

Jordanian Expatriates Investment Holding Company

Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Unaudited)

30 September 2022

Jordanian Expatriates Investment Holding Company
Public Shareholding Company

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Report on Review of Condensed Interim Consolidated Financial Statements

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

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of **Jordanian Expatriates Investment Holding Company (PLC)**, comprising the interim consolidated statement of financial position as at 30 September 2022 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".

16 October 2022
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 2022

(In Jordanian Dinar)

	30 September 2022 (Unaudited)	31 December 2021 (Audited)
Assets		
Cash and cash equivalents	4,256,247	3,192,143
Financial assets at fair value through profit or loss	4,658,827	4,969,105
Brokerage receivables	29,765	114,981
Margin financing receivables	757,608	1,022,483
Brokers receivables	99,413	-
Settlement guarantee fund	89,000	89,000
Other current assets	146,989	105,528
Financial assets at fair value through other comprehensive income	3,933,732	3,933,732
Financial assets at amortized cost	1,338,795	1,550,431
Investment property	2,846,481	2,846,481
Property and equipment	25,632	31,832
Brokerage license	200,000	200,000
Total assets	18,382,489	18,055,716
Liabilities and Equity		
Liabilities		
Brokerage payables	266,425	109,432
Margin financing payables	40,724	-
Brokers payables	-	91,008
Amounts due to related parties	1,934	151,264
Other current liabilities	325,264	469,942
Total liabilities	634,347	821,646
Equity		
Authorized and 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 (losses)	53,958	(430,822)
Total shareholders' equity	17,084,954	16,600,174
Non-controlling interests	663,188	633,896
Total equity	17,748,142	17,234,070
Total liabilities and equity	18,382,489	18,055,716

"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 2022 (Unaudited)

(In Jordanian Dinar)

	For the three months ended		For the nine months ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Dividend income	5,530	-	979,046	670,600
Loss from sale of financial assets at fair value through profit or loss	-	(3,767)	(25,343)	(68,052)
Changes in fair value of financial assets at fair value through profit or loss	(186,844)	20,097	(184,316)	(32,448)
Brokerage commissions	72,627	59,667	218,824	269,712
Interest income on margin financing accounts	11,311	3,719	28,437	22,623
Interest income from bank deposits	32,866	20,675	88,148	57,314
Interest income from financial assets at amortized cost	22,448	26,581	64,948	62,016
(Loss) gain from sale of financial assets at amortized cost	(159,506)	6,926	(215,329)	63,666
Administrative expenses	(117,167)	(84,594)	(339,202)	(288,261)
Marketing expenses	(15,300)	-	(50,281)	(54,593)
Unneeded (provision) for expected credit loss for financial assets at amortized cost	70,000	-	20,000	(25,000)
Unneeded (provision) for expected credit loss for brokerage receivables	(12,297)	-	84,439	10,596
Legal expenses	(2,961)	-	(97,457)	(18,836)
Depreciation	(2,160)	(1,207)	(6,483)	(2,719)
Net of other expenses and revenues	26,998	(14,100)	(37,639)	(11,914)
Profit (loss) for the period before income tax	(254,455)	33,997	527,792	654,704
Prior years income tax	-	-	-	(12,323)
Income tax excess (expense) for the period	4,652	(3,350)	(11,760)	(18,653)
National contribution tax excess (expense) for the period	8,903	(335)	(1,960)	(7,773)
Total comprehensive income (loss) for the period	(240,900)	30,312	514,072	615,955
Attributable to:				
Shareholders of the company	(238,731)	23,794	484,780	583,287
Non-controlling interests	(2,169)	6,518	29,292	32,668
	(240,900)	30,312	514,072	615,955
 Basic and diluted profit (loss) per share for the period	 (0.016)	 0.002	 0.033	 0.040

“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 2022 (Unaudited)

(In Jordanian Dinar)

	<u>Paid-in capital</u>	<u>Additional Paid in capital</u>	<u>Reserves</u>		<u>Retained earnings (losses)</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 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>
Balance at 1 January 2021	14,512,500	105,986	2,348,558	11,448	(830,647)	16,147,845	597,428	16,745,273
Total comprehensive income for the period	-	-	-	-	583,287	583,287	32,668	615,955
Balance at 30 September 2021	<u>14,512,500</u>	<u>105,986</u>	<u>2,348,558</u>	<u>11,448</u>	<u>(247,360)</u>	<u>16,731,132</u>	<u>630,096</u>	<u>17,361,228</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 2022 (Unaudited)

