

To: Jordan Securities Commission

Amman Stock Exchange

Date: 8/11/2020

Subject: Quarterly Report as of September 30, 2020

Attached the Quarterly Report of (Jordan Investment Trust) as of September 30, 2020 in English.

Regards

Jordan Investment Trust

Ahmad H. Tantash

CEO

Jordinvest

Jordan Investment Trust P.L.C
Amman Jordan

- To Securities depository center

السادة هيئة الأوراق المالية المحترمين

السادة بورصة عمان المحترمين

التاريخ: ٨/١١/٢٠٢٠

الموضوع: التقرير ربع السنوي كما هي في 2020/9/30

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة الثقة للاستثمارات الأردنية كما هي بتاريخ 2020/9/30 باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام،،،،

شركة الثقة للاستثمارات الأردنية

الرئيس التنفيذي

أحمد طنطش

جوردانفست

شركة الثقة للاستثمارات الأردنية م.ع.م
عمان-الأردن

- نسخة السادة مركز ايداع الأوراق المالية

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٨ شهر ٢٠٢٠
الرقم المتسلسل: ٤٠٩٢
رقم الملف: ٧١٠٢٩
الجهة المختصة: المركز الإداري

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS (UNAUDITED)

30 SEPTEMBER 2020

**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 30 September 2020 comprising of interim consolidated statement of financial position as of 30 September 2020 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 nine 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
27 October 2020



JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 SEPTEMBER 2020

	Notes	30 September 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<u>ASSETS</u>			
Cash on hand and at banks		3,195,199	8,107,991
Financial assets at fair value through profit or loss		1,739,790	1,909,808
Financial assets at fair value through other comprehensive income		4,166,618	4,463,019
Accounts receivable - net		78,591	78,604
Other debit balances		387,012	394,593
Investment in associate	4	10,471,454	10,576,250
Property and equipment		2,177,178	2,209,156
Investment properties		10,506,478	10,247,728
Total Assets		32,722,320	37,987,149
<u>LIABILITIES AND EQUITY</u>			
Liabilities -			
Loans	9	440,512	555,559
Brokerage customers payables		186,584	51,687
Other credit balances		872,487	1,042,749
Income tax provision	8	146	710,552
Total Liabilities		1,499,729	2,360,547
Equity -			
Shareholders' equity			
Paid in capital	10	27,270,078	27,270,078
Statutory reserve	10	1,342,748	1,342,748
Fair value reserve		(260,950)	16,859
Retained earnings		1,068,811	5,153,971
Shareholders' equity		29,420,687	33,783,656
Non-controlling interests		1,801,904	1,842,946
Net Equity		31,222,591	35,626,602
Total Liabilities and Equity		32,722,320	37,987,149

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

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020 (UNAUDITED)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2020	2019	2020	2019
		JD	JD	JD	JD
Revenues -					
Interest income		28,543	6,145	144,466	18,103
(Loss) profit from financial assets	5	39,793	(30,404)	(2,001)	204,154
Brokerage commissions		1,710	3,174	4,249	7,655
Share of (loss) profit from associate	4	(74,339)	6,117,426	(104,796)	6,690,819
Other income		32,659	32,284	80,252	98,366
Net revenues		28,366	6,128,625	122,170	7,019,097
Expenses -					
Interest and commission		(14,085)	(17,734)	(43,157)	(53,321)
Administrative expenses		(210,123)	(200,750)	(586,283)	(590,965)
Depreciation and amortization		(33,615)	(31,686)	(100,340)	(97,061)
Provision for impairment of investment properties		-	(81,794)	-	(141,794)
(Loss) profit before income tax		(229,457)	5,796,661	(607,610)	6,135,956
Income tax expense	8	-	(726,092)	-	(764,120)
(Loss) profit for the period		(229,457)	5,070,569	(607,610)	5,371,836
Attributable to:					
Shareholders of the company		(220,481)	5,077,723	(585,160)	5,390,111
Non-controlling interests		(8,976)	(7,154)	(22,450)	(18,275)
		(229,457)	5,070,569	(607,610)	5,371,836
		<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>
Basic and diluted earnings per share from (loss) profit for the period		(0/008)	0/186	(0/021)	0/198

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

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020 (UNAUDITED)

