

Tuhama Investment Co .

Limited Public Shareholding

Amman- The Hashemite Kingdom of Jordan

Interim Condensed Consolidated Financial Statements

&Independent Auditor's Report As at September 30, 2023

Tuhama Investment Co .

Limited Public Shareholding

Amman- The Hashemite Kingdom of Jordan

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Review Report of the condensed interim consolidated financial statements

No: 60007/2023/498

**Tuhama Investment Co.
Limited Public Shareholding
Amman – Jordan**

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Tuhama Investment Co. PLC, comprising of interim consolidated statement of financial position as at 30 September 2023 and the related interim consolidated income Statement, interim consolidated statement of comprehensive income, interim consolidated statement of the changes in shareholders' equity, and interim consolidated statements of cash flows for the nine months period then ended and the notes about consolidated interim 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 consolidated 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 (2410) " review of interim consolidated 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 consequently does not enable us to obtain assurance that we would become a ware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of qualified conclusion

- The company did not disclose the fair value for the real estate investments as it is on the date of the financial statements.
- The company did not estimate and record the impairment of financial assets at fair value through the statement of other comprehensive income, related party receivables and other current assets.
- We did not receive confirmation letters for the receivables directly.

Qualified conclusion

Based on our review, except the effect of what was mention in basis of qualified conclusion paragraph nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statement as at 30 September 2023 are not prepared , in all material respects , in according with international accounting standard number (34) " interim consolidated financial reporting " .

The Company's financial year ends on December 31 of each year and the accompanying interim condensed consolidated financial statements are prepared for management purposes and the requirements of the Securities Commission .

**The Scientific Office for Auditing,
Accounting and Consulting
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**Scientific Office
for Auditing, Accounting
& Consulting
Public Accountants**

19 October 2023
Amman - Jordan

Zinat Al Saifi

(3/14)

Tuhama Investment Co.
Limited Public Shareholding
Amman- The Hashemite Kingdom of Jordan

The Interim condensed consolidated Statement of financial position as at 30 September 2023

	<u>Note</u>	<u>30-Sep-2023</u> <u>JD</u>	<u>31-Dec-2022</u> <u>JD</u>
<u>Assets</u>			
<u>Non-current assets</u>			
Real estate investment		3,101,945	3,101,945
Investment in associate	2	516,281	516,281
Financial assets at fair value through other comprehensive income		23,538	23,538
Net value of properties and equipment		3	3
Total Non-current assets		3,641,767	3,641,767
<u>Current Assets</u>			
Financial assets at fair value through income statement		170,843	153,972
Related parties account's		66,163	66,163
Other current assets		4,993	4,993
Total current assets		241,999	225,128
Total assets		3,883,766	3,866,895
<u>Liabilities and Shareholder's Equity</u>			
<u>Shareholder's Equity</u>			
Authorized paid capital		3,240,000	3,240,000
Compulsory reserve		71,903	71,903
Change in fair value reserve		(116,875)	(116,875)
Retained Losses		(195,806)	(212,677)
Net Shareholder's for Parent company		2,999,222	2,982,351
Non Controlling Shares		(342)	(342)
Net Shareholder's Equity		2,998,880	2,982,009
<u>Current liabilities</u>			
Related parties accounts		802,369	802,369
Other current liabilities		72,366	72,366
Accounts payable		10,151	10,151
Total current liabilities		884,886	884,886
Total liabilities and Shareholder's Equity		3,883,766	3,866,895

The accompanying notes constitute an integral part of this statement

Tuhama Investment Co.
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The Interim condensed consolidated income Statement for the period ended at 30 September 2023

	<u>For the nine months</u> <u>ended at 30 September</u>		<u>For the three months</u> <u>ended at 30 September</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Unrealized gains (losses) for financial assets at fair value	16,871	(17,777)	3,338	(5,291)
Profit (Losses) of the period before tax	16,871	(17,777)	3,338	(5,291)
Income tax	-	-	-	-
Profit (Losses) of the period after tax	16,871	(17,777)	3,338	(5,291)
	<u>JD / share</u>	<u>JD / share</u>	<u>JD / share</u>	<u>JD / share</u>
Profit (Losses) per share (Basic and Diluted)	0.005	(0.005)	0.001	(0.002)
Share weighted average	3,240,000	3,240,000	3,240,000	3,240,000

The accompanying notes constitute an integral part of this statement
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Tuhama Investment Co.

