

NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS

(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS

30 JUNE 2023

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed financial statements of Noor Capital Markets for Diversified Investments - Public Shareholding Company (the "Company") as of 30 June 2023, comprising of the interim condensed statement of financial position as at 30 June 2023, the interim condensed statement of comprehensive income, the interim condensed statement of changes in equity, the interim condensed statement of cash flows for the six months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard number (34) *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity". A review of Interim financial information consists of making inquiries, primarily of persons responsible for the 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 financial statements are not prepared, in all material respects, in accordance with IAS number (34).

Amman – Jordan
30 July 2023

ERNST & YOUNG
Amman - Jordan

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Notes	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
<u>ASSETS</u>			
Cash on hand and bank balances	4	289,788	414,897
Accounts receivable and other current assets		17,104	8,527
Amounts due from related parties	3	1,201,047	1,094,347
Property and equipment		-	1,981
Total Assets		1,507,939	1,519,752
<u>LIABILITIES AND EQUITY</u>			
Liabilities -			
Accounts payable		48,595	48,736
Other current liabilities		42,445	90,383
Due to shareholders		31,394	31,397
Total liabilities		122,434	170,516
Equity -			
Paid-in capital	1	1,000,000	1,000,000
Share capital discount	1	(205,391)	(205,391)
Share capital premium	1	50,000	50,000
Statutory reserve	7	180,133	180,133
Retained earnings		360,763	324,494
Total equity		1,385,505	1,349,236
Total Liabilities and Equity		1,507,939	1,519,752

The attached notes from 1 to 7 form part of these interim condensed financial statements

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2023	2022	2023	2022
		JD	JD	JD	JD
Consulting revenues	3	-	172,996	129,833	259,494
Interest income		773	965	1,754	2,684
General and administrative expenses		(35,037)	(61,155)	(70,023)	(96,656)
Marketing expenses		(4,022)	(7,288)	(15,989)	(16,005)
Provision for expected credit losses		-	(50,000)	-	(50,000)
Other income		-	2,320	336	2,320
(Loss) profit for the period before income tax		(38,286)	57,838	45,911	101,837
Income tax	6	-	(12,145)	(9,642)	(21,385)
(Loss) profit for the period		(38,286)	45,693	36,269	80,452
Add: other comprehensive income items		-	-	-	-
Total comprehensive income for the period		(38,286)	45,693	36,269	80,452
		JD/ Fils	JD/ Fils	JD/ Fils	JD/ Fils
Basic and diluted earnings per share from (loss) profit for the period	5	(0/038)	0/046	0/036	0/080

The attached notes from 1 to 7 form part of these interim condensed financial statements

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	Paid-in capital	Share capital discount	Share capital premium	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
For the six months ended 30 June 2023 -						
Balance as at 1 January 2023	1,000,000	(205,391)	50,000	180,133	324,494	1,349,236
Total comprehensive income for the period	-	-	-	-	36,269	36,269
Balance as at 30 June 2023	<u>1,000,000</u>	<u>(205,391)</u>	<u>50,000</u>	<u>180,133</u>	<u>360,763</u>	<u>1,385,505</u>
For the six months ended 30 June 2022 -						
Balance as at 1 January 2022	1,000,000	(205,391)	50,000	154,547	408,450	1,407,606
Total comprehensive income for the period	-	-	-	-	80,452	80,452
Cash dividends distribution (Note 1)	-	-	-	-	(250,000)	(250,000)
Balance as at 30 June 2022	<u>1,000,000</u>	<u>(205,391)</u>	<u>50,000</u>	<u>154,547</u>	<u>238,902</u>	<u>1,238,058</u>

The attached notes from 1 to 7 form part of these interim condensed financial statements

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2023 (UNAUDITED)**

	30 June 2023 JD	30 June 2022 JD
<u>OPERATING ACTIVITIES</u>		
Profit for the period before income tax	45,911	101,837
Adjustments		
Depreciation	86	336
Interest income	(1,754)	(2,684)
Provision for expected credit losses	-	50,000
Gain on sale of property and equipment	(336)	-
Working Capital Changes:		
Accounts receivable and other current assets	(8,577)	(9,073)
Amounts due from related parties	(106,700)	(233,168)
Accounts payable	(141)	2,074
Other current liabilities	6,638	3,862
Due to shareholders	(3)	-
Income tax paid	(64,218)	(74,434)
Net cash flows used in operating activities	(129,094)	(161,250)
<u>INVESTING ACTIVITIES</u>		
Proceeds from sale of property and equipment	2,231	-
Interest income	1,754	2,684
Net cash flows from investing activities	3,985	2,684
<u>FINANCING ACTIVITIES</u>		
Dividends distribution	-	(44,574)
Net cash flows used in financing activities	-	(44,574)
Net decrease in cash and cash equivalents	(125,109)	(203,140)
Cash and cash equivalents at the beginning of the period	414,897	714,018
Cash and cash equivalents at the end of the period	289,788	510,878

The attached notes from 1 to 7 form part of these interim condensed financial statements

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2023**

(1) GENERAL

Noor Capital Markets for Investments was established as a Public Shareholding Company on 14 December 2005 (previously the Middle East diversified Investments Company) under registration number 377 with an authorized, subscribed and paid-in capital of JD 550,000, divided into 550,000 shares with a par value of 1 JD per share. The capital of the company was increased and decreased during the previous years to reach JD 1,000,000 divided into 1,000,000 shares at a par value of JD 1 per share and a share capital discount of JD 205,391 and a share capital premium of JD 50,000.

