

Jordan International Investment Company
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan
Interim Condensed Consolidated Financial Statements
(Unaudited)
and Independent Auditor's Report
For the nine-months period ended September 30, 2023

Jordan International Investment Company
(Public Limited Shareholding Company)
Interim Condensed Consolidated Financial Statements (Unaudited)
And Independent Auditor's Report
For the nine-months period ended September 30, 2023

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Independent Auditor's Report

To, The Shareholders

Jordan International Investment Company

(Public Limited Shareholding Company)

Amman - the Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of **Jordan International Investment Company ("the Company")** as of September 30, 2023 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity, and cash flows for the nine months period then ended and a summary of significant accounting policies and other explanatory notes from 1 to 18.

The management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard ("IAS") 34, "Interim Financial Reporting" as endorsed in the Hashemite Kingdom of Jordan and the instructions of Central Bank of Jordan. 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 International Standard on Review Engagements (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Hashemite Kingdom of Jordan. A review of interim condensed consolidated financial statements 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 makes us believe that the accompanying interim condensed consolidated financial statements as of September 30, 2023 are not prepared, in all material respects, in accordance with International Accounting Standard (34) "Interim Financial Reporting" approved in the Hashemite Kingdom of Jordan.

Date: October 30, 2023

Hassan Othman and Partner Company
(Independent Member of Moore Global)




Hassan Amin Othman
(License No. 674)

Jordan International Investment Company
(Public Limited Shareholding Company)
Interim Condensed Consolidated Statement of Financial Position (Unaudited)
As of September 30, 2023
(Jordanian Dinars)

	Note	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<u>Assets</u>			
Non-current assets:			
Property plant and equipment, net		26,082	27,706
Investment properties, net	5	7,398,745	7,409,035
Financial assets at fair value through other comprehensive income	6	71,020	71,767
Deferred tax assets		115,862	104,020
Total non-current assets:		<u>7,611,709</u>	<u>7,612,528</u>
Current assets:			
Account receivables and other receivables, net	7	59,837	31,954
Financial assets at fair value through profit or loss	8	942,467	930,999
Duo from related party	9	3,575	3,575
Cash on hands and at banks	10	692,225	690,577
Total current assets		<u>1,675,865</u>	<u>1,657,105</u>
Total Assets		<u><u>9,287,574</u></u>	<u><u>9,269,633</u></u>
<u>Shareholders' Equity and liabilities</u>			
Shareholders' equity			
Paid in capital	11	10,000,000	10,000,000
Statutory reserve		48,676	48,676
Private reserve		2,225	
Change in fair value reserve		(15,608)	(15,608)
Accumulated losses		(764,045)	(779,652)
Total shareholders' equity		<u>9,271,248</u>	<u>9,255,641</u>
Liabilities:			
Current liabilities:			
Account payable and other payables	12	15,459	12,922
Income tax provision	13	867	1,070
Total current liabilities		<u>16,326</u>	<u>13,992</u>
Total shareholders' equity and liabilities		<u><u>9,287,574</u></u>	<u><u>9,269,633</u></u>

The accompanying notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements

Jordan International Investment Company

(Public Limited Shareholding Company)

Interim Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income (Unaudited)

For the Three and nine-months period ended September 30, 2023

(Jordanian Dinars)