Limited Public Shareholding Co.

Amman – the Hashemite Kingdom of Jordan

The Interim condensed consolidated statement of the changes in shareholders' equity

for the period ended at 30 September 2023

Capital	Compulsory reserve	Change in fair value reserve	Uncontrolled share	Retained Losses	Net
ID	ID	ID	ID	ID	ID
Balance at 31/12/2022	3,240,000	71,903	(116,875)	(342)	(212,677)
Profit of the period	-	-	-	-	16,871
Balance at 30/09/2023	3,240,000	71,903	(116,875)	(342)	(195,806)
Balance at 31/12/2021	3,240,000	71,903	(116,875)	(342)	(166,921)
Loss of the period	-	-	-	-	(17,777)
Balance at 30/06/2022	3,240,000	71,903	(116,875)	(342)	(184,698)
					3,009,988

- The retained losses include unrealized profit of JD (16,871) for financial assets at fair value through income statement which is not distributable

The accompanying notes constitute an integral part of this statement

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Tuhama Investment Co.
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The Interim condensed consolidated statement of cash flows
for the period ended at 30 September 2023

	<u>30-Sep-2023</u>	<u>30-Sep-2022</u>
	<u>JD</u>	<u>JD</u>
<u>Cash flows from operational activities</u>		
Profit (Losses) of the period	16,871	(17,777)
Unrealized losses for financial assets at fair value through income statement	(16,871)	17,777
Net cash from operational activities	-	-
Cash flow from activities	-	-
cash at beginning	-	-
Cash at ending	-	-

The accompanying notes constitute an integral part of this statement
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Tuhama Investment CO.
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Accounting Policies

Basis of Preparing the Interim Financial Statements:

- The accompanying interim financial statements were prepared in accordance with the International Accounting Standard 34 (Interim Financial Reports).
- The interim financial statements were prepared according to the Historical Cost Principle except for the financial assets available for sale which are reflected at the fair value.
- The financial statements are presented in Jordanian Dinar; the functional currency of the Company, and the amounts are rounded to the nearest Dinar.
- The accounting policies for the current period are similar with the accounting policies of the previous period.
- The results of this interim do not necessarily represent the expected result for the whole financial year.

Basis of Consolidations of Financial Statements

- The interim consolidated financial statements include the financial statements of the parent company and the financial statements of 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, and transactions, balances, revenues and expenses between the parent company and the subsidiaries are excluded.
- The financial statements of the subsidiaries have been prepared as on the same date as the parent company's financial statements, using the same accounting policies used in the parent company. If the subsidiaries follow accounting policies different from those used in the parent company, the necessary adjustments are made to the financial statements of the subsidiaries to match the accounting policies used in the parent company.
- The business results of the subsidiaries have been consolidated in the interim condensed consolidated income statement from the date of acquisition, which is the date on which the parent company's control over the subsidiaries is actually transferred. The results of the subsidiaries that are disposed of are consolidated in the interim condensed consolidated statement of income until the date on which control over the subsidiaries is lost.

Use of Estimates

The preparation of the financial statements requires the company management to make estimates and assumptions that affect the reported amount of the assets and liabilities and disclose the potential obligations. These estimates are further affecting the revenues, expenses and allocations, and especially requires the company management to make estimates and assumptions to evaluate the amounts and time of future cash flow and surrounding conditions in the future, the mentioned estimates are based on different assumptions and factors, having different degrees of estimation and uncertainty and the actual results may differ from the estimates due to future changes in the conditions of such allocations.

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Accounting Policies

The following are the estimates that were used in the preparation of financial statements:

- The management reassesses the life expectancy of tangible and intangible assets periodically for the purpose of calculating annual depreciation and amortization, according to the overall situation of the assets and estimates of the estimated life expectancy in the future, and taking the impairment loss (if any) in the income statement.
- The Management makes regular reviews of the financial assets, which appear at cost to estimate any impairment in its value and taking this impairment in the statement of income for the year.
- The management estimates the value of the allocation of bad debts after taking into account the availability of collecting such debts.
- The company management estimates the value of the allocation of slow moving goods in accordance to the shelf life of the goods in inventory.

Sector information

The business sector represents a group of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other business sectors, which are measured according to the reports that were used by the CEO and the main decision maker of the company.

The geographical sector is related to providing products in a specific economic environment subject to risks and returns that differ from those related to business sectors in economic environments.

