

Jordanian Expatriates Investment Holding Company

Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Unaudited)

30 September 2023

Jordanian Expatriates Investment Holding Company
Public Shareholding Company

	<u>Pages</u>
- Report on review of condensed interim consolidated financial statements	2
- Interim consolidated statement of financial position	3
- Interim consolidated statement of comprehensive income	4
- Interim consolidated statement of changes in equity	5
- Interim consolidated statement of cash flows	6
- Notes to the condensed interim consolidated financial statements	7 - 10



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 2023 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".

18 October 2023
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 2023
(In Jordanian Dinar)

	30 September 2023 (Unaudited)	31 December 2022 (Audited)
Assets		
Cash and cash equivalents	5,321,195	4,099,214
Financial assets at fair value through profit or loss	3,624,153	4,017,856
Brokerage receivables	48,769	45,336
Brokers receivables	22,891	-
Margin financing receivables	973,638	993,175
Settlement guarantee fund	89,000	89,000
Other current assets	157,574	145,577
Financial assets at fair value through other comprehensive income	3,933,732	3,933,732
Financial assets at amortized cost	1,228,674	1,343,216
Investment property	2,889,278	2,846,481
Property and equipment	19,856	23,482
Brokerage license	200,000	200,000
Total assets	18,508,760	17,737,069
Liabilities and Equity		
Liabilities		
Brokerage payables	255,029	221,010
Brokers payables	-	161,044
Amounts due to related parties	2,729	20,366
Other current liabilities	298,240	356,885
Total liabilities	555,998	759,305
Equity		
Paid in capital	14,512,500	14,512,500
Additional paid in capital	105,986	105,986
Statutory reserve	2,401,062	2,401,062
Voluntary reserve	11,448	11,448
Retained earnings (Accumulated losses)	273,359	(697,602)
Net shareholders equity	17,304,355	16,333,394
Non-controlling interests	648,407	644,370
Total equity	17,952,762	16,977,764
Total liabilities and equity	18,508,760	17,737,069

“The accompanying notes from (1) to (6) 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 2023 (Unaudited)

(In Jordanian Dinar)

	For the three months ended		For the nine months ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Dividend income	1,291,564	5,530	1,441,019	979,046
Profit (loss) from sale of financial assets at fair value through profit or loss	-	-	18,395	(25,343)
Changes in fair value of financial assets at fair value through profit or loss	(215,108)	(186,844)	(360,833)	(184,316)
Brokerage commissions	86,605	72,627	285,312	218,824
Interest income on margin financing accounts	9,254	11,311	19,654	28,437
Interest income from bank deposits	50,215	32,866	138,845	88,148
Interest income from financial assets at amortized cost	21,325	22,448	66,195	64,948
Loss from sale of financial assets at amortized cost	(26,120)	(159,506)	(26,120)	(215,329)
Administrative expenses	(97,296)	(117,167)	(330,090)	(339,202)
Marketing expenses	(25,728)	(15,300)	(81,698)	(50,281)
Unneeded (provision) for expected credit loss for financial assets at amortized cost	16,612	70,000	(48,388)	20,000
Unneeded (provision) for expected credit loss for brokerage receivables	-	(12,297)	(43,928)	84,439
Legal expenses	(2,349)	(2,961)	(2,349)	(97,457)
Depreciation	(2,191)	(2,160)	(6,444)	(6,483)
Net of other expenses and revenues	(24,486)	26,998	(38,790)	(37,639)
Profit (loss) for the period before income tax	1,082,297	(254,455)	1,030,780	527,792
Income tax (provision) surplus for the period	(5,769)	4,652	(36,956)	(11,760)
National contribution tax (provision) surplus for the period	(14,760)	8,903	(18,826)	(1,960)
Total comprehensive income (loss) for the period	1,061,768	(240,900)	974,998	514,072
Attributable to:				
Shareholders of the company	1,057,929	(238,731)	970,961	484,780
Non-controlling interests	3,839	(2,169)	4,037	29,292
	1,061,768	(240,900)	974,998	514,072
 Basic and diluted profit (loss) per share for the period	 0.073	 (0.016)	 0.067	 0.033

“The accompanying notes from (1) to (6) 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 2023 (Unaudited)

(In Jordanian Dinar)

	<u>Paid-in capital</u>	<u>Additional Paid in capital</u>	<u>Reserves</u>		<u>Retained earnings</u>	<u>Net shareholders equity</u>	<u>Non- controlling interests</u>	<u>Total equity</u>
			<u>Statutory</u>	<u>Voluntary</u>				
Balance at 1 January 2023	14,512,500	105,986	2,401,062	11,448	(697,602)	16,333,394	644,370	16,977,764
Total comprehensive income for the period	-	-	-	-	970,961	970,961	4,037	974,998
Balance at 30 September 2023	<u>14,512,500</u>	<u>105,986</u>	<u>2,401,062</u>	<u>11,448</u>	<u>273,359</u>	<u>17,304,355</u>	<u>648,407</u>	<u>17,952,762</u>
Balance at 1 January 2022	14,512,500	105,986	2,401,062	11,448	(430,822)	16,600,174	633,896	17,234,070
Total comprehensive income for the period	-	-	-	-	484,780	484,780	29,292	514,072
Balance at 30 September 2022	<u>14,512,500</u>	<u>105,986</u>	<u>2,401,062</u>	<u>11,448</u>	<u>53,958</u>	<u>17,084,954</u>	<u>663,188</u>	<u>17,748,142</u>

