

NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS

(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED FINANCIAL STATEMENTS

31 MARCH 2023

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed financial statements of Noor Capital Markets for Diversified Investments Public Shareholding Company (the Company) as of 31 March 2023, comprising of the interim statement of financial position as at 31 March 2023 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three months period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity". A review of Interim financial information consists of making inquiries, primarily of persons responsible for the 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 interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan
27 April 2023

ERNST & YOUNG
Amman - Jordan

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	Notes	31 March 2023 JD (Unaudited)	31 December 2022 JD (Audited)
<u>ASSETS</u>			
Cash on hand and at banks	4	383,105	414,897
Accounts receivable and other current assets		16,412	8,527
Due from a related party	3	1,208,427	1,094,347
Property and equipment		-	1,981
Total Assets		1,607,944	1,519,752
<u>LIABILITIES AND EQUITY</u>			
Liabilities -			
Accounts payable		48,586	48,736
Other current liabilities		112,212	90,383
Due to shareholders		31,394	31,397
Total liabilities		192,192	170,516
Equity -			
Paid-in capital	1	1,000,000	1,000,000
Share capital discount	1	(205,391)	(205,391)
Share capital premium	1	50,000	50,000
Statutory reserve	7	180,133	180,133
Retained earnings		391,010	324,494
Total equity		1,415,752	1,349,236
Total Liabilities and Equity		1,607,944	1,519,752

The attached notes from 1 to 7 form part of these interim condensed financial statements

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)**

	<u>Notes</u>	For the three months ended 31 March	
		2023	2022
		JD	JD
Consultancy revenue	3	129,833	86,498
Administrative expenses		(34,986)	(65,141)
Marketing expenses		(11,967)	(8,717)
Interest income		981	1,719
Other income		336	2,320
Profit for the period before tax		84,197	16,679
Income tax	6	(17,681)	(3,503)
Profit for the period		66,516	13,176
Add: other comprehensive income items		-	-
Total comprehensive income for the period		66,516	13,176
		JD/ Fils	JD/ Fils
Basic and diluted earnings per share from profit for the period	5	0/067	0/013

The attached notes from 1 to 7 form part of these interim condensed financial statements

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)**

	Paid-in capital	Share capital discount	Share capital premium	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
For the three months ended 31 March 2023 -						
Balance at 1 January 2023	1,000,000	(205,391)	50,000	180,133	324,494	1,349,236
Total comprehensive income for the period	-	-	-	-	66,516	66,516
Balance at 31 March 2023	<u>1,000,000</u>	<u>(205,391)</u>	<u>50,000</u>	<u>180,133</u>	<u>391,010</u>	<u>1,415,752</u>
For the three months ended 31 March 2022 -						
Balance at 1 January 2022	1,000,000	(205,391)	50,000	154,547	408,450	1,407,606
Total comprehensive income for the period	-	-	-	-	13,176	13,176
Cash dividends distribution (Note 1)	-	-	-	-	(250,000)	(250,000)
Balance at 31 March 2022	<u>1,000,000</u>	<u>(205,391)</u>	<u>50,000</u>	<u>154,547</u>	<u>171,626</u>	<u>1,170,782</u>

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**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2023 (UNAUDITED)**

	For the three months ended 31 March	
	2023	2022
	JD	JD
<u>OPERATING ACTIVITIES</u>		
Profit for the period before tax	84,197	16,679
Adjustments for -		
Depreciation	86	168
Interest income	(981)	(1,719)
Other income	-	(2,320)
Gain on disposal of property and equipment	(336)	-
Working Capital Changes -		
Accounts receivable and other current assets	(7,885)	(7,977)
Due from a related party	(114,080)	(78,259)
Accounts payable	(150)	6,974
Other current liabilities	4,148	28,232
Due to shareholders	(3)	(20)
Net cash flows used in operating activities	<u>(35,004)</u>	<u>(38,242)</u>
<u>INVESTING ACTIVITIES</u>		
Proceeds from sale of property and equipment	2,231	-
Interest income received	981	1,719
Net cash flows from investing activities	<u>3,212</u>	<u>1,719</u>
Net decrease in cash and cash equivalents	(31,792)	(36,523)
Cash and cash equivalents at the beginning of the period	<u>414,897</u>	<u>714,018</u>
Cash and cash equivalents at the end of the period	<u>4 383,105</u>	<u>677,495</u>

The attached notes from 1 to 7 form part of these interim condensed financial statements

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2023 (UNAUDITED)**

(1) GENERAL

Noor Capital Markets for Investments was established as a Public Shareholding Company on 14 December 2005 (previously the Middle East diversified Investments Company) under registration number 377 with an authorized, subscribed and paid in capital of JD 550,000, divided into 550,000 shares with a par value of 1 JD per share. The capital of the company was increased and decreased during the previous years to reach JD 1,000,000 divided into 1,000,000 shares at a par value of JD 1 per share and an issuance discount of JD 205,391 and an issuance premium of JD 50,000.

