

JORDAN HIMMEH MINERAL COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

30 JUNE 2024

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF
JORDAN HIMMEH MINERAL PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed financial statements of Jordan Himmeh Mineral Public Shareholding Company (the “Company”), comprising of the interim condensed statement of financial position as at 30 June 2024 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS (34) (Interim Financial Reporting). 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
28 July 2024

ERNST & YOUNG
Amman - Jordan

JORDAN HIMMEH MINERAL PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
As At 30 June 2024

	Notes	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
<u>ASSETS</u>			
Non-current assets -			
Property and equipment		792,879	792,879
Projects in progress	3	3,735,429	3,723,016
		<u>4,528,308</u>	<u>4,515,895</u>
Current assets -			
Other current assets		78,111	60,416
Cash on hand and at bank	4	5,705,581	5,594,275
		<u>5,783,692</u>	<u>5,654,691</u>
Total Assets		<u>10,312,000</u>	<u>10,170,586</u>
<u>EQUITY AND LIABILITIES</u>			
Equity -			
Paid-in capital	1	7,452,202	7,452,202
Share premium		70,026	70,026
Statutory reserve	5	67,144	67,144
Voluntary reserve	5	66,440	66,440
Accumulated losses		(186,759)	(287,849)
Net Equity		<u>7,469,053</u>	<u>7,367,963</u>
Non-current liabilities -			
Long-term loan	6	2,217,169	2,217,169
Other non-current liabilities		433,475	433,475
		<u>2,650,644</u>	<u>2,650,644</u>
Current liabilities -			
Payables and other current liabilities		100,089	61,497
Due to a related party	8	92,214	90,482
		<u>192,303</u>	<u>151,979</u>
Total Liabilities		<u>2,842,947</u>	<u>2,802,623</u>
Total Equity and Liabilities		<u>10,312,000</u>	<u>10,170,586</u>

The accompanying notes from 1 to 9 form part of these interim condensed financial statements

JORDAN HIMMEH MINERAL PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

		For the three months ended 30 June		For the six months ended 30 June	
	Notes	2024	2023	2024	2023
		JD	JD	JD	JD
Interest income	8	90,318	4,706	180,762	9,002
Other income		125	125	250	250
Finance costs		(20,100)	-	(40,201)	-
Administrative expenses		(34,585)	(3,192)	(39,721)	(11,654)
Profit (loss) for the period		35,758	1,639	101,090	(2,402)
Add: Other comprehensive income items		-	-	-	-
Total comprehensive income for the period		35,758	1,639	101,090	(2,402)
		<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>	<u>JD / Fils</u>
Basic and diluted profit (loss) earnings per share		0.005	0.001	0.014	(0.001)

The accompanying notes from 1 to 9 form part of these interim condensed financial statements

JORDAN HIMMEH MINERAL PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

	Paid-in capital	Share premium	Statutory reserve	Voluntary reserve	Accumulated losses	Total equity
	JD	JD	JD	JD	JD	JD
2024 -						
Balance at 1 January	7,452,202	70,026	67,144	66,440	(287,849)	7,367,963
Total comprehensive income for the period	-	-	-	-	101,090	101,090
Balance at 30 June	<u>7,452,202</u>	<u>70,026</u>	<u>67,144</u>	<u>66,440</u>	<u>(186,759)</u>	<u>7,469,053</u>
2023 -						
Balance at 1 January	2,000,000	70,026	66,910	66,440	(223,524)	1,979,852
Total comprehensive income for the period	-	-	-	-	(2,402)	(2,402)
Balance at 30 June	<u>2,000,000</u>	<u>70,026</u>	<u>66,910</u>	<u>66,440</u>	<u>(225,926)</u>	<u>1,977,450</u>

The accompanying notes from 1 to 9 form part of these interim condensed financial statements

JORDAN HIMMEH MINERAL PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2024 (UNAUDITED)

	Notes	For the six months ended 30 June	
		2024	2023
		JD	JD
<u>OPERATING ACTIVITIES</u>			
Profit (loss) for the period		101,090	(2,402)
Adjustments for:			
Interest income		(180,762)	(9,002)
Finance costs		40,201	-
Provision for expected credit losses		250	250
Changes in working capital -			
Other current assets		(18,820)	(38,774)
Payables and other current liabilities		(1,609)	(317,731)
Net cash flows used in operating activities		<u>(59,650)</u>	<u>(367,659)</u>
<u>INVESTING ACTIVITIES</u>			
Projects in progress	3	(12,413)	(44,461)
Interest income received		181,637	9,046
Net cash flows from (used in) investing activities		<u>169,224</u>	<u>(35,415)</u>
<u>FINANCING ACTIVITIES</u>			
Bank loan proceeds		-	302,844
Due to a related party		1,732	1,541
Net cash flows from financing activities		<u>1,732</u>	<u>304,385</u>
Net increase (decrease) in cash and cash equivalents		111,306	(98,689)
Cash and cash equivalents at the beginning of the period		5,594,275	528,971
Cash and cash equivalents at the end of the period	4	<u><u>5,705,581</u></u>	<u><u>430,282</u></u>

The accompanying notes from 1 to 9 form part of these interim condensed financial statements

(1) GENERAL

Jordan Himmeh Mineral Company (the "Company") was established on 4 June 1964 as a Public Shareholding Company. The Company's authorized and paid in capital was increased over the years to reach JD 2,000,000 as at 31 December 2022.

On 18 April 2023, the General Assembly approved the increase of the Company's authorized capital by an amount of JD 7 million / share, for each shareholder, each according to their shareholding percentage, where the authorized capital increased from JD 2 million / share to JD 9 million/share. The increase is to be covered by offering 7 million shares through public underwriting for the Company's shareholders, each according to their shareholding percentage and by the nominal value of JD 1 per share. On 25 September 2023, the Company's subscribed and paid-in capital was increased by JD 5,452,202 to become JD 7,452,202 / share.