	For the three months ended 30 September		For the nine months ended 30 September	
	2020	2019	2020	2019
	JD	JD	JD	JD
(Loss) profit for the period	(229,457)	5,070,569	(607,610)	5,371,836
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	(184,479)	138,841	(296,401)	(7,403)
Total comprehensive income for the period	(413,936)	5,209,410	(904,011)	5,364,433
Attributable to:				
Shareholders of the company	(402,923)	5,215,543	(862,969)	5,377,794
Non-controlling interests	(11,013)	(6,133)	(41,042)	(13,361)
	(413,936)	5,209,410	(904,011)	5,364,433

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

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020 (UNAUDITED)**

	Attributable to equity shareholders of the company										
	Reserves										Non- controlling interest
	Paid in capital	Treasury Shares	Share premium	Statutory	Voluntary	Fair value reserve	Retained earnings*	Total	Total equity		
JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
For the nine months period ended 30 September 2020											
Balance as of 1 January 2020	27,270,078	-	-	1,342,748	-	16,859	5,153,971	33,783,656	1,842,946	35,626,602	
Dividends (note 10)	-	-	-	-	-	-	(3,500,000)	(3,500,000)	-	(3,500,000)	
Total comprehensive income for the period	-	-	-	-	-	(277,809)	(585,160)	(862,969)	(41,042)	(904,011)	
Balance as of 30 September 2020	27,270,078	-	-	1,342,748	-	(260,950)	1,068,811	29,420,687	1,801,904	31,222,591	
For the nine months period ended 30 September 2019 -											
Balance as of 1 January 2019	29,513,889	(3,130,164)	746,349	2,627,073	154,602	(252,131)	(1,438,927)	28,220,691	1,934,415	30,155,106	
Treasury shares write off (note 10)	(2,243,811)	3,130,164	(746,349)	-	-	-	(140,004)	-	-	-	
Accumulated losses write off (note 10)	-	-	-	(1,284,325)	(154,602)	-	1,438,927	-	-	-	
Total comprehensive income for the period	-	-	-	-	-	(12,317)	5,390,111	5,377,794	(13,361)	5,364,433	
Balance as of 30 September 2019	27,270,078	-	-	1,342,748	-	(264,448)	5,250,107	33,598,485	1,921,054	35,519,539	

* In accordance with the Jordan Securities Commission regulations there is a restricted amount of JD 260,950 as at 30 September 2020 from the retained earnings which represents the negative fair value reserve.

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

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020 (UNAUDITED)

	30 September 2020	30 September 2019
	JD	JD
<u>OPERATING ACTIVITIES</u>		
(Loss) profit before income tax	(607,610)	6,135,956
Adjustments -		
Depreciation and amortization	100,340	97,061
Change in fair value of financial assets at fair value through profit or loss	231,055	13,522
Share of loss (profit) from associate	104,796	(6,690,819)
Provision for impairment of investment properties	-	141,794
Interest Income	(144,466)	(18,103)
Changes in working capital		
Financial assets at fair value through profit or loss	(61,037)	(19,286)
Accounts receivable and other debit balances	7,594	(48,880)
Accounts payable and other credit balances	(211,291)	(36,027)
Income tax paid	(710,406)	(40,105)
Net cash flows used in operating activities	(1,291,025)	(464,887)
<u>INVESTING ACTIVITIES</u>		
Purchase of property and equipment	(17,188)	(5,613)
Purchase of investment properties	(309,924)	(36,700)
Interest Income	144,466	18,103
Dividends received from associate	-	894,706
Net cash flows (used in) from investing activities	(182,646)	870,496
<u>FINANCING ACTIVITIES</u>		
Loans repayments	(115,047)	(88,047)
Dividends paid	(3,324,074)	-
Net cash flows used in financing activities	(3,439,121)	(88,047)
Net (decrease) increase in cash and cash equivalents	(4,912,792)	317,562
Cash and cash equivalents at beginning of the period	8,107,991	285,876
Cash and cash equivalents at end of the period	3,195,199	603,438

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

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (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 1 JD each. The authorized and paid up capital was increased several times over the years to reach JD 27,270,078.

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

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

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

These financial statements were authorized for issuance by the Board of Directors on 26 October 2020.