The Company's General Assembly approved in its extraordinary meeting held on 30 June 2020 to increase the authorized capital from JD 1,000,000 to JD 10,000,000, by issuing 9,000,000 shares at a par value of 1 JD per share through public offering. The Company's General Assembly decided in its extraordinary meeting held on 29 March 2023 to revoke the decision to increase the Company's capital and approve the merger of Noor Capital Markets for Diversified Investments Company with Noor Al Mal Brokerage and Foreign Stock Exchange Company, where Noor Capital Markets for Investments Company will be the merging Company.

Subsequent to the date of the interim condensed financial statements, the Company's Board of Directors recommended in its meeting held on 22 July 2023 to the General Assembly to suspend the resolution of the merge of Noor Capital Markets for Diversified Investments with Noor Al Mal Brokerage and Foreign Stock Exchange Company and to distribute cash dividends to the shareholders of 20% from the Company's paid in capital for the year 2022 in the amount of JD 200,000 each by their contribution to the Company.

The Company's General Assembly approved in its ordinary meeting held on 29 March 2022 to distribute cash dividends to the shareholders of 25% from the Company's paid in capital for the year 2022 in the amount of JD 250,000 each by their contribution to the Company.

The Company is owned by NCM for Investments (Parent Company) by a percentage of 81.2%, and the interim condensed financial statements are consolidated with NCM for investments company (Parent Company).

The Board of Directors approved the interim condensed financial statements on 26 July 2023.

The principal activities of the Company are to invest in real estate and security holding and to manage the investment facilities.

(2) BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS AND CHANGES IN ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION OF THE INTERIM CONDENSED FINANCIAL STATEMENTS

The accompanying interim condensed financial statements for the six months ended 30 June 2023 have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

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

The interim condensed financial statements have been prepared under the historical cost basis.

The interim condensed 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 Company's annual financial statements as at 31 December 2022. In addition, the results for the six months ended 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2022 except for the adoption of new standards effective as at 1 January 2023 shown below:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Company.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments did not have a material impact on the Company's interim condensed financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments did not have a material impact on the Company's interim condensed financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments did not have a material impact on the Company's interim condensed financial statements.

(3) RELATED PARTIES BALANCES AND TRANSACTIONS

These represent transactions with related parties such as major shareholders, directors and key management personnel of the company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

Balances with related parties included in the interim condensed statement of financial position are as follows:

Amounts due from related parties:

	30 June 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
NCM for Investments company (Parent Company)	1,201,047	1,092,577
Naser Al Merri (Chairman)	-	1,770
	1,201,047	1,094,347

Transaction with related parties included in the interim condensed statement of comprehensive income are as follow:

	30 June 2023	30 June 2022
	JD	JD
	(Unaudited)	(Unaudited)
Consultancy fees*	129,833	259,494
Marketing expenses - NCM for Investments Company (Parent Company)	15,964	7,339
	30 June 2023	30 June 2022
	JD	JD
	(Unaudited)	(Unaudited)
Board of Directors and executive management benefits		
Remuneration for Board of Directors members	-	20,000

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2023**

- * The Company signed a consulting services agreement with NCM for investments (Parent Company) on 1 July 2017. In accordance with the agreement and its subsequent amendments, the Company is entitled to USD 61,000 (JD 43,249) per month for the services provided, The Company agreed with the Parent Company that the services performed for the months of April, May and June 2023 to be zero.

A major part of the rent of the offices occupied by the Company is paid by Noor Al Mal Brokerage and Foreign Stock Exchange Company (Sister Company) in addition to other administrative expenses such as electricity, cars and transportation.

(4) CASH ON HAND AND BANK BALANCES

	30 June 2023 JD (Unaudited)	31 December 2022 JD (Audited)
Cash on hand	4,324	1,785
Current accounts*	285,464	413,112
	<u>289,788</u>	<u>414,897</u>

- * Interest rate on the monthly balance of the current account at Arab Jordan Investment Bank was 1%.

(5) EARNINGS PER SHARE FROM THE PROFIT FOR THE PERIOD

	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Profit for the period (JD)	36,269	80,452
Weighted average number of shares (share)	<u>1,000,000</u>	<u>1,000,000</u>
	<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic and diluted earnings per share from the profit for the period	<u>0/036</u>	<u>0/080</u>

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2023**

(6) INCOME TAX

The Company calculated the income tax provision for the periods ended 30 June 2023 and 30 June 2022 in accordance with the income tax law No. (34) of 2014 and its amendments.

The Company's income tax rate according to the income tax law No. (34) of 2014 and its amendments is 20% plus 1% as a national contribution tax.

The Company reached a final settlement with the Income Tax Department up to the year 2020 by the Income and Sales Tax Department's sampling system. The Company submitted its income tax return to the Income and Sales Tax Department for the year 2022, the Income and Sales Tax Department did not review the records up to the date of these interim condensed financial statements.

The movement on the income tax provision was as follows:

	30 June 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
Balance as at the beginning of the period / year	64,460	74,665
Provision for the period / year	9,642	64,229
Paid during the period / year	(64,218)	(74,434)
Balance as at the end of the period / year	<u>9,884</u>	<u>64,460</u>

(7) LEGAL RESERVES

The Company did not transfer to legal reserves as required by the Jordanian Companies Law as those are interim condensed financial statements.