Company, and the 190,005 treasury shares owned by Jordan Investment Trust Company. These resolutions are subject to the approval of the Companies Control Department.

(12) RELATED PARTIES TRANSACTIONS

Related parties Transactions represent the transactions made with associated companies, major shareholders, directors, and key management personnel of the Group, and entities which have main controlling shareholders.

Pricing policies and terms of the transactions with related parties are approved by the Group's management.

Executive management's Compensations and remunerations

The remuneration of executive management was as follows:

	<u>31 March 2019</u>	<u>31 March 2018</u>
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and benefits	<u>58,275</u>	<u>62,804</u>

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

The consolidated financial statements include the financial statements of Jordan Investment Trust Company and the subsidiaries listed in the following table:

Company's name	Country of incorporation	Ownership percentage	Company's capital	
			31 March 2019	31 December 2018
			JD (Unaudited)	JD (Audited)
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	73	1,300,000	1,300,000
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
Knowledge Bases Financial Investments	Jordan	100	60,000	60,000
Al Rafah Financial Investments	Jordan	100	60,000	60,000
Trust and Sham Financial Investments	Jordan	100	81,000	81,000
Trust and Hospitality Financial Investments	Jordan	100	2,000,000	2,000,000
Al Sahel Financial Investments	Jordan	100	60,000	60,000
The Arabian Coffee	Jordan	100	60,000	60,000
Zohoor Al-Thiqa for Real Estate	Jordan	100	50,000	50,000
Al 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