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

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (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 Company 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. All intra-group assets and liabilities, equity, income, expenses, profits and losses relating to transactions between members of the Group are eliminated. the subsidiaries included in the interim condensed consolidated financial statements are listed in the following table:

Company's name	Country of incorporation	Ownership percentage	Company's capital	
			30	
			September 2020	31 December 2019
		%	JD (Unaudited)	JD (Audited)
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	77	1,359,897	1,359,897
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	50,000	50,000
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

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (UNAUDITED)**

(2) BASIS OF PREPARATION

The accompanying interim condensed consolidated financial statements as at 30 September 2020 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

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

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

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Group's annual financial statements as of 31 December 2019. In addition, the results for the nine months ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

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 2019 except for the adoption of new standards effective as of 1 January 2020 shown below:

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS (3) Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, the Group does not have to revisit such transactions that occurred in prior periods. Earlier application is permitted and must be disclosed.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group was not be affected by these amendments on the date of transition.

Interest Rate Benchmark Reform Amendments to IFRS (9) and IFRS (7)

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an "RFR").

The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB's project.

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
30 SEPTEMBER 2020 (UNAUDITED)

(3) SEGMENT INFORMATION

Main business segment information

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 is the segment information:

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
				(Unaudited)
For the nine months ended 30 September 2020 –				
Segment revenues	42	73	7	122
Distributed expenses	(508)	(76)	(146)	(730)
Loss before income tax	(466)	(3)	(139)	(608)
Income tax expense				-
Loss for the period				(608)
For the nine months ended 30 September 2019 -				
Segment revenues	6,921	88	10	7,019
Distributed expenses	(558)	(219)	(106)	(883)
Profit before income tax	6,363	(131)	(96)	6,136
Income tax expense				(764)
Profit for the period				5,372

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (UNAUDITED)

	<u>Financial Investments</u> JD'000	<u>Investment properties</u> JD'000	<u>Others</u> JD'000	<u>Total</u> JD'000
30 September 2020 – (Unaudited)				
Assets and Liabilities				
Segment assets	21,750	10,506	466	<u>32,722</u>
Segment liabilities	706	66	728	<u>1,500</u>
Other segment information for the nine months ended 30 September 2020 -				
Depreciation and Amortization				<u>100</u>
31 December 2019 - (Audited)				
Assets and Liabilities				
Segment assets	27,267	10,248	472	<u>37,987</u>
Segment liabilities	699	64	1,598	<u>2,361</u>
Other segment information for the nine months ended 30 September 2019 - (Unaudited)				
Depreciation and amortization				<u>97</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>30 September 2020</u> JD (Unaudited)	<u>31 December 2019</u> JD (Audited)
First Education Holding (FEH)	31.6	Bahrain	Education	<u>10,471,454</u>	<u>10,576,250</u>

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (UNAUDITED)

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

	30 September 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period / year	10,576,250	13,313,523
Share from associate's (Loss) profit	(104,796)	7,113,978
Dividends received from associate	-	(9,851,251)
Balance at the end of the period/ year	<u>10,471,454</u>	<u>10,576,250</u>

(5) (LOSS) PROFIT FROM FINANCIAL ASSETS

	For the nine months ended	
	30 September 2020	30 September 2019
	JD (Unaudited)	JD (Unaudited)
Realized losses	(365)	-
Dividends income	229,419	217,676
Change in fair value of financial assets through profit or loss	(231,055)	(13,522)
	<u>(2,001)</u>	<u>204,154</u>

(6) CONTINGENT LIABILITIES

As of the date of the interim condensed consolidated financial statements, the Group is contingently liable in respect of a bank guarantee amounting to JD 1,440,000 as of 30 September 2020 (31 December 2019: 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 letter of guarantee for the benefit of the Securities Depository Center amounted to JD 150,000 as of 30 September 2020 (31 December 2019: JD 150,000) with security deposits of JD 67,000.

(7) OFF-STATEMENT OF FINANCIAL POSITION ITEMS

The Group holds investments for others amounting to JD 680,639 as at 30 September 2020 (31 December 2019: JD 686,893).

JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (UNAUDITED)

(8) INCOME TAX

Movement on income tax provision is as follows:

	30 September 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Balance at the beginning of the period/ year	710,552	40,251
Income tax provision for the period/ year	-	710,406
Paid income tax	(710,406)	(40,105)
Balance at the end of the period/ year	146	710,552

The income tax provision for the period ended 30 September 2020 was calculated in accordance with the income tax law No. 38 of 2018.