	Note	For the three months period from June 1 to September 30		For the nine-months period from January 1 to September 30	
		2023	2022	2023	2022
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Rent revenue, net		2,725	1,500	6,325	4,500
General and administrative expenses		(36,376)	(32,982)	(89,344)	(135,469)
Loss from operation		(33,651)	(31,482)	(83,019)	(130,969)
(Losses)/gains of valuation of financial assets at fair value through statement of profit or loss		(19,041)	(66,890)	(56,389)	(61,713)
Dividends from financial assets at fair value through profit or loss		-	-	43,175	38,311
Gain from sale of financial assets at fair value through profit or loss		613	47,035	69,545	80,015
Interest income		6,484	6,090	23,269	19,193
Other (expenses)/ income		11,446	3,608	7,184	17,641
Net income before tax		(34,149)	(41,639)	3,765	(37,522)
Income tax	13	4,091	13,925	11,842	12,718
Net income		(30,058)	(27,714)	15,607	(24,804)
Earnings per share:					
Earnings per share for the period	14	(0.003)	(0.003)	0.002	(0.002)
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss statements:					
Change in financial assets valuation reserve through other comprehensive income		12,126	240	-	3,250
Total comprehensive income for the period		(17,932)	(27,474)	15,607	(21,554)

The accompanying notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements

Jordan International Investment Company
(Public Limited Shareholding Company)
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity (Unaudited)
For the nine-months period ended September 30, 2023
(Jordanian Dinars)

	Paid in Capital	Statutory Reserve	Private Reserve	Change in Value Reserve	Accumulated losses	Total
For the nine months period ended September 30, 2022						
Balance as of December 31, 2021 (audited)	10,000,000	48,676	2,225	(27,602)	(730,572)	9,292,727
Net income for the period	-	-	-	-	(24,804)	(24,804)
Change in reserve for evaluation of financial assets through other comprehensive income	-	-	-	3,250	-	3,250
Balance as of September 30, 2022 (unaudited)	10,000,000	48,676	2,225	(24,352)	(755,376)	9,271,173
For the nine months Period ended September 30, 2023						
Balance as of December 31, 2022 (audited)	10,000,000	48,676	2,225	(15,608)	(779,652)	9,255,641
Net income for the period	-	-	-	-	15,607	15,607
Change in reserve for evaluation of financial assets through other comprehensive income	-	-	-	-	-	-
Balance as of September 30, 2023 (unaudited)	10,000,000	48,676	2,225	(15,608)	(764,045)	9,271,248

The accompanying notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements

Jordan International Investment Company
(Public Limited Shareholding Company)
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)
For the nine-months period ended September 30, 2023
(Jordanian Dinars)

	For the nine-months period ended September, 30	
	2023	2022
	(Unaudited)	(Unaudited)
Cash Flows from Operating Activities		
Net income/ (loss) for the period before tax	3,765	(37,522)
Adjustments to reconcile net income for the period before income tax to net cash flows used in operating activities:		
Depreciation	11,914	12,597
Interest income	(23,269)	(19,193)
(Gain)/loss of valuation of financial assets at fair value through the profit or loss statement	56,389	61,713
Gain from selling financial assets at fair value through the statement of profit or loss	(69,545)	(80,015)
Dividends from financial assets at fair value through the profit or loss statement	(43,175)	(38,311)
	(63,921)	(100,731)
Changes in working capital items:		
Account receivables and other receivables	(5,644)	68
Account Payables and other payables	2,537	(2,398)
Income tax paid	(203)	(2,199)
Net cash flows used in operating activities	(67,231)	(105,260)
Cash Flows from Investing Activities		
Purchase of property plant and equipment	-	(2,400)
Interest income	23,269	19,193
Selling financial assets at fair value through other comprehensive income	747	798
Change in financial assets at fair value through Profit or loss	1,688	33,965
Dividends from financial assets at fair value through the profit or loss statement	43,175	38,311
Cash flow provided by investing activities	68,879	89,867
Cash Flows from Financing Activities		
Net change in related parties	-	(2,579)
Net cash flows used in financing activities	-	(2,579)
Net cash generated/ (used) during the period	1,648	(17,972)
Cash on hand and at banks at the beginning of the period	690,577	708,588
Cash on hand and at banks at the end of the period	692,225	690,616

The accompanying notes from 1 to 18 are an integral part of these interim condensed consolidated financial statements

Jordan International Investment Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the nine-months period ended September 30, 2023

1- Legal Status and Activities

Jordan International Investment Company (the "Company") is a public limited shareholding company that operates under Commercial Registration No. (42) Issued in Amman on July 13, 2006.