Set off

A net offset is made between financial assets and liabilities and the net amount is shown in the interim consolidated statement of financial position only when the binding legal rights are available, as well as when it is settled on the basis of offsetting, or the realization of the assets and the settlement of the liabilities at the same time.

Financial assets at fair value through income statement

- This Investments includes investing in company shares held for trading purposes and making profits from short-term market price fluctuations.
- These assets are recognized upon purchase at cost and are subsequently re-evaluated at fair value. The change in fair value appears in the income statement. If these assets or part of them are sold, the profits or losses resulting from the sale are recorded in the income statement.

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Accounting Policies

Financial assets at fair value through other comprehensive income

- Financial assets are recorded at fair value through the statement of other comprehensive income upon purchase at fair value plus acquisition expenses and are subsequently re-evaluated at fair value. The change in fair value appears in the statement of comprehensive income and within shareholders' equity, including the change in fair value resulting from differences in transferring asset items. Non-cash assets in foreign currencies. In the event that these assets, or part of them, are sold, the resulting profits or losses are recorded in the statement of comprehensive income and within shareholders' equity, and the balance of the valuation reserve for the sold assets is transferred directly to the retained profits and losses and not through the income statement.
- These assets are not subject to impairment loss testing, and distributed profits are recorded in the income statement

Cash on hand and at banks

This is represented in the cash in hand and at banks under the current accounts where the company does not ensure the risks of change in the value.

Revenue Recognition

The revenue in sales is to be recognized upon the provision of service and the issuance of a customer invoice. The revenue of interest is recognized on a time basis and reflects the actual revenue on assets.

Fair value

Closing prices in active markets represent the fair value of financial assets. In the absence of quoted prices or lack of active trading on certain financial assets, their fair value is estimated by comparing them to the fair value of a similar financial instrument or by calculating the present value of future cash flows. If the fair value of the financial asset cannot be measured reliably, it is presented at cost after deducting any impairment in value.

Real Estate Investments

Real estate investments are presented at cost less accumulated depreciation and amortized over the expected estimated useful life of 6% -10%. The operating income or expenses of these investments and any impairment in value are recorded in the income statement. The virtual life of real estate's investments properties is reviewed periodically to ensure that the method and proportion of depreciation are consistent with the expected future benefit.

Properties & Equipment

The Properties, equipment appear at cost after decreasing the accumulated depreciation and the depreciated assets (excluding land) when they are ready for use via direct installments over the expected life span .

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Accounting Policies

Non-current assets impairment loss

- At the date of each consolidated interim statement of financial position, the company reviews the carrying values of its assets in order to determine whether there is any indication that these assets have been subjected to impairment losses. If there is any indication of that, the recoverable value of a specific asset is estimated. The company estimates the value. The recoverable amount of the cash-generating unit to which the asset itself leads. When reasonable and consistent allocation bases can be identified, the joint assets are allocated to specific cash-generating units or are distributed to the smallest group of cash-generating units for which reasonable and consistent allocation bases can be identified.
- If the recoverable value of the asset (or cash-generating unit) is estimated to be less than the carrying value, the carrying value of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized directly in the income statement, unless the asset is revalued, in which case it is. The impairment losses are then recorded as a deduction from the revaluation provision

Income tax

Due tax expenses are calculated on the basis of taxable profits, and taxable profits differ from profits declared in the financial statements because declared profits include non-taxable revenues or expenses that are not deductible in the fiscal year but sometimes in subsequent years or taxable accumulated losses or items that are not subject to taxation or acceptable for tax purposes.

Foreign Currencies

The transactions made in foreign currency during the year are recognized in the applicable exchange rates in the date made of such transactions. The balance of the assets and liabilities in foreign currency are converted using the exchange rates in the date of the financial statements and being declared by the Central bank of Jordan. The profits and losses resulting from the exchange process are recognized in the statement of income.

Provisions

The Provisions are recognized when the company is under a (legal or expected) obligation resulting from a previous event and the payment of the obligations is probable. Its value may be measured reliably.

