



27th Oct 2019
062/EIH/2019

Securities Commission
Amman
Jordan

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Dear Sirs

Subject: The Interim Consolidated Financial Statements as at 30/09/2019

Pursuant to the provisions of Article (43 / A-3) of the Securities Law No 76 of 2002, we attach herewith the third quarter interim consolidated financial statements as at 30 September 2019 including the auditors' report of the Jordanian Expatriates Investment Holding Company.

Yours sincerely,

**General Manager
Kifaya Naim Haj Ali**



Copy to:
Amman Stock Exchange

Jordanian Expatriates Investment Holding Company

Public Shareholding Company

Condensed Interim Consolidated Financial Statements (Unaudited)

30 September 2019

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 2019 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".

21 October 2019
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 2019

(In Jordanian Dinar)

| | Note | 30 September 2019 (Unaudited) | 31 December 2018 (Audited) |
|--|------|-------------------------------------|----------------------------------|
| Assets | | | |
| Cash and cash equivalents | | 2,803,340 | 4,459,943 |
| Financial assets at fair value through statement of profit or loss | | 6,242,987 | 7,181,892 |
| Brokerage receivables | | 300,046 | 306,570 |
| Margin financing receivables | | 769,886 | 832,128 |
| Brokers receivable | | 32,026 | 117,393 |
| Settlement guarantee fund | | 89,000 | 89,000 |
| Other current assets | | 493,558 | 131,709 |
| Financial assets at fair value through other comprehensive income | | 3,667,857 | 3,667,857 |
| Financial assets at amortized cost | | 753,609 | 964,627 |
| Investment property | | 2,846,481 | 2,846,481 |
| Property and equipment | | 7,675 | 8,193 |
| Brokerage license | | 1 | 1 |
| Total assets | | 18,006,466 | 20,605,794 |
| Liabilities and Equity | | | |
| Liabilities | | | |
| Brokerage payables | | 98,707 | 45,245 |
| Amounts due to related parties | | - | 61,355 |
| Other current liabilities | | 531,334 | 463,195 |
| Total liabilities | | 630,041 | 569,795 |
| Equity | 3 | | |
| Paid in capital | | 14,512,500 | 16,125,000 |
| Addition paid in capital | | 105,986 | 105,986 |
| Statutory reserve | | 2,340,245 | 2,340,245 |
| Voluntary reserve | | 11,448 | 11,448 |
| (Accumulated losses) earnings | | (114,482) | 955,509 |
| Total shareholders equity | | 16,855,697 | 19,538,188 |
| Non-controlling interests | | 520,728 | 497,811 |
| Total equity | | 17,376,425 | 20,035,999 |
| Total liabilities and equity | | 18,006,466 | 20,605,794 |

“The accompanying notes from (1) to (7) 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 2019 (Unaudited)
(In Jordanian Dinar)

| | For the three months ended | | For the nine months ended | |
|--|----------------------------|----------------------|---------------------------|----------------------|
| | 30 September 2019 | 30 September 2018 | 30 September 2019 | 30 September 2018 |
| Gain (loss) from sale of financial assets at fair value through profit or loss | (7,028) | 121,550 | 29,001 | 205,783 |
| Changes in fair value of financial assets at fair value through profit or loss | (619,737) | (369,158) | (822,981) | (273,052) |
| Dividend income | - | 264,557 | 615,721 | 695,139 |
| Brokerage commissions | 53,657 | 30,285 | 125,137 | 89,443 |
| Interest income on margin financing accounts | 16,901 | 17,742 | 52,249 | 51,291 |
| Interest income from bank deposits | 13,728 | 44,905 | 119,924 | 180,407 |
| Interest income from financial assets at amortized cost | 3,095 | 2,786 | 31,690 | 31,800 |
| Gain (loss) from sale of financial assets at amortized cost | 461 | - | 2,126 | (1,150) |
| Unneeded provision for expected credit loss | 23,403 | 90,015 | 23,403 | 795,527 |
| Administrative expenses | (126,331) | (239,475) | (384,889) | (520,578) |
| Legal expenses | - | - | (54,574) | - |
| Depreciation | (335) | (270) | (1,147) | (884) |
| Net other revenues and expenses | 22,078 | 80,631 | 57,421 | 75,276 |
| (Loss) profit before income tax | (620,108) | 43,568 | (206,919) | 1,329,002 |
| Income tax for the period | (430) | (16,317) | (33,570) | (76,381) |
| National contribution tax | (335) | - | (335) | - |
| Total comprehensive (loss) income for the period | (620,873) | 27,251 | (240,824) | 1,252,621 |
| Attributable to: | | | | |
| Shareholders of the company | (635,159) | 19,938 | (263,741) | 975,277 |
| Non-controlling interests | 14,286 | 7,313 | 22,917 | 277,344 |
| | (620,873) | 27,251 | (240,824) | 1,252,621 |
| Basic and diluted (loss) profit per share | (0.043) | 0.001 | (0.017) | 0.060 |