The main activity of the company is represented in the purchase of lands and the establishment of industrial projects, craft and residential cities, tourist hotels, residential buildings, import and export, and commercial agencies.

The company is wholly owned by Jordan International Insurance Company - a public shareholding limited company.

2- Basis of Preparation:

Statement of Commitment:

The interim condensed financial statements for the nine-month period ended September 30, 2023 have been prepared in accordance with International Accounting Standard No. (34) "Interim Financial Reporting".

The Interim condensed consolidated financial statements do not include all the information and explanations required in the annual financial statements. Therefore, they must be read in conjunction with the company's financial statements for the fiscal year ending on December 31, 2022. In addition, the results of operations for the period ending on September 30, 2023 do not necessarily represent an indication of Results of operations for the year ending on December 31, 2023.

Functional and presentation currency

These interim condensed consolidated financial statements have been presented in Jordanian Dinars, which is the Company's functional and presentation currency.

3- Significant Accounting Estimates and Assumptions:

The preparation of the interim condensed financial statements requires the use of judgments, estimates and assumptions that affect the values of revenues, expenses, assets, liabilities and the accompanying notes, in addition to disclosing potential liabilities. Uncertainty about these assumptions and estimates could lead to outcomes that require a material adjustment to the carrying amounts of the assets and liabilities affected in future periods.

The following are the key assumptions relating to the future and other key sources of uncertainty as at the statement of financial position date, which pose a high risk that may lead to material adjustments to the book values of assets and liabilities during the next financial year. The company relies its assumptions and estimates on standards available to it when preparing the financial statements, and these assumptions, estimates and future developments may change as a result of market changes and circumstances beyond the control of the company, and such changes in assumptions are clarified when they occur.

Going concern principle

The company's management made an assessment of the company's ability to continue its business, as the assessment showed that the company has the necessary resources to continue its business in the foreseeable future. In addition, the Company's management does not have a state of uncertainty which in turn could raise material doubts about the Company's ability to continue as a going concern. Accordingly, the interim condensed financial statements have been prepared on the going concern basis.

Jordan International Investment Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the nine-months period ended September 30, 2023

3- Significant Accounting Estimates and Assumptions (continued):

Determine the discount rate to calculate the present value

The discount rate represents the current market risk assessment for the company taking into account the term of the agreement and the individual risks of the related assets. The discount rate calculation is based on the circumstances surrounding the company.

4- Significant Accounting Policies:

All accounting policies used in preparing the interim condensed consolidated financial statements are the same as used in preparing the annual financial statements as of December 31, 2022.

Financial Instruments

Classification and Measurement

The classification of financial assets depends on the company's business model for managing its financial assets and the contractual terms of the cash flows. The company classifies its financial assets as follows:

- Financial assets measured at amortized cost.
- Financial assets measured at fair value through profit or loss.
- Financial assets measured at fair value through other comprehensive income.

Gains or losses of assets measured at fair value are recognized either through the statement of profit or loss or through the statement of other comprehensive income. Commercial loans and receivables that are held to collect contractual cash flows and are expected to result in cash flows that represent the payment of principal and commission only, are measured at amortized cost.

Initial Measurement

Financial assets are initially measured at their fair value, plus transaction costs, as in the case of financial assets not listed at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are recorded at fair value through profit or loss and other comprehensive income.

Financial assets that include embedded derivatives are considered in their entirety when determining whether their cash flows meet the requirements of being principal and interest only.

Subsequent Measurement

Debt Instruments

The Company establishes three rating classes for the subsequent measurement of its debt instruments.

• Amortized Cost

Financial assets acquired to collect contractual cash flows, and where those cash flows represent payments of principal and interest only, are measured at amortized cost. The profit or loss resulting from the investment in debt instruments, which are subsequently measured at amortized cost and do not form part of the risk hedging instrument, are recognized in the profit or loss statement, when the asset is derecognized or its value decreases. Return income from these financial assets is included in financing income using the effective periodic rate of return method.