(In Jordanian Dinar)

	30 September 2022	30 September 2021
Operating activities		
Income (loss) for the period	514,072	615,955
Depreciation	6,483	2,719
Changes in fair value of financial assets at fair value through profit or loss	184,316	32,448
Unneeded provision for expected credit loss for brokerage receivables	(84,439)	(10,596)
loss (gain) from sale of financial assets at amortized cost	215,329	(63,666)
Unneeded (provision) for expected credit loss for financial assets at amortized cost	(20,000)	25,000
Changes in working capital		
Financial assets at fair value through profit or loss	125,962	104,699
Brokerage receivables	352,518	(9,930)
Margin financing receivables	279,729	35,669
Brokers receivables	(190,421)	350,041
Amount due to related parties	(149,330)	(77,634)
Other current assets	(41,461)	(8,164)
Other current liabilities	(144,678)	(17,643)
Net cash flows from operating activities	<u>1,048,080</u>	<u>978,898</u>
Investing activities		
Financial assets at amortized cost	16,307	(71,103)
Property and equipment	(283)	(7,455)
Net cash flows from (used in) investing activities	<u>16,024</u>	<u>(78,558)</u>
Changes in cash and cash equivalents	1,064,104	900,340
Cash and cash equivalents at beginning of the year	<u>3,192,143</u>	<u>2,242,401</u>
Cash and cash equivalents at end of the period	<u><u>4,256,247</u></u>	<u><u>3,142,741</u></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 2022
(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 16 October 2022.

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 2021.

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

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

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

Basis of Consolidation

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

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

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

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

Jordanian Expatriates Investment Holding Company PLC
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
30 September 2022

The following subsidiaries have been consolidated:

Company	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.
- Management uses certified independent appraisers to evaluate the fair value of the properties.
- 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 and 2021 have been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The Income tax and National Contribution tax provision for the nine-months ended at 30 September 2022 were 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 September 2022	Less than one year	More than one year	Total
Assets			
Cash and cash equivalents	4,256,247	-	4,256,247
Financial assets at fair value through profit or loss	4,658,827	-	4,658,827
Brokerage receivables	29,765	-	29,765
Margin financing receivable	757,608	-	757,608
Brokers receivables	99,413	-	99,413
Settlement guarantee fund	89,000	-	89,000
Other currents assets	146,989	-	146,989
Financial assets at fair value through other comprehensive income	-	3,933,732	3,933,732
Financial assets at amortized cost	-	1,338,795	1,338,795
Investment property	-	2,846,481	2,846,481
Property and equipment	-	25,632	25,632
Brokerage license	-	200,000	200,000
Total assets	10,037,849	8,344,640	18,382,489
Liabilities			
Brokerage payables	266,425	-	266,425
Margin financing payables	40,724	-	40,724
Amount due to related parties	1,934	-	1,934
Other current liabilities	325,264	-	325,264
Total liabilities	634,347	-	634,347
31 December 2021	Less than one year	More than one year	Total
Assets			
Cash and cash equivalents	3,192,143	-	3,192,143
Financial assets at fair value through profit or loss	4,969,105	-	4,969,105
Brokerage receivables	114,981	-	114,981
Margin financing receivable	1,022,483	-	1,022,483
Settlement guarantee fund	89,000	-	89,000
Other currents assets	105,528	-	105,528
Financial assets at fair value through other comprehensive income	-	3,933,732	3,933,732
Financial assets at amortized cost	-	1,550,431	1,550,431
Investment property	-	2,846,481	2,846,481
Property and equipment	-	31,832	31,832
Brokerage license	-	200,000	200,000
Total assets	9,493,240	8,562,476	18,055,716
Liabilities			
Brokerage payables	109,432	-	109,432
Brokers payables	91,008	-	91,008
Amount due to related parties	151,264	-	151,264
Other current liabilities	469,942	-	469,942
Total liabilities	821,646	-	821,646

6 . Fair Value

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

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

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

30 September 2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	4,658,827	-	-	4,658,827
Financial assets at fair value through other comprehensive income	-	-	3,933,732	3,933,732
	<u>4,658,827</u>	<u>-</u>	<u>3,933,732</u>	<u>8,592,559</u>
31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss	4,969,105	-	-	4,969,105
Financial assets at fair value through other comprehensive income	-	-	3,933,732	3,933,732
	<u>4,969,105</u>	<u>-</u>	<u>3,933,732</u>	<u>8,902,837</u>

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