The Company's principal activities are to acquire mineral water sites in Mukhaiba and surrounding areas, as well as to construct hotels, public baths, restaurants and coffee shops. The Company is currently constructing an eco-lodge that features 30 rooms, therapeutic swimming pools and restaurants.

Trading of the Company's stocks on Amman Stock Exchange was paused on 13 August 2006 until further notice as a result of demolishing the old hotel.

The interim condensed financial statements were authorized for issue by the Board of Directors on 14 July 2024.

(2) BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The interim condensed financial statements for the six-month period ended 30 June 2024 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed financial statements have been prepared under a historical cost basis.

The interim condensed financial statements have been presented in Jordanian Dinar "JD", which is the functional currency of the Company.

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 2023. In addition, results for the six-month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

(2-2) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Company's interim condensed financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Company's interim condensed financial statements.

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

In January 2020 and October 2022, 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.

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Company's interim condensed financial statements.

(3) PROJECTS IN PROGRESS

This item represents the cost of studies and engineering designs related to the construction of a 30-room eco-lodge with therapeutic swimming pools and restaurants, in addition to excavation, construction and expanding pool area and hotel walls.

The details of this item are as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Beginning balance for the year	4,091,491	4,077,389
Additions	12,413	14,102
	4,103,904	4,091,491
Less: provision for projects in progress	(368,475)	(368,475)
Ending balance for the year	3,735,429	3,723,016

The estimated cost to complete these projects is approximately JD 5,200,000 as at 30 June 2024 (31 December 2023: JD 5,200,000). Management expects to complete these projects by the end of the year 2027.

(4) CASH ON HAND AND AT BANK

	30 June 2024	31 December 2023
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	306	7
Balances at bank	56,169	12,268
Term deposits *	5,649,106	5,582,000
	5,705,581	5,594,275

* Term deposits are fixed with a local bank in Jordanian Dinars with maturity of 3 months or less and earn an average interest rate of 6.5% per annum (31 December 2023: 5.5%).

(5) LEGAL RESERVES

The Company has made no transfers to the legal reserves as per the Companies Law, as these financial statements represent interim condensed financial statements.

JORDAN HIMMEH MINERAL PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2024 (UNAUDITED)

(6) BANK LOAN

		30 June 2024 (Unaudited)			31 December 2023 (Audited)		
Currency		Short	Long	Total	Short	Long	Total
		term	term		term	term	
		JD	JD	JD	JD	JD	JD
Cairo Amman Bank	Jordanian Dinar	-	2,650,644	2,650,644	-	2,650,644	2,650,644
Less: unearned governmental grants		-	(433,475)	(433,475)	-	(433,475)	(433,475)
		-	2,217,169	2,217,169	-	2,217,169	2,217,169

The unutilized portion of the loan amounted to JD 1,041,664 as of 30 June 2024 (31 December 2023: JD 1,041,664).

The aggregate amount and maturities of the loan are as follows:

Year	JD
1 July 2025 – 30 June 2026	820,514
1 July 2026 – 30 June 2027	820,514
1 July 2027 – 30 June 2028	820,514
1 July 2028 and thereafter	189,102
	<u>2,650,644</u>

(7) INCOME TAX

No income tax was calculated for the Company for the periods ended 30 June 2024 due to the excess of deductible expenses over taxable revenues, taking into consideration prior years accumulated losses in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The Company submitted their income tax declarations to the Income Tax and Sales Department up to the year 2022 and 2023. The Income Tax Department did not review the Company's accounting records for the year 2022 and 2023 until the date of these interim condensed financial statements.

The Company obtained its clearance from the Income Tax Department up to the year 2020. The income tax returns for the years from 2017 until 2021 were accepted through the sampling system.

JORDAN HIMMEH MINERAL PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2024 (UNAUDITED)

(8) RELATED PARTIES

Related parties represent the Parent Company, sister companies, shareholders and key management personnel of the Company. Pricing policies and terms of transactions with related parties are approved by the Company's Board of Directors.

The balances of related parties shown in the condensed interim statement of financial position are as follows:

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION ITEMS:

	Nature of relationship	30 June 2024 JD (Unaudited)	31 December 2023 JD (Audited)
Assets:			
Cash at a Bank – Cairo Amman Bank	Major shareholder of the Parent Company	<u>5,705,275</u>	<u>5,594,268</u>
Liabilities:			
Long-term loan – Cairo Amman Bank	Major shareholder of the Parent Company	<u>2,217,169</u>	<u>2,217,169</u>
Due to a related party - Zara Investment (Holding) Company	Parent Company	<u>92,214</u>	<u>90,482</u>

The balances of amounts due to related parties are non-interest bearing and will be paid upon demand.

JORDAN HIMMEH MINERAL PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2024 (UNAUDITED)

The transactions with related parties included in the condensed interim statement of comprehensive income are as follows:

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME ITEMS:

	Nature of relationship	For the six months ended 30 June	
		2024	2023
		JD (Unaudited)	JD (Unaudited)
Interest income –	Major		
Cairo Amman Bank	shareholder of the Parent Company	<u>180,762</u>	<u>9,002</u>

(9) LITIGATIONS

The Company is a defendant in a number of lawsuits in the amount of JD 56,757 as of 30 June 2024 (31 December 2023: JD 56,757). Management and its legal advisor believe that no material obligation would arise against these lawsuits except for what has been provided for. The Company was not plaintiff in any lawsuits as of 30 June 2024 and 31 December 2023.