4- Significant Accounting Policies (continued):

• Fair value through other comprehensive income

Financial assets acquired to collect contractual cash flows and sell financial assets, in which the asset's cash flows represent principal and commission payments only, are measured at fair value through other comprehensive income. Changes in the carrying amount are recognized through other comprehensive income, except for the recognition of impairment gains or losses, commission income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the statement of profit or loss, and is recognized in other gains / (losses). Commission income from these financial assets is included in financing income using the effective interest rate method. Foreign exchange gains and losses are shown in other income/expenses.

Financial instruments

• Fair Value through Statement of Profit or Loss

Financial assets that do not meet the criteria to be recognized subsequently at amortized cost or measured at FVTOCI are measured at FVTPL. Profits and losses resulting from investing in debt instruments, which are subsequently measured at fair value through the statement of profit or loss and do not form part of the risk hedging instrument, are recognized and shown net in the statement of profit or loss in the period in which they arise.

Property, Plant and Equipment

A. Evidence and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of an asset acquisition includes all costs directly attributable to the acquisition transaction. The cost of manufactured assets includes the cost of materials and direct labor, as well as all direct costs of bringing the assets ready for their intended use. The cost of dismantling, installing and transporting the assets and the cost of preparing the site in which they will be placed are also added to the borrowing costs allocated to the assets eligible for capitalization.

Purchased software that is integral to the functionality of the related hardware is also capitalized as part of that hardware. If a significant part of a component of an asset within property, plant and equipment has a useful life different from that asset, it is considered as a separate component of property, plant and equipment.

Any income or loss incurred on disposal of an item of property, plant and equipment is recognized in profit or loss and other comprehensive income. The cost of replacing any part of an item of property, plant and equipment and any subsequent expenditure is capitalized to its carrying amount when it increases future production benefits to the Company and its cost can be measured reliably. The carrying amount of the asset that was replaced is written off. The daily maintenance expenses of property, plant and equipment are recognized in the statement of profit or loss.

B. Subsequent Capital Expenditures

The cost of replacing part of an item of property, plant and equipment and any subsequent capital expenditure is recognized in the carrying amount of the item if:

It is probable that future economic benefits will flow to the company from that added portion, expense or expense. And that its cost can be measured reliably. The carrying amount of the asset that is replaced is written off.

Jordan International Investment Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the nine-months period ended September 30, 2023

4- Significant Accounting Policies (continued):

C. Depreciation

Depreciation is calculated on the basis of the cost of the assets minus the remaining value of the assets after the end of their useful life (salvage value) using the straight-line method over the useful life of the assets and by adopting the following percentages and number of years:

Furniture and decoration	10%	Buildings	2%
	15%	Equipment and tools	10% -5%

The residual values (residual value), remaining useful lives, and depreciation methods are reviewed on the date of issuance of the financial report and are amended, if necessary.

Real Estate Investments

Real estate investments represent investments in lands, buildings and apartments that are kept for rent or until their value increases, and do not include lands and buildings used for administrative purposes.

Real estate investments are stated at cost after deducting accumulated depreciation and provision for impairment, if any. Real estate investments (excluding land) are depreciated on a straight-line basis over their expected useful life at an annual rate of 2%.

Cash on Hand and at Banks

Cash on hand and cash at banks represent cash on hand and current account balances with banks.

Statutory Reserve

According to the company's Articles of Association and the requirements of the companies' system, the company must set aside 10% of the net profit before tax to a statutory reserve until this reserve equals 25% of the company's capital. This reserve is not available for distribution.

Voluntary Reserve

According to the decision of the company's board of directors, the company has to allocate 20% of the net profit before tax to an optional reserve. This reserve is available for distribution.