The General Assembly of the company decided, in its extraordinary meeting held on March 29, 2022, to approve the merger of Noor Capital Markets for Diversified Investments with Noor Al-Mal for Financial Brokerage and Foreign Exchanges, provided that Noor Capital Markets for Diversified Investments is the merging company, and it was also agreed to amend the name of the company. The new name of the company after the merger will be NCM Investment Company - Jordan. the legal procedures have not been completed as at the interim condensed financial statement

The Company's General Assembly approved in its ordinary meeting held on 29 March 2022 to distribute cash dividends to the shareholders of 25% of the Company's paid-in capital for the year 2021 in the amount of JD 250,000 each by its contribution to the Company.

The company is owned by 81.2% by NCM Investment Company (the parent company), and the interim condensed financial statements are consolidated with NCM Investment Company (the parent company).

The Board of Directors approved the interim condensed financial statements on 27 April 2023.

The principal activities of the company are to invest in real estate and security holding and to manage the investment facilities.

(2) BASIS OF PREPARATION

The accompanying interim condensed financial statements for the three months ended 31 March 2023 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

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

The interim condensed financial statements have been prepared under the historical cost convention.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements as at 31 December 2022. In addition, the results for the three months ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

CHANGES IN ACCOUNTING POLICIES

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 31 December 2022 except for the adoption of new standards effective as at 1 January 2023 shown below:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 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. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

This standard is not applicable to 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,
- That a 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,
- 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 not expected to have a material impact on the Company.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

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

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2023 (UNAUDITED)**

(3) RELATED PARTIES TRANSACTIONS

These represent transactions with related parties i.e. major shareholders, directors and key management personnel of the company, and companies of which they are principal owners. Pricing policies and terms of these transactions are approved by the Company's management.

Balances with related parties included in the interim statement of financial position are as follows:

Amounts due from a related party:

	31 March 2023	31 December 2022
	JD	JD
	(Unaudited)	(Audited)
NCM for Investments (Parent Company)	1,206,657	1,092,577
Naser Al-Marri (Chairman)	1,770	1,770
	<u>1,208,427</u>	<u>1,094,347</u>

Transaction with related parties included in the interim statement of comprehensive income are as follow:

	31 March 2023	31 March 2022
	JD	JD
	(Unaudited)	(Unaudited)
Board of Directors and executive management benefits		
Remuneration for Board of Directors members	<u>-</u>	<u>25,000</u>
Consultancy fees		
Consultancy fees*	<u>129,833</u>	<u>86,498</u>
Marketing expenses - NCM for Investments (Parent Company)	<u>11,967</u>	<u>8,717</u>

- * The Company signed an advisory services agreement with NCM for investments on 1 July 2017. The Company is entitled to USD 61,000 (JD 43,249) per month for the services provided, in accordance with the agreement and its subsequent amendments. The Company agreed with the Parent Company that the services performed for the month of March 2022 amounted to JD zero.

A major part of the rent of the offices occupied by the Company is paid by Noor Al Mal Brokerage and Foreign Stock Exchange Company (Sister Company) in addition to other administrative expenses such as electricity, cars and transportation.

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2023 (UNAUDITED)**

(4) CASH ON HAND AND AT BANKS

	31 March 2023	31 December 2022
	JD (Unaudited)	JD (Audited)
Cash on hand	2,619	1,785
Current accounts*	380,486	413,112
	<u>383,105</u>	<u>414,897</u>

* Interest rate on the monthly balance of the current account at Arab Jordan Investment Bank was 1%.

(5) EARNINGS PER SHARE FROM THE PROFIT FOR THE PERIOD

	31 March 2023	31 March 2022
	(Unaudited)	(Unaudited)
Profit for the period (JD)	66,516	13,176
Weighted average number of shares (share)	<u>1,000,000</u>	<u>1,000,000</u>
	<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic and diluted earnings per share from the profit for the period	<u>0/067</u>	<u>0/013</u>

(6) INCOME TAX

The Company calculated the income tax provision for the periods ended 31 March 2023 and 31 March 2022 in accordance with the income tax law No. (34) of 2014 and its amendments.

The Company's income tax rate is according to the income tax law No. (34) of 2014 and its amendments is 20% plus 1% as a National Solidarity contribution.

The Company reached a final settlement with the Income Tax Department up to the year 2020 by the Income and Sales Tax Department's sampling system. The Company submitted its tax return to the Income Tax Department for the year ended 31 December 2021 and 2022, the Income Tax Department did not review the records up to the date of these interim condensed financial statements.

(7) LEGAL RESERVES

The Company did not transfer to legal reserves as required by the Jordanian Companies Law as those are interim condensed financial statements.