“The accompanying notes from (1) to (7) 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 2019 (Unaudited)

(In Jordanian Dinar)

| | Paid-in capital | Additional paid in capital | Reserves | | (Accumulated losses) Earnings | Total shareholders equity | Non- controlling interests | Total equity |
|--|--------------------|----------------------------------|------------------|---------------|-------------------------------------|---------------------------------|----------------------------------|-------------------|
| | | | Statutory | Voluntary | | | | |
| Balance at 1 January 2019 | 16,125,000 | 105,986 | 2,340,245 | 11,448 | 955,509 | 19,538,188 | 497,811 | 20,035,999 |
| Cash dividends | - | - | - | - | (806,250) | (806,250) | - | (806,250) |
| Total comprehensive loss for the period | - | - | - | - | (263,741) | (263,741) | 22,917 | (240,824) |
| Capital decrease | (1,612,500) | - | - | - | - | (1,612,500) | - | (1,612,500) |
| Balance at 30 September 2019 | 14,512,500 | 105,986 | 2,340,245 | 11,448 | (114,482) | 16,855,697 | 520,728 | 17,376,425 |
| Balance at 1 January 2018 | 16,125,000 | 105,986 | 2,263,788 | 11,448 | 1,940,980 | 20,447,202 | 1,213,733 | 21,660,935 |
| Cash dividends | - | - | - | - | (1,612,500) | (1,612,500) | - | (1,612,500) |
| Total comprehensive income for the period | - | - | - | - | 975,277 | 975,277 | 277,344 | 1,252,621 |
| Purchase additional shares in a subsidiary | - | - | - | - | 11,865 | 11,865 | (556,412) | (544,547) |
| Non-controlling interests | - | - | - | - | - | - | 250,000 | 250,000 |
| Balance at 30 September 2018 | 16,125,000 | 105,986 | 2,263,788 | 11,448 | 1,315,622 | 19,821,844 | 1,184,665 | 21,006,509 |

“The accompanying notes from (1) to (7) 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 2019 (Unaudited)

(In Jordanian Dinar)

| | 30 September 2019 | 30 September 2018 |
|--|----------------------|----------------------|
| Operating activities | | |
| (Loss) profit for the period | (240,824) | 1,252,621 |
| Depreciation | 1,147 | 884 |
| Changes in fair value of financial assets at fair value through profit or loss | 822,981 | 273,052 |
| Unneeded provision for expected credit loss | (23,403) | (795,527) |
| (Gain) loss from sale of financial assets at amortized cost | (2,126) | 1,150 |
| Changes in working capital | | |
| Financial assets at fair value through profit or loss | 115,924 | (128,325) |
| Brokerage receivables | 83,389 | 626,989 |
| Margin financing receivables | 62,242 | 17,830 |
| Brokers receivables | 85,367 | (53,729) |
| Amount due to related parties | (61,355) | (110,575) |
| Other current assets | (361,849) | 218,346 |
| Other current liabilities | 68,139 | (10,346) |
| Net cash flows from operating activities | <u>549,632</u> | <u>1,292,370</u> |
| Investing activities | | |
| Financial assets at amortized cost | 213,144 | (40,095) |
| Property and equipment | (629) | (575) |
| Net cash flows from (used in) investing activities | <u>212,515</u> | <u>(40,670)</u> |
| Financing activities | | |
| Capital decrease | (1,612,500) | - |
| Paid dividends | (806,250) | (1,612,500) |
| Purchase of additional shares in a subsidiary | - | (544,547) |
| Non-controlling interest | - | 250,000 |
| Net cash flows used in financing activities | <u>(2,418,750)</u> | <u>(1,907,047)</u> |
| Changes in cash and cash equivalents | (1,656,603) | (655,347) |
| Cash and cash equivalents at beginning of the year | <u>4,459,943</u> | <u>5,871,551</u> |
| Cash and cash equivalents at end of the period | <u>2,803,340</u> | <u>5,216,204</u> |

“The accompanying notes from (1) to (7) 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 2019
(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.

