



27th Oct 2019
062/EIH/2019

Securities Commission
Amman
Jordan

للمرسلين
في يومه عمان
كا/المدعى
المدعى
المدعى

Dear Sirs

Subject: The Interim Consolidated Financial Statements as at 30/09/2019

Pursuant to the provisions of Article (43 / A-3) of the Securities Law No 76 of 2002, we attach herewith the third quarter interim consolidated financial statements as at 30 September 2019 including the auditors' report of the Jordanian Expatriates Investment Holding Company.

Yours sincerely,

General Manager
Kifaya Naim Haj Ali

Copy to:
Amman Stock Exchange



Jordanian Expatriates Investment Holding Company

Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Unaudited)

30 September 2019

Jordanian Expatriates Investment Holding Company
Public Shareholding Company

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Report on Review of Condensed Interim Consolidated Financial Statements

**To The Board of Directors
Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Amman - Jordan**

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of **Jordanian Expatriates Investment Holding Company (PLC)**, comprising the interim consolidated statement of financial position as at 30 September 2019 and the related interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the nine months period then ended and the notes about condensed interim consolidated financial statements. Management is responsible for the preparation and presentation of this condensed interim consolidated financial statement in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements number (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim consolidated financial statement 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 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

21 October 2019
Amman - Jordan



**Arab Professionals
Amin Samara
License No. (481)**

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Interim Consolidated Statement of Financial Position as at 30 September 2019

(In Jordanian Dinar)

	Note	30 September 2019 (Unaudited)	31 December 2018 (Audited)
Assets			
Cash and cash equivalents		2,803,340	4,459,943
Financial assets at fair value through statement of profit or loss		6,242,987	7,181,892
Brokerage receivables		300,046	306,570
Margin financing receivables		769,886	832,128
Brokers receivable		32,026	117,393
Settlement guarantee fund		89,000	89,000
Other current assets		493,558	131,709
Financial assets at fair value through other comprehensive income		3,667,857	3,667,857
Financial assets at amortized cost		753,609	964,627
Investment property		2,846,481	2,846,481
Property and equipment		7,675	8,193
Brokerage license		1	1
Total assets		18,006,466	20,605,794
Liabilities and Equity			
Liabilities			
Brokerage payables		98,707	45,245
Amounts due to related parties		-	61,355
Other current liabilities		531,334	463,195
Total liabilities		630,041	569,795
Equity			
	3		
Paid in capital		14,512,500	16,125,000
Addition paid in capital		105,986	105,986
Statutory reserve		2,340,245	2,340,245
Voluntary reserve		11,448	11,448
(Accumulated losses) earnings		(114,482)	955,509
Total shareholders equity		16,855,697	19,538,188
Non-controlling interests		520,728	497,811
Total equity		17,376,425	20,035,999
Total liabilities and equity		18,006,466	20,605,794

“The accompanying notes from (1) to (7) are an integral part of these condensed interim consolidated financial statements and read with review report”

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Interim Consolidated Statement of Comprehensive Income
For the Nine Months Ended at 30 September 2019 (Unaudited)

(In Jordanian Dinar)

	For the three months ended		For the nine months ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
Gain (loss) from sale of financial assets at fair value through profit or loss	(7,028)	121,550	29,001	205,783
Changes in fair value of financial assets at fair value through profit or loss	(619,737)	(369,158)	(822,981)	(273,052)
Dividend income	-	264,557	615,721	695,139
Brokerage commissions	53,657	30,285	125,137	89,443
Interest income on margin financing accounts	16,901	17,742	52,249	51,291
Interest income from bank deposits	13,728	44,905	119,924	180,407
Interest income from financial assets at amortized cost	3,095	2,786	31,690	31,800
Gain (loss) from sale of financial assets at amortized cost	461	-	2,126	(1,150)
Unneeded provision for expected credit loss	23,403	90,015	23,403	795,527
Administrative expenses	(126,331)	(239,475)	(384,889)	(520,578)
Legal expenses	-	-	(54,574)	-
Depreciation	(335)	(270)	(1,147)	(884)
Net other revenues and expenses	22,078	80,631	57,421	75,276
(Loss) profit before income tax	(620,108)	43,568	(206,919)	1,329,002
Income tax for the period	(430)	(16,317)	(33,570)	(76,381)
National contribution tax	(335)	-	(335)	-
Total comprehensive (loss) income for the period	(620,873)	27,251	(240,824)	1,252,621
Attributable to:				
Shareholders of the company	(635,159)	19,938	(263,741)	975,277
Non-controlling interests	14,286	7,313	22,917	277,344
	(620,873)	27,251	(240,824)	1,252,621
Basic and diluted (loss) profit per share	(0.043)	0.001	(0.017)	0.060

