



**JORDAN INTERNATIONAL TRADING CENTER
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
30 JUNE 2023**

JORDAN INTERNATIONAL TRADING CENTER
PUBLIC SHAREHOLDING COMPANY
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REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

**TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS
JORDAN INTERNATIONAL TRADING CENTER
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Jordan International Trading Center as at 30 June 2023, and the related condensed interim statements of comprehensive income, condensed interim changes in equity and condensed interim cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Board of directors is responsible for the preparation and fair presentation of this condensed interim financial statements in accordance with International Accounting Standard IAS (34) relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement (2410) "Review of Interim Financial statement Performed by the Independent Auditor of the Entity". A review of interim financial information 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 financial statements is not prepared, in all material respects, in accordance with International Accounting Standard (34) relating to interim financial reporting.

**Amman – Jordan
30 July 2023**

**Adel Ayyoub
License No. 499**



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JORDAN INTERNATIONAL TRADING CENTER
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
30 JUNE 2023 (Unaudited)

		30 JUNE 2023 JD	31 DECEMBER 2022 JD
	Notes		AUDITED
Assets			
Cash and cash equivalents		209 235	787 497
Checks under collection		369 415	313 060
Financial assets at amortized cost		300 000	300 000
Accounts receivable and installments		5 175 641	5 176 297
Due from related parties		48 473	50 261
Inventory	3	1 229 758	1 256 069
Other debit balances	4	803 971	792 510
Financial assets at fair value through other comprehensive income		410 670	422 308
Investment's properties		179 331	179 331
Property, plant and equipment	5	276 809	276 955
Right of use assets		158 005	39 428
Total Assets		9 161 308	9 593 716
Liabilities and Equity			
Liabilities			
Accounts payable		1 209 276	1 236 321
Other credit balances	6	1 280 825	1 341 435
Notes payable		1 191 035	1 353 396
Income tax provision and national contribution		34 095	148 748
Lease liabilities		162 109	43 300
Total liabilities		3 877 340	4 123 200
Equity			
Share Capital		3 400 000	3 400 000
Statutory reserve		850 000	850 000
Voluntary reserve		300 000	300 000
Fair value reserve		(138 885)	(127 247)
Retained earnings		872 853	1 047 763
Total Equity		5 283 968	5 470 516
Total Liabilities and Equity		9 161 308	9 593 716

The accompanying notes are an integral part of these condensed interim financial statements (unaudited)

JORDAN INTERNATIONAL TRADING CENTER
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
30 JUNE 2023 (Unaudited)

	For the three-months period ended		For the six-months period ended	
	30 JUNE 2023 JD	30 JUNE 2022 JD	30 JUNE 2023 JD	30 JUNE 2022 JD
Sales	1 820 426	2 077 812	4 060 410	4 286 865
Paper and devices cost	(1 338 039)	(1 521 044)	(2 977 906)	(3 178 157)
Operating expenses	(293 216)	(287 814)	(597 205)	(585 943)
Gross profit	189 171	268 954	485 299	522 765
Administrative expenses	(117 448)	(96 403)	(247 054)	(214 634)
Financing expenses	(17 554)	(12 536)	(42 207)	(18 157)
Right of use asset depreciation	(11 092)	(10 100)	(22 183)	(20 199)
Lease liability Financing Cost	(2 251)	(900)	(4 569)	(1 850)
Advertising expenses	(22 057)	(25 193)	(36 268)	(32 154)
Bad debt expense	-	-	(174)	-
Other revenues	27 091	35 549	27 358	36 464
Contingent liabilities provision	(24 272)	-	(24 272)	-
Expected credit loss provision	(25 000)	(25 000)	(50 000)	(50 000)
Net (Loss) profit before income tax	(3 412)	134 371	85 930	222 235
Income tax and national contribution	(1 154)	(33 240)	(22 840)	(62 167)
(Loss) Profit for the period	(4 566)	101 131	63 090	160 068
Other comprehensive income items:				
Change in fair value of financial assets	(4 742)	2 851	(11 638)	1 896
Total (Loss) profit and comprehensive income for the period	(9 308)	103 982	51 452	161 964
Basic and diluted (Loss) profit per share for the period	(0.001) JD	0.03 JD	0.02 JD	0.05 JD

The accompanying notes are an integral part of these condensed interim financial statements (unaudited)

JORDAN INTERNATIONAL TRADING CENTER
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
30 JUNE 2023 (Unaudited)

	Share Capital JD	Statutory reserve JD	Voluntary reserve JD	Fair value reserve JD	Retained earnings JD	Total JD
31 December 2021	3 400 000	850 000	300 000	(137 053)	901 001	5 313 948
Dividends	-	-	-	-	(170 000)	(170 000)
Total profit and comprehensive income	-	-	-	1 896	160 068	161 964
30 June 2022	3 400 000	850 000	300 000	(135 157)	891 069	5 305 912
31 December 2022	3 400 000	850 000	300 000	(127 247)	1 047 763	5 470 516
Dividends	-	-	-	-	(238 000)	(238 000)
Total profit and comprehensive income	-	-	-	(11 638)	63 090	51 452
30 June 2023	3 400 000	850 000	300 000	(138 885)	872 853	5 283 968

The accompanying notes are an integral part of these condensed interim financial statements (unaudited)

JORDAN INTERNATIONAL TRADING CENTER
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM STATEMENT OF CASH FLOWS
30 JUNE 2023 (Unaudited)