Tuhama Investment CO.
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Notes to the interim condensed Consolidated financial statements – September 2023

1- General

- Tuhama Investment "Public Limited Shareholding Company" P.L.C. was established on 11/02/2007 and registered at the registry of the public liability companies at the Companies Control Department under No. (429) on 12/07/2007 with a capital become (3,240,000) JD/share. (1JD/par value per share).
- The main objective of the company is to invest in shares, bonds and securities. And to own property, which is necessary for the company to carry out its business.
- The headquarters of the company is in Amman.
- The accompanied interim consolidated financial statements have been approved by the Board of Directors at its meeting on 19/10/2023.
- The interim consolidated financial statements for the period ended 30 September 2023 comprise the financial statements of the Company and the financial statements of the following subsidiaries:

<u>Subsidiary Company Name</u>	<u>Registration Place</u>	<u>Registration year</u>	<u>Ownership %</u>	<u>Activity</u>
Masaken for investment Limited liability	Hashemite Kingdom of Jordan	2007	%100	Investment in land and real estate whether by owning, selling, buying, renting or leasing.
Bawabet Al Istiqal for Real Estate Development Co Limited liability	Hashemite Kingdom of Jordan	2010	%100	Purchase and sale of land after development, organization, improvement, sorting and delivery of all services.
Bawabet Al Amal for Lands Development Co Limited liability	Hashemite Kingdom of Jordan	2010	%100	Purchase and sale of land after development, organization, improvement, sorting and delivery of all necessary services.
Al Lujain for Lands Development Co Limited liability	Hashemite Kingdom of Jordan	2009	%70	Purchase and sale of land, after the development of land, organization and improvement and entry into investment contracts and fuel participation.
AlMai General Trading Co Limited liability	Hashemite Kingdom of Jordan	2013	%100	General trade, import and export, bid entry, buying and owning shares, bonds and securities, building housing projects and owning companies and projects.

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The Interim condensed consolidated Statement of financial position as at 30 September 2023

2- Investment in associated :

- This Item constitutes the Company's investments in other companies by no less than 20% and no more than 50% of the total voting rights of these companies.

<u>Description</u>	<u>Ownership percentage</u>	<u>30-Sep-23 JD</u>
Jordanian Saudi Emirates Financial Investments	25%	516,281
Total		516,281

- The following table summarizes the movements over the investments of the Company in associates:-

<u>Company</u>	<u>Beginning Balance JD</u>	<u>Share of Operation Result JD</u>	<u>Ending Balance JD</u>
Jordanian Saudi Emirates Financial Investments	516,280	-	516,280
Total	516,280	-	516,280

- The table below summarizes some information related to associates:

<u>Company</u>	<u>Capital</u>	<u>Ownership JD-Share</u>	<u>Company's Objectives</u>	<u>Date of Establishment</u>
Jordanian Saudi Emirates Financial Investments	3,000,000	750,000	Financial brokerage	11/12/2006

- On 06/08/2021, the General Assembly of Tuhama Investments Company decided, in its extraordinary meeting, to approve the purchase of Dar Al-Aman Islamic Finance's share in the Jordanian Saudi-Emirati Financial Brokerage Compan (750,000 shares) out of (3 million shares) in exchange for the give up of the Bawabet Al Amal for lands development Co. The lands of plot No. 215, Basin 1, Panel No. 12, Hesban village of Naour lands, with an area of 9755 square metres. It is a wholly owned company to the Tuhama Investments Company, and the purchase share is registered in the Jordanian Saudi Emirati Company for Financial Investments in the name of Al Mai General Trading Company, which is wholly owned by Tuhama for Investments. All legal procedures for the purchase of shares and the give up of land were completed on 16/05/2022.

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Notes to the interim condensed Consolidated financial statements – September 2023

3- Financial Instruments:

a- Fair value

The company practices its activities using a number of financial instruments. The book value of these instruments is similar to its fair value as per the Accounting Standard no (32).

b- Risks of Fluctuations in Price:

1- Currency Risks:

The majority of company transactions are in JD or US Dollars. The USD to JOD exchange rate is fixed at 0.71 JOD.

2- Interest Rate Risk:

Most of the financial instruments appearing in the balance sheet are not subject to any interest rate risk, with the exception of banking facilities, loans and current accounts.

3- Indebtedness rate

The company manages its capital to ensure that the company remains continuous while obtaining the highest return through the optimal limit of debt balances and equity. The company's overall strategy has not changed since 2015.

The company's capital structure includes the company's equity, which consists of capital, reserves, fair value reserves and retained earnings as included in the interim consolidated statement of changes in equity.

C- Risk of Credit and Liquidity:

The company deals with banking institutions of good liquidity and those that have a good standing reputation. It also keeps cash balances represented in the accounts receivables at fair value.