“The accompanying notes from (1) to (7) are an integral part of these condensed interim consolidated financial statements and read with review report”

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Interim Consolidated Statement of Changes in Equity
For the Nine Months Ended at 30 September 2019 (Unaudited)

(In Jordanian Dinar)

	Paid-in capital	Additional paid in capital	Reserves		(Accumulated losses) Earnings	Total shareholders equity	Non-controlling interests	Total equity
			Statutory	Voluntary				
Balance at 1 January 2019	16,125,000	105,986	2,340,245	11,448	955,509	19,538,188	497,811	20,035,999
Cash dividends	-	-	-	-	(806,250)	(806,250)	-	(806,250)
Total comprehensive loss for the period	-	-	-	-	(263,741)	(263,741)	22,917	(240,824)
Capital decrease	(1,612,500)	-	-	-	-	(1,612,500)	-	(1,612,500)
Balance at 30 September 2019	14,512,500	105,986	2,340,245	11,448	(114,482)	16,855,697	520,728	17,376,425
Balance at 1 January 2018	16,125,000	105,986	2,263,788	11,448	1,940,980	20,447,202	1,213,733	21,660,935
Cash dividends	-	-	-	-	(1,612,500)	(1,612,500)	-	(1,612,500)
Total comprehensive income for the period	-	-	-	-	975,277	975,277	277,344	1,252,621
Purchase additional shares in a subsidiary	-	-	-	-	11,865	11,865	(556,412)	(544,547)
Non-controlling interests	-	-	-	-	-	-	250,000	250,000
Balance at 30 September 2018	16,125,000	105,986	2,263,788	11,448	1,315,622	19,821,844	1,184,665	21,006,509

“The accompanying notes from (1) to (7) are an integral part of these condensed interim consolidated financial statements and read with review report”

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Interim Consolidated Statement of Cash Flows
For the Nine Months Ended at 30 September 2019 (Unaudited)

(In Jordanian Dinar)

	30 September 2019	30 September 2018
Operating activities		
(Loss) profit for the period	(240,824)	1,252,621
Depreciation	1,147	884
Changes in fair value of financial assets at fair value through profit or loss	822,981	273,052
Unneeded provision for expected credit loss	(23,403)	(795,527)
(Gain) loss from sale of financial assets at amortized cost	(2,126)	1,150
Changes in working capital		
Financial assets at fair value through profit or loss	115,924	(128,325)
Brokerage receivables	83,389	626,989
Margin financing receivables	62,242	17,830
Brokers receivables	85,367	(53,729)
Amount due to related parties	(61,355)	(110,575)
Other current assets	(361,849)	218,346
Other current liabilities	68,139	(10,346)
Net cash flows from operating activities	549,632	1,292,370
Investing activities		
Financial assets at amortized cost	213,144	(40,095)
Property and equipment	(629)	(575)
Net cash flows from (used in) investing activities	212,515	(40,670)
Financing activities		
Capital decrease	(1,612,500)	-
Paid dividends	(806,250)	(1,612,500)
Purchase of additional shares in a subsidiary	-	(544,547)
Non-controlling interest	-	250,000
Net cash flows used in financing activities	(2,418,750)	(1,907,047)
Changes in cash and cash equivalents	(1,656,603)	(655,347)
Cash and cash equivalents at beginning of the year	4,459,943	5,871,551
Cash and cash equivalents at end of the period	2,803,340	5,216,204

“The accompanying notes from (1) to (7) are an integral part of these condensed interim consolidated financial statements and read with review report”

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
30 September 2019

(In Jordanian Dinar)

1 . General

Jordanian Expatriates Investment Holding Company was established on 2 July 1988 and registered in accordance with Jordanian Companies Law under No. (202) as Public Shareholding Company. The Company's head office is in the Hashemite Kingdom of Jordan. Company's main objectives are to invest in industrial, commercial, agricultural, tourism and other economic fields.

Company's shares are listed in Amman Stock Exchange.

The accompanying condensed interim consolidated financial statements have been approved for issue by the Company's Board of Directors on 21 October 2019.

2 . Summary of Significant Accounting Policies

Basis of Preparation

The condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the consolidated financial statements of the Company for the year ended 31 December 2018.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for investment securities, which have been measured at fair value.

The condensed interim consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the year.