	30 June 2023	30 June 2022
	JD	JD
Operating Activities		
Net profit before income tax	85 930	222 235
Adjustments for:		
Property plant, and equipment depreciation	46 780	60 236
Right of use asset depreciation	22 183	20 199
Financing expenses	42 207	18 157
Lease liability Financing Cost	4 569	1 850
Gain from sale of Property plant, and equipment	-	(18 249)
Expected credit loss provision	50 000	50 000
Contingent liabilities provision	24 272	-
Change in operating assets and liabilities		
Checks under collection	(56 355)	29 870
Accounts receivables and installment	(49 344)	(448 197)
Due from related parties	1 788	(31 737)
Inventory	26 311	(433 719)
Other debit balances	(11 461)	(441 237)
Paid income tax	(137 493)	(125 047)
Accounts payable and other credit balances	(111 927)	623 876
Net cash used in operating activities	(62 540)	(471 763)
Investing activities		
Purchases of property plant and equipment	(46 634)	(52 612)
Received from sale property plant and equipment	-	18 249
Financial assets at fair value through other comprehensive income	-	(1 896)
Net Cash used in investing activities	(46 634)	(36 259)
Financing activities		
Notes payable	(162 361)	661 930
Dividends	(238 000)	(170 000)
Paid lease liability	(26 520)	(43 491)
Financing expenses	(42 207)	(18 157)
Net Cash (used in) from financing activities	(469 088)	430 282
Net change in cash and cash equivalents	(578 262)	(77 740)
Cash and cash equivalents at the beginning for the period	787 497	671 808
Cash and cash equivalents at the ending for the period	209 235	594 068

The accompanying notes are an integral part of these condensed interim financial statements (unaudited)

1) General

The Company was registered at the Ministry of Industry and Trade as a Jordanian public shareholding limited company under No. (177) on 4 December 1982, The Company General Assembly in its extraordinary meeting held on 27 February 1997 approved the balances of 31 December 1997 as opening balances of the Company

The Company's main activities are trading durable goods of machinery, equipment, and selling them for cash and / or installments through trading according to Sharia (Islamic Law).

The accompanying financial statements were approved by Committee of the Board of Directors in its meeting 30 July 2023.

2) Basis Of Preparation

The accompanying condensed interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying condensed interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the financial statements of the Company as at 31 December 2022. In addition, the results of the Company's operations for the six months ended 30 June 2023 do not necessarily represent indications of the expected results for the year ending 31 December 2023, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

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

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2022.

Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

These amendments had no impact on the financial statements of the Company.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

what is meant by a right to defer settlement,

the right to defer must exist at the end of the reporting period,

that classification is unaffected by the likelihood,

that an entity will exercise its deferral right,

and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

These amendments had no impact on the financial statements of the Company.

Classification of liabilities into current or non-current liabilities (amendments to International Accounting Standard No. 1).

Sale or contribution of assets between an investor and his associate or joint venture Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (Optional Application).

The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

The amendments are not expected to have a material impact on the Company.

Accounting estimates

Preparation of the financial statements and the application of the accounting policies requires the management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses,

provisions, and changes in the fair value shown in the statement of other comprehensive income and owners' equity. In particular, this requires the company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

The accounting estimates followed in these condensed interim financial statements are the same as those adopted for the year ended 31 December 2022.

Income tax and national contribution

The income tax was calculated in 30 June 2023 accordance with Jordanian Income Tax Law No. (38) of the year 2018.

3) Inventory

	30 June 2023 JD	31 December 2022 JD
Papers	759 481	762 017
Electrical devices	491 234	515 009
	1 250 715	1 277 026
Less: Provision for slow moving inventory	(20 957)	(20 957)
	1 229 758	1 256 069

4) Other debit balances

	30 June 2023 JD	31 December 2022 JD
Consignment inventory	586 250	675 796
Prepaid expenses	109 501	22 373
Income tax deposits	12 072	29 029
Refundable deposits	34 461	28 541
Credits	60 983	36 030
Share's obsolescence	640	640
others	64	101
	803 971	792 510

5) Property, plant and equipment

Purchases of property plant and equipment during the period ended 30 June 2023 amount of JD 46 634

6) Other credit balances

	30 June 2023 JD	31 December 2022 JD
Inventories for sale deposit	586 250	675 796
Shareholders' deposit	235 799	224 720
Contingent liabilities	310 000	285 728
Provision for staff indemnity	883	883
Sales tax provision	23 937	43 055
Provision for annual leave	31 654	31 654
Board of Directors Remunerations	-	31 500
General deposits	36 852	34 991
Social security payable	10 934	10 149
Accrued expenses	4 429	697
Income tax payable	1 322	1 412
Internal Collection fees deposit	1 915	850
External Collection fees deposit	36 850	-
	1 280 825	1 341 435

7) Contingent Liabilities

The Company has contingent liabilities at the date of the financial statements in the form of guarantees and legal issues amounting to 366 324 JD as of 31 December 2022 (2021: 285 728 JD), The Company's management and legal counsel are of the opinion that the Company will not incur any liabilities in respect of these legal issues. Where the City Center for Computers filed a lawsuit against the company in the Court of First Instance to claim amount to JD 183 162, the Court of First Instance decision was issued to obligate the company to the claim, and legal interest. The company filed an appeal against the decision of the Court of First Instance. Consequently, the Company filed a discrimination the decision to the Court of Cassation on 2 January 2018, and the City Center For Computers filed discrimination the decision on 26 December 2018, A decision was issued by the Court of Cassation to criticize the decision and return the case to the Court of Appeal, where the Court of Appeal decided to conduct an accounting expertise by five experts, taking into consideration our accounting data and statements that were previously ignored by the previous experts. After that, an accounting expertise was conducted by seven experts, as the report included We were obliged to pay the full amount claimed, and the decision was appealed, and the case is still pending in the Court of Cassation, the management prepared provision for contingent liabilities amounted 310 000 JD.

8) Comparative figures

Some of the comparative figures for the year 2022 have been reclassified to correspond with the period ended 30 June 2023 presentation and it did not result in any change to the equity and the last period's operating results.