Jordan Investment Trust Company submitted tax declarations for the years 2016, 2017, 2018 and 2019, however the income tax department did not review it to the date of preparing these financial statements. A final settlement was reached with the income tax department until the end of the financial year of 2015.

(9) LOANS

This item represents the following:

	Loan installments		30 September 2020	31 December 2019
	Short term	Long term		
	JD	JD	JD (Unaudited)	JD (Audited)
The Bank of Jordan (1)	33,000	1,597	34,597	59,347
The Bank of Jordan (2)	12,396	15,519	27,915	37,212
The Bank of Jordan (3)	108,000	270,000	378,000	459,000
			440,512	555,559

**JORDAN INVESTMENT TRUST COMPANY (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (UNAUDITED)**

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 at an annual interest rate of 8.5%. The loan is due after a grace period of 2 years over 60 monthly installments of JD 32,616 each, the first of which fell due on 19 September 2012 until the final settlement, the loan is secured by the mortgage of the property owned by Al Tawon Real Estate Management Company (Subsidiary) which is equal to JD 900,000. In 2018 the loan was rescheduled, and the monthly installment was now JD 2,750 instead of JD 32,616 starting from 14 November 2018 and holds an interest rate of 9.25%. During 2020 interest rate was decreased to 8.75%.

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 payable in 60 monthly installments of JD 1,033 each, starting on 31 January 2017. The loan was used to finance the purchase of a new vehicle. During 2020 interest rate was decreased to 8.50%.

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 payable after a grace period of 5 months in 60 monthly installments of JD 9,000 each, starting on 21 April 2019. The loan is secured by the mortgage of the property owned by AlTawon Real Estate Management Company (Subsidiary) by JD 900,000. During 2020 interest rate was decreased to 8.75%.

(10) STATUTORY RESERVE

Legal Reserves-

The Shareholders' 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 and statutory reserves by JD 154,602 and JD 1,284,325 respectively, so that the balance of accumulated losses and statutory reserve after the write off will become zero and JD 1,342,748 respectively. The legal procedures were completed for this transaction on 20 September 2019.

Share Capital Reduction-

The Shareholders' general assembly approved in its extraordinary meeting on 25 April 2019 to transfer 2,053,806 treasury shares with par value of JD 1 from Trust and Dubai Investment (subsidiary) to Jordan Investment Trust Company. This will result in a discount of JD 783,749 that will be accounted for in the shares premium and accumulated losses, so that the balance of the share premium will be zero. The legal procedures of transferring the shares from Trust and Dubai Investment Company to Jordan Investment Trust Company were completed on 10 July 2019.

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Also, the general assembly approved to reduce the Company's share capital by 2,243,811 shares so that the authorized, issued and paid up capital will be 27,270,078 shares instead of 29,513,889 shares through the write-off of the transferred treasury shares of Trust and Dubai Investments (subsidiary) to Jordan Investment Trust Company, and the 190,005 treasury shares owned by Jordan Investment Trust Company. The Legal procedures to reduce share capital were completed and approved by the Ministry of Industry and Trade on 3 September 2019, and by Securities Depository Center on 30 September 2019.

Dividends-

The shareholders' general assembly approved in its ordinary meeting held on 20 May 2020 the distribution of cash dividends at 12,835% of the capital amounting to JD 3,500,000.

(11) 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 controlled by shareholders. Pricing policies and terms of the transactions with related parties were approved by the Group's management.

Executive management's Compensations and remunerations

The remuneration of executive management was as follows:

	For the nine months ended	
	30 September 2020	30 September 2019
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and compensations	349,027	177,179

(12) THE SPREAD OF COVID-19 AND ITS IMPACT ON THE GROUP

As a result of the continuing impact of the Coronavirus (Covid-19) on the global economy and various business sectors, and the accompanying restrictions and measures imposed by the Jordanian government, neighboring countries and the rest of the world, it is possible that operational and investment activities will be affected by global developments that are currently affecting various economic and geographical sectors. The management is in the final process of evaluating the impact of the Coronavirus on the group's activities and financial performance to take appropriate measures to enable it to continue its activities, recover its assets, and pay its obligations under the circumstances.