

Jordanian Expatriates Investment Holding Company
Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Unaudited)

30 June 2023

**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 June 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 six-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".

20 July 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 June 2023

(In Jordanian Dinar)

	30 June 2023 (Unaudited)	31 December 2022 (Audited)
Assets		
Cash and cash equivalents	4,192,518	4,099,214
Financial assets at fair value through profit or loss	3,841,038	4,017,856
Brokerage receivables	44,265	45,336
Margin financing receivables	1,080,900	993,175
Settlement guarantee fund	89,000	89,000
Other current assets	158,359	145,577
Financial assets at fair value through other comprehensive income	3,933,732	3,933,732
Financial assets at amortized cost	1,289,486	1,343,216
Investment property	2,889,278	2,846,481
Property and equipment	19,647	23,482
Brokerage license	200,000	200,000
Total assets	17,738,223	17,737,069
Liabilities and Equity		
Liabilities		
Brokerage payables	384,640	221,010
Brokers payables	143,664	161,044
Amounts due to related parties	121	20,366
Other current liabilities	318,804	356,885
Total liabilities	847,229	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
Accumulated losses	(784,570)	(697,602)
Net shareholders equity	16,246,426	16,333,394
Non-controlling interests	644,568	644,370
Total equity	16,890,994	16,977,764
Total liabilities and equity	17,738,223	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 Six Months Ended at 30 June 2023

(In Jordanian Dinar)

	For the three months ended		For the six months ended	
	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Dividends income	124,381	973,516	149,455	973,516
Gain (loss) from sale of financial assets at fair value through profit or loss	-	(22,211)	18,395	(25,343)
Changes in fair value of financial assets at fair value through profit or loss	230,770	118,291	(145,725)	2,528
Brokerage commissions	86,758	66,208	198,707	146,197
Interest income on margin financing accounts	6,344	10,863	10,400	17,126
Interest income from bank deposits	51,187	34,311	88,630	55,282
Interest income from financial assets at amortized cost	22,462	19,297	44,870	42,500
Loss from sale of financial assets at amortized cost	-	(35,344)	-	(57,877)
Administrative expenses	(128,254)	(119,142)	(232,794)	(222,035)
Marketing expenses	(25,605)	(18,169)	(55,970)	(34,981)
Provision for expected credit loss for financial assets at amortized cost	(40,000)	(50,000)	(65,000)	(50,000)
(Provision) unneeded provision for expected credit loss for brokerage receivables	(22,369)	-	(43,928)	96,736
Legal expenses	-	(94,496)	-	(94,496)
Depreciation	(2,129)	(2,161)	(4,253)	(4,323)
Other expenses and revenues, net	7,263	(53,392)	(14,304)	(62,583)
(Loss) profit for the period before income tax	310,808	827,571	(51,517)	782,247
Income tax for the period	(17,110)	(16,412)	(31,187)	(16,412)
National contribution tax for the period	(2,054)	(10,863)	(4,066)	(10,863)
Total comprehensive (loss) income for the period	291,644	800,296	(86,770)	754,972
Attributable to:				
Shareholders of the company	292,861	797,979	(86,968)	723,511
Non-controlling interests	(1,217)	2,317	198	31,461
	291,644	800,296	(86,770)	754,972
Basic and diluted (loss) earnings per share	0.020	0.055	(0.006)	0.050

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Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Interim Consolidated Statement of Changes in Equity For the Six Months Ended at 30 June 2023 (Unaudited)

(In Jordanian Dinar)

	Paid in capital	Additional paid in capital	Reserves		Accumulated (losses) earning	Total shareholder's equity	Non-controlling interests	Total equity
			Statutory	Voluntary				
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 loss for the period	-	-	-	-	(86,968)	(86,968)	198	(86,770)
Balance at 30 June 2023	<u>14,512,500</u>	<u>105,986</u>	<u>2,401,062</u>	<u>11,448</u>	<u>(784,570)</u>	<u>16,246,426</u>	<u>644,568</u>	<u>16,890,994</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	-	-	-	-	723,511	723,511	31,461	754,972
Balance at 30 June 2022	<u>14,512,500</u>	<u>105,986</u>	<u>2,401,062</u>	<u>11,448</u>	<u>292,689</u>	<u>17,323,685</u>	<u>665,357</u>	<u>17,989,042</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 Six Months Ended at 30 June 2023

(In Jordanian Dinar)

	30 June 2023 (Unaudited)	30 June 2022 (Unaudited)
Operating activities		
(Loss) profit before tax for the period	(51,517)	782,247
Depreciation	4,253	4,323
Changes in fair value of financial assets at fair value through profit or loss	145,725	(2,528)
Loss from sale of financial assets at amortized cost	-	57,877
Provision (unneeded) provision for expected credit loss for brokerage receivables	43,928	(96,736)
Provision for expected credit loss for financial assets at amortized cost	65,000	50,000
Amortization of bonds discount & premium	(5,149)	(2,054)
Changes in working capital		
Financial assets at fair value through profit or loss	31,093	154,438
Brokerage receivables	164,701	331,175
Margin financing receivables	(131,653)	105,918
Brokers receivables	(17,380)	(80,671)
Amounts due to related parties	(20,245)	(37,736)
Other current assets	(48,035)	(55,765)
Other current liabilities	(38,081)	(62,987)
Net cash flows from operating activities	<u>142,640</u>	<u>1,147,501</u>
Investing activities		
Property and equipment	(418)	-
Financial assets at amortized cost	(6,121)	(121,352)
Investment property	(42,797)	-
Net cash flows used in investing activities	<u>(49,336)</u>	<u>(121,352)</u>
Changes in cash and cash equivalents	93,304	1,026,149
Cash and cash equivalents, beginning of the year	<u>4,099,214</u>	<u>3,192,143</u>
Cash and cash equivalents, end of the period	<u>4,192,518</u>	<u>4,218,292</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 June 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.

The 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 16 July 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 consolidated 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 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 period.

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 subsidiaries 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 consolidated interim statement of profit or loss 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 consolidated in the consolidated statement of profit or loss 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.

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 LLC	2,250,000	75%	Brokerage services
Jordanian Expatriates for Real Estate and Development LLC	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 profit or loss.
- 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 six months ended 30 June 2023 was calculated in accordance with the Income Tax Law.

4 . Contingent liabilities

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

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 June 2023	Less than one year	More than one year	Total
Assets			
Cash and cash equivalents	4,192,518	-	4,192,518
Financial assets at fair value through profit or loss	3,841,038	-	3,841,038
Brokerage receivables	44,265	-	44,265
Margin financing receivables	1,080,900	-	1,080,900
Settlement guarantee fund	89,000	-	89,000
Other currents assets	158,359	-	158,359
Financial assets at fair value through other comprehensive income	-	3,933,732	3,933,732
Financial assets at amortized cost	-	1,289,486	1,289,486
Investment property	-	2,889,278	2,889,278
Property and equipment	-	19,647	19,647
Brokerage license	-	200,000	200,000
Total assets	9,406,080	8,332,143	17,738,223
Liabilities			
Brokerage payables	384,640	-	384,640
Brokers payables	143,664	-	143,664
Amount due to related parties	121	-	121
Other current liabilities	318,804	-	318,804
Total liabilities	847,229	-	847,229
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 June 2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	3,747,344	93,694	-	3,841,038
Financial assets at fair value through other comprehensive income	-	-	3,933,732	3,933,732
	3,747,344	93,694	3,933,732	7,774,770
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.