“The accompanying notes from (1) to (6) 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 2023(Unaudited)

(In Jordanian Dinar)

	30 September 2023	30 September 2022
Operating activities		
Profit for the period	1,030,780	514,072
Depreciation	6,444	6,483
Changes in fair value of financial assets at fair value through profit or loss	360,833	184,316
(Unneeded) provision for expected credit loss for brokerage receivables	43,928	(84,439)
Loss from sale of financial assets at amortized cost	26,120	215,329
(Unneeded) provision for expected credit loss for financial assets at amortized cost	48,388	(20,000)
Changes in working capital		
Financial assets at fair value through profit or loss	32,870	125,962
Brokerage receivables	30,586	352,518
Margin financing receivables	(24,391)	279,729
Brokers receivables	(183,935)	(190,421)
Amount due to related parties	(17,637)	(149,330)
Other current assets	(35,200)	(41,461)
Other current liabilities	(91,224)	(144,678)
Net cash flows from operating activities	<u>1,227,562</u>	<u>1,048,080</u>
Investing activities		
Financial assets at amortized cost	40,034	16,307
Property and equipment	(2,818)	(283)
Investment property	(42,797)	-
Net cash flows (used in) from investing activities	<u>(5,581)</u>	<u>16,024</u>
Changes in cash and cash equivalents	1,221,981	1,064,104
Cash and cash equivalents at beginning of the year	4,099,214	3,192,143
Cash and cash equivalents at end of the period	<u>5,321,195</u>	<u>4,256,247</u>

“The accompanying notes from (1) to (6) 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 2023
(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 - Jordan.

The accompanying condensed interim consolidated financial statements have been approved for issue by the Company's Board of Directors on 15 October 2023.

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 2022.

The condensed interim consolidated financial statements have been prepared on a historical cost basis except for financial assets, 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 2023

The following subsidiaries have been consolidated:

Company name	Paid in capital	Ownership	Activity
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 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 . Income tax

- The Company has settled its tax liability with Income Tax Department up to the year ended 2018.
- The income tax returns for the years 2019, 2020, 2021 and 2022 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 and National Contribution tax provision for the nine months ended 30 September 2023 was calculated in accordance with the Income Tax Law taking into consideration double taxation agreements.

4 . 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 2023

5 . 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 2023	Less than one year	More than one year	Total
Assets			
Cash and cash equivalents	5,321,195	-	5,321,195
Financial assets at fair value through profit or loss	3,624,153	-	3,624,153
Brokerage receivables	48,769	-	48,769
Margin financing receivables	973,638	-	973,638
Brokers receivables	22,891	-	22,891
Settlement guarantee fund	89,000	-	89,000
Other currents assets	157,574	-	157,574
Financial assets at fair value through other comprehensive income	-	3,933,732	3,933,732
Financial assets at amortized cost	-	1,228,674	1,228,674
Investment property	-	2,889,278	2,889,278
Property and equipment	-	19,856	19,856
Brokerage license	-	200,000	200,000
Total assets	10,237,220	8,271,540	18,508,760
Liabilities			
Brokerage payables	255,029	-	255,029
Amount due to related parties	2,729	-	2,729
Other current liabilities	298,240	-	298,240
Total liabilities	555,998	-	555,998
31 December 2022	Less than one year	More than one year	Total
Assets			
Cash and cash equivalents	4,099,214	-	4,099,214
Financial assets at fair value through profit or loss	4,017,856	-	4,017,856
Brokerage receivables	45,336	-	45,336
Margin financing receivables	993,175	-	993,175
Settlement guarantee fund	89,000	-	89,000
Other currents assets	145,577	-	145,577
Financial assets at fair value through other comprehensive income	-	3,933,732	3,933,732
Financial assets at amortized cost	-	1,343,216	1,343,216
Investment property	-	2,846,481	2,846,481
Property and equipment	-	23,482	23,482
Brokerage license	-	200,000	200,000
Total assets	9,390,158	8,346,911	17,737,069
Liabilities			
Brokerage payables	221,010	-	221,010
Brokers payables	161,044	-	161,044
Amount due to related parties	20,366	-	20,366
Other current liabilities	356,885	-	356,885
Total liabilities	759,305	-	759,305

6 . Fair Value of Financial instruments

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.

30 September 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	3,530,459	93,694	-	3,624,153
Financial assets at fair value through other comprehensive income	-	-	3,933,732	3,933,732
	3,530,459	93,694	3,933,732	7,557,885
31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	3,924,162	93,694	-	4,017,856
Financial assets at fair value through other comprehensive income	-	-	3,933,732	3,933,732
	3,924,162	93,694	3,933,732	7,951,588

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.