The accompanying condensed interim consolidated financial statements have been approved for issue by the Company's Board of Directors on 21 October 2019.

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 2018.

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 2019

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 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 Comprehensive Income.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

3 . Equity

Paid-in capital

The General Assembly has resolved in its extraordinary meeting held on 11 April 2019 to decrease the Company's capital from (16,125,000) JOD/ Share to (14,512,500) JOD/ Share by returning JOD (1,612,500) to shareholders.

Retained earnings

The General Assembly has resolved in its meeting held on 11 April 2019 to distribute 5% cash dividends to the shareholders.

4 . Income tax

- The Company has settled its tax liability with Income Tax Department up to the year ended 2016.
- The income tax returns for the years 2017 and 2018 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 provision for the nine months ended at 30 September 2019 was calculated in accordance with the Income Tax Law.

5 . Contingent liabilities

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

Jordanian Expatriates Investment Holding Company PLC
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)
30 September 2019

6 . 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 2019 | Less than one year | More than one year | Total |
|---|-------------------------------|-------------------------------|-------------------|
| Assets | | | |
| Cash and cash equivalents | 2,803,340 | - | 2,803,340 |
| Financial assets at fair value through profit or loss | 6,242,987 | - | 6,242,987 |
| Brokerage receivables | 300,046 | - | 300,046 |
| Margin financing receivable | 769,886 | - | 769,886 |
| Brokers receivables | 32,026 | - | 32,026 |
| Settlement guarantee fund | 89,000 | - | 89,000 |
| Other currents assets | 493,558 | - | 493,558 |
| Financial assets at fair value through other comprehensive income | - | 3,667,857 | 3,667,857 |
| Financial assets at amortized cost | - | 753,609 | 753,609 |
| Investment property | - | 2,846,481 | 2,846,481 |
| Property and equipment | - | 7,675 | 7,675 |
| Brokerage license | - | 1 | 1 |
| Total assets | 10,730,843 | 7,275,623 | 18,006,466 |
| Liabilities | | | |
| Brokerage payables | 98,707 | - | 98,707 |
| Other current liabilities | 531,334 | - | 531,334 |
| Total liabilities | 630,041 | - | 630,041 |
| 31 December 2018 | Less than one year | More than one year | Total |
| Assets | | | |
| Cash and cash equivalents | 4,459,943 | - | 4,459,943 |
| Financial assets at fair value through profit or loss | 7,181,892 | - | 7,181,892 |
| Brokerage receivables | 306,570 | - | 306,570 |
| Margin financing receivable | 832,128 | - | 832,128 |
| Brokers receivables | 117,393 | - | 117,393 |
| Settlement guarantee fund | 89,000 | - | 89,000 |
| Other currents assets | 131,709 | - | 131,709 |
| Financial assets at fair value through other comprehensive income | - | 3,667,857 | 3,667,857 |
| Financial assets at amortized cost | - | 964,627 | 964,627 |
| Investment property | - | 2,846,481 | 2,846,481 |
| Property and equipment | - | 8,193 | 8,193 |
| Brokerage license | - | 1 | 1 |
| Total assets | 13,118,635 | 7,487,159 | 20,605,794 |
| Liabilities | | | |
| Brokerage payables | 45,245 | - | 45,245 |
| Amount due to related parties | 61,355 | - | 61,355 |
| Other current liabilities | 463,195 | - | 463,195 |
| Total liabilities | 569,795 | - | 569,795 |

7 . 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 2019 | Level 1 | Level 2 | Level 3 | Total |
|---|------------------|----------------|------------------|-------------------|
| Financial assets at fair value through profit or loss | 6,242,987 | - | - | 6,242,987 |
| Financial assets at fair value through other comprehensive income | - | - | 3,667,857 | 3,667,857 |
| | 6,242,987 | - | 3,667,857 | 9,910,844 |
| 31 December 2018 | Level 1 | Level 2 | Level 3 | Total |
| Financial assets at fair value through profit or loss | 7,181,892 | - | - | 7,181,892 |
| Financial assets at fair value through other comprehensive income | - | - | 3,667,857 | 3,667,857 |
| | 7,181,892 | - | 3,667,857 | 10,849,749 |

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.