Revenue Recognition

The company recognizes revenue from contracts with customers based on a five-step model as defined by International Financial Reporting Standard No. (15) - Revenue from contracts with customers, which are as follows:

- o Step 1: defining the contract or contracts with clients.
- o Step 2: Determine the performance obligations (duties) in the contract.
- o Step 3: Determine the deal price according to the terms of the contract.
- o Step 4: Charge (distribute) the transaction price to the performance obligations in the contract.
- o Step 5: Recognition of revenue when the facility implements performance requirements.

According to IFRS 15, revenue is recognized by the entity upon performance of the obligation, that is, when control of the goods or services entrusted with the performance of a particular obligation is transferred to the customer.

General and Administrative Expenses

These are the expenses related to management, which are not related to the main activity function or the sales and marketing function. These costs are distributed between the cost of revenue, and administrative and general expenses, if necessary, in a regular manner.

Jordan International Investment Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the nine-months period ended September 30, 2023

4- Significant Accounting Policies (continued):

Income Tax Provision

The company takes a provision for income tax in accordance with Income Tax Law No. (34) Of 2014, and in accordance with International Accounting Standard No. (12), as this standard provides for the registration of deferred tax resulting from the difference between the accounting and tax value of assets and liabilities.

Due tax expenses are calculated on the basis of taxable profits, and taxable profits differ from the profits declared in the interim condensed financial statements (unaudited) because the declared profits include non-taxable revenues or non-deductible expenses in the current financial period but rather in subsequent years. Or Accumulated losses that are taxable or items that are not subject to or deductible for tax purposes.

Reserves

Provisions are recognized when obligations arise on the company, whether these obligations are legal or constructive, as a result of a past event, and it is probable that the company will need to settle these obligations and it is possible to make a reliable estimate of the amount of these obligations. The amount recognized as a provision is the best estimate of the current obligations that need to be settled at the end of the period covered by the financial statements, taking into account the risks and uncertainty that may surround these obligations.

Basis for Preparing Consolidated Financial Statements

The consolidated financial information includes the financial statements of the company and its subsidiaries that are subject to its control. Control is achieved when the company has the ability to control the financial and operational policies of the subsidiaries in order to obtain benefits from its activities. Transactions, balances, revenues and expenses between the company and its subsidiaries are excluded.

The results of subsidiaries' operations are consolidated in the consolidated statement of profit or loss from the date of their acquisition, which is the date on which the company's control over the subsidiaries is actually transferred. The company loses control over the subsidiaries.

Control is achieved when the company has:

- The ability to control the investee.
- It is exposed to, or has the right to, variable returns arising from its engagements with the investee.
- It has the ability to use its power to influence the returns of the investee.

The company reassesses whether it controls the investee companies or not, if facts and circumstances indicate that there are changes to one or more of the points that achieve control referred to above.

In the event that the Company's voting rights are less than the majority of the voting rights in any of the investee companies, then it has the ability to control when the voting rights are sufficient to give the Company the ability to direct the activities of the relevant subsidiary company unilaterally and the Company takes into account all facts and circumstances when assessing whether The Company has sufficient voting rights in the investee to give it the ability to control or not.

Among those facts and circumstances:

- The volume of voting rights owned by the company in relation to the volume and distribution of other voting rights.
- Potential voting rights held by the Company and any other voting rights holders or third parties.
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances indicating that the company has, or does not have, a current responsibility to direct the relevant activities at the time the required decisions are made, including how to vote in previous general assembly meetings.

Jordan International Investment Company
(Public Limited Shareholding Company)
Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the nine-months period ended September 30, 2023
(Jordanian Dinars)

4- Significant Accounting Policies (continued):

Basis for Preparing Consolidated Financial Statements (continued)

When the Company loses control of any of the subsidiaries, the Company:

- Derecognition of the subsidiary's assets (including goodwill) and its liabilities.
- Derecognition of the carrying amount of any non-controlling interest.
- Derecognition of the accumulated conversion difference recorded in the consolidated equity.
- Derecognition of the fair value of the consideration received.
- Derecognition of the fair value of any investment retained.
- Derecognition of any surplus or deficit in the consolidated statement of profit or loss.
- Reclassify the company's equity previously recognized in other comprehensive income to consolidated statement of profit or loss or retained earnings as appropriate.