Basis of Consolidation

The condensed interim consolidated financial statements comprise of the financial statements of the parent and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the interim consolidated statement of Comprehensive Income from the acquisition date which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are included in the interim consolidated statement of Comprehensive Income to the disposal date which is the date on which the Company loses control over the subsidiaries.

Non - controlling interest represent the subsidiary equity not owned by the parent shareholders.

Jordanian Expatriates Investment Holding Company PLC
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
30 September 2019

The following subsidiaries have been consolidated:

<u>Company</u>	<u>Paid in capital</u>	<u>Ownership</u>	<u>Activity</u>
Jordanian Expatriates for Financial Brokerage	2,250,000	75%	Brokerage services
Jordanian Expatriates for Real Estate and Development	1,600,000	100%	Real estate investment

Use of Estimates

The preparation of the condensed interim consolidated 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, expenses and the provisions. 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 changes in such provisions.

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

- Management reviews periodically the tangible and intangible assets in order to assess the depreciation and amortization for the year based on the useful life and future economic benefits. Any impairment is taken to the interim consolidated statement of Comprehensive Income.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

3 . Equity

Paid-in capital

The General Assembly has resolved in its extraordinary meeting held on 11 April 2019 to decrease the Company's capital from (16,125,000) JOD/ Share to (14,512,500) JOD/ Share by returning JOD (1,612,500) to shareholders.

Retained earnings

The General Assembly has resolved in its meeting held on 11 April 2019 to distribute 5% cash dividends to the shareholders.

4 . Income tax

- The Company has settled its tax liability with Income Tax Department up to the year ended 2016.
- The income tax returns for the years 2017 and 2018 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- The income tax provision for the nine months ended at 30 September 2019 was calculated in accordance with the Income Tax Law.

5 . Contingent liabilities

- The Company is contingently liable with respect to bank letters of guarantee for JOD (450,000).

Jordanian Expatriates Investment Holding Company PLC
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
30 September 2019

6 . Analysis of the Maturities of Assets and Liabilities

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement.

30 September 2019	Less than one year	More than one year	Total
Assets			
Cash and cash equivalents	2,803,340	-	2,803,340
Financial assets at fair value through profit or loss	6,242,987	-	6,242,987
Brokerage receivables	300,046	-	300,046
Margin financing receivable	769,886	-	769,886
Brokers receivables	32,026	-	32,026
Settlement guarantee fund	89,000	-	89,000
Other currents assets	493,558	-	493,558
Financial assets at fair value through other comprehensive income	-	3,667,857	3,667,857
Financial assets at amortized cost	-	753,609	753,609
Investment property	-	2,846,481	2,846,481
Property and equipment	-	7,675	7,675
Brokerage license	-	1	1
Total assets	10,730,843	7,275,623	18,006,466
Liabilities			
Brokerage payables	98,707	-	98,707
Other current liabilities	531,334	-	531,334
Total liabilities	630,041	-	630,041
31 December 2018	Less than one year	More than one year	Total
Assets			
Cash and cash equivalents	4,459,943	-	4,459,943
Financial assets at fair value through profit or loss	7,181,892	-	7,181,892
Brokerage receivables	306,570	-	306,570
Margin financing receivable	832,128	-	832,128
Brokers receivables	117,393	-	117,393
Settlement guarantee fund	89,000	-	89,000
Other currents assets	131,709	-	131,709
Financial assets at fair value through other comprehensive income	-	3,667,857	3,667,857
Financial assets at amortized cost	-	964,627	964,627
Investment property	-	2,846,481	2,846,481
Property and equipment	-	8,193	8,193
Brokerage license	-	1	1
Total assets	13,118,635	7,487,159	20,605,794
Liabilities			
Brokerage payables	45,245	-	45,245
Amount due to related parties	61,355	-	61,355
Other current liabilities	463,195	-	463,195
Total liabilities	569,795	-	569,795

7 . Fair Value

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

<u>30 September 2019</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss	6,242,987	-	-	6,242,987
Financial assets at fair value through other comprehensive income	-	-	3,667,857	3,667,857
	<u>6,242,987</u>	<u>-</u>	<u>3,667,857</u>	<u>9,910,844</u>
<u>31 December 2018</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets at fair value through profit or loss	7,181,892	-	-	7,181,892
Financial assets at fair value through other comprehensive income	-	-	3,667,857	3,667,857
	<u>7,181,892</u>	<u>-</u>	<u>3,667,857</u>	<u>10,849,749</u>

Financial assets included in level 3 are stated at cost less impairment charges, as the fair value of these assets cannot be measured reliably due to the lack of available active markets for identical assets.