The financial information of the subsidiaries is prepared for the same financial period of the company using the same accounting policies used in the company, and if the subsidiaries follow accounting policies different from those used in the company, then the necessary adjustments are made to the financial statements of the subsidiaries to match the accounting policies used in the company.

Non-controlling interests represent the part of the subsidiaries' equity that is not owned by the Company.

<u>Company name</u>	<u>industry</u>	<u>Ownership percentage</u>	<u>Share Capital</u>	<u>Year Founded</u>
Tilal Salem Real Estate Company	Real estate investments	%99.99	150,000	2008

The most important financial information of the subsidiary for the year ending on September 30, 2023 is as follows:

<u>Company Name</u>	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Total Revenue</u>	<u>Total Expenses</u>
Tilal Salem Real Estate Company	302,442	65,903	1,736	4,713

5- Investment Properties

	<u>September 30, 2023 (Unaudited)</u>	<u>December 31, 2022 (Audited)</u>
Land	6,933,490	6,933,490
Building	467,119	467,119
Apartment	120,697	120,697
Wadi Saqra office	88,433	88,433
Accumulated depreciation	(204,868)	(194,578)
Impairment of fair value of investments	(6,126)	(6,126)
	<u>7,398,745</u>	<u>7,409,035</u>

- The fair value of real estate investments was estimated by real estate experts at 8,424,254 dinars as of September 30, 2023 (8,424,254 dinars as of December 31, 2022).

Jordan International Investment Company
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Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the nine-months period ended September 30, 2023
(Jordanian Dinars)

6- Financial Assets at Fair Value through Other Comprehensive Income

	September 30, 2023 (Unaudited)	December 31, 2022
Shares listed on the Amman Stock Exchange	71,020	71,020
Shares listed and not Traded on Amman Stock Exchange *	-	747
	71,020	71,767

* These shares have been revalued according to the latest available published price, which represents fair value based on management estimates.

7- Account Receivables and Other Receivables

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Account Receivables	67,579	71,708
Withholding Income tax and a national contribution	19,485	17,785
Prepayments	4,213	2,388
Revenue received in advance	4,675	
Employees receivables	2,343	-
Accrued interest and dividends	-	770
Guarantee deposit	1,800	1,800
Recoverable deposits	30	30
other	224	224
Provision for expected credit losses	(62,751)	(62,751)
	37,598	31,954

The movement in the allowance for expected credit losses is as follows:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
The balance at the beginning of the period	62,751	62,751
	62,751	62,751

The company applies the simplified approach under IFRS No. (9) Whereby the company measures the allowance for credit losses for trade receivables at an amount equal to lifetime expected credit losses. The expected credit losses for trade receivables are estimated using a provisioning matrix based on the debtor's previous defaults and an analysis of its current financial position and its adjustment according to specific factors for the debtors and the general economic conditions of the industrial sector in which the debtors operate and an estimate of both the movement of current or expected conditions as at the date of preparing the consolidated financial statements.

The Company writes off any commercial receivable if there is information indicating that the debtor is in acute financial hardship from which there is no realistic prospect of recovery, for example when the debtor is placed in liquidation or is subject to bankruptcy proceedings.

Jordan International Investment Company
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Notes to the Interim Condensed Consolidated Financial Statements (Unaudited)
For the nine-months period ended September 30, 2023
(Jordanian Dinars)

8- Financial Assets at Fair Value through Profit or Loss

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Shares listed on Amman Stock Exchange	942,467	930,999
	<u>942,467</u>	<u>930,999</u>

9- Due from Related Party

Related Party	Nature of Relationship	Nature of Transaction	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
A- Due from Related Parties				
United Group for Management and Consulting	Company	Finance	3,575	3,575
			<u>3,575</u>	<u>3,575</u>

10- Cash on Hands and at Banks

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Cash on hands	482	-
Cash at banks	25,742	24,577
Bank deposits	666,000	666,000
	<u>692,224</u>	<u>690,577</u>

11- Paid in Capital

The authorized and fully paid-up capital of the company is 10,000,000 Jordanian dinars consisting of 10,000,000 shares of 1 Jordanian dinar each.

12- Account Payable and Other Payables

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
accounts payable	8,906	2,318
Unearned revenue	-	1,500
Deposits and accrued expenses	1,105	3,655
Legal Provision	5,449	5,449
	<u>15,460</u>	<u>12,922</u>

13- Income Tax Provision

A- Summary of the movement in the tax provision during the period:

	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
Balance at the beginning of the period	1,070	3,079
Provided during the period	-	362
Paid during the period	(203)	(2,371)
Balance at the end of the period	<u>867</u>	<u>1,070</u>

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13- Income Tax Provision (continued):

B- Tax Status:

Income tax returns for the parent and subsidiary companies were submitted and accepted by the Income and Sales Tax Department until 2021, with the exception of 2019, which was not reviewed by the department. An income tax declaration for the year 2022 was submitted to the Income and Sales Tax Department.

C- Deferred Tax Assets:

The company calculated deferred tax assets on losses of the net change in the fair value of financial assets through the income statement at a rate of 21%. In the opinion of the tax advisor, the company will be able to benefit from deferred tax assets in the future.

14- Earnings Per Share for the Net Income of the Period

Earnings Per share is calculated period by dividing the net income for the period by the weighted average number of shares during the period, the details of which are as follows:

	for the period of three months from June 1 to September 30 (unaudited)		for the nine months period from January 1 to September 30 (unaudited)	
	2023	2022	2023	2022
Net income for the period	(30,058)	(27,714)	15,607	(24,804)
Weighted average number of shares	10,000,000	10,000,000	10,000,000	10,000,000
Earnings Per share of net income for the period	<u>(0.003)</u>	<u>(0.003)</u>	<u>0.002</u>	<u>(0.002)</u>

15- Significant Accounting Estimates and Assumptions

Estimated useful lives of intangible assets and property, plant and equipment:

The cost of intangible assets and property, plant and equipment is depreciated on a systematic basis over their estimated useful lives. The management reviews the useful lives and depreciation method on an annual basis to ensure that it reflects the expected benefit to be obtained. The useful lives have been determined on the basis of the following factors:

- The expected use of the asset.
- Expected natural wear, which depends on operational and environmental factors.
- Legal and similar restrictions on the use of assets.

16- Financial Risk Management

Fair Value:

Is the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transactions. As the Company's financial instruments are compiled under the historical cost method, differences can arise between the book amounts and the fair value estimates. Management believes that fair values of the Company's financial assets and liabilities are not materially different from their carrying values.

Credit Risk:

Is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. There is no major risk on the Company regarding credit risk. The Company's bank accounts placed with reputed financial institutions. Trade receivables are stated at net of allowance for impairment estimated by the management based on prior experience and current economic environment.

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16- Financial Risk Management (continued)

Currency Risk:

Is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's transactions are predominantly in Jordanian Dinars, Euros, and United States Dollars.

Transaction conducted in Euros are not high in materiality. Furthermore, the Jordanian Dinar is connected with the United States Dollar therefore the currency risk is being well managed by the Company.

Liquidity Risk:

Is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Company's management monitors liquidity requirements on a regular basis and ensures that sufficient funds are available to meet any future commitments.

17- Comparative Figures

Certain prior period figures were reclassified to conform to the current period presentation.

18- Approval of the Interim Condensed Financial Statements

These interim condensed financial statements were approved by the Company's Management on October 30, 2023.