

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS**

**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS**

**30 JUNE 2022**

**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 30 June 2022, comprising of the interim statement of financial position as at 30 June 2022 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six 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  
25 July 2022

**ERNST & YOUNG**  
Amman - Jordan

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS  
PUBLIC SHAREHOLDING COMPANY  
INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2022**

	Notes	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
<b><u>ASSETS</u></b>			
Cash on hand and at banks	4	510,878	714,018
Accounts receivable and other current assets		21,856	62,783
Due from a related party	3	844,300	817,508
Property and equipment		905	1,241
<b>Total Assets</b>		<b>1,377,939</b>	<b>1,595,550</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Liabilities -</b>			
Accounts payable		50,666	48,592
Due to related parties	3	-	924
Other current liabilities		57,818	107,005
Due to shareholders		31,397	31,423
<b>Total liabilities</b>		<b>139,881</b>	<b>187,944</b>
<b>Equity -</b>			
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	154,547	154,547
Retained earnings		238,902	408,450
<b>Total equity</b>		<b>1,238,058</b>	<b>1,407,606</b>
<b>Total Liabilities and Equity</b>		<b>1,377,939</b>	<b>1,595,550</b>

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 SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)**

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2022	2021	2022	2021
		JD	JD	JD	JD
Consulting revenues	3	172,996	129,747	259,494	259,494
Interest income		965	-	2,684	-
General and administrative expenses		(61,155)	(38,144)	(96,656)	(81,221)
Marketing expenses		(7,288)	(7,943)	(16,005)	(15,713)
Expected credit losses provision		(50,000)	-	(50,000)	-
Other income		2,320	-	2,320	-
<b>Profit for the period before tax</b>		57,838	83,660	101,837	162,560
Income tax	6	(12,145)	(16,434)	(21,385)	(34,138)
<b>Profit for the period</b>		45,693	67,226	80,452	128,422
Add: other comprehensive income items		-	-	-	-
<b>Total comprehensive income for the period</b>		45,693	67,226	80,452	128,422
		JD/ Fils	JD/ Fils	JD/ Fils	JD/ Fils
<b>Basic and diluted earnings per share from profit for the period</b>	5	0/046	0/067	0/080	0/128

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 SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)**

	Paid-in capital	Share capital issuance discount	Share capital issuance premium	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD
<b>For the six months ended 30 June 2022 -</b>						
Balance as at 1 January 2022	1,000,000	(205,391)	50,000	154,547	408,450	1,407,606
Total comprehensive income for the period	-	-	-	-	80,452	80,452
Cash dividends distribution (Note 1)	-	-	-	-	(250,000)	(250,000)
<b>Balance as at 30 June 2022</b>	<u>1,000,000</u>	<u>(205,391)</u>	<u>50,000</u>	<u>154,547</u>	<u>238,902</u>	<u>1,238,058</u>
<b>For the six months ended 30 June 2021 -</b>						
Balance as at 1 January 2020	1,000,000	(205,391)	50,000	118,992	377,001	1,340,602
Total comprehensive income for the period	-	-	-	-	128,422	128,422
Cash dividends distribution (Note 1)	-	-	-	-	(250,000)	(250,000)
<b>Balance as at 30 June 2021</b>	<u>1,000,000</u>	<u>(205,391)</u>	<u>50,000</u>	<u>118,992</u>	<u>255,423</u>	<u>1,219,024</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  
INTERIM STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 30 JUNE 2022 (UNAUDITED)**

	30 June 2022	30 June 2021
	JD	JD
<b><u>OPERATING ACTIVITIES</u></b>		
Profit for the period before tax	101,837	162,560
<b>Adjustments for -</b>		
Depreciation	336	12,402
Interest income	(2,684)	-
Expected credit losses provision	50,000	-
<b>Working Capital Changes -</b>		
Accounts receivable and other current assets	(9,073)	(8,606)
Amounts due from a related party	(233,168)	197,672
Accounts payable	2,074	(545)
Other current liabilities	3,862	(10,101)
Income tax paid	(74,434)	(78,315)
<b>Net cash flows (used in) from operating activities</b>	<u>(161,250)</u>	<u>275,067</u>
<b><u>INVESTING ACTIVITIES</u></b>		
Interest income	2,684	-
<b>Net cash flows from investing activities</b>	<u>2,684</u>	<u>-</u>
<b><u>FINANCING ACTIVITIES</u></b>		
Dividends distribution	(44,574)	(250,000)
<b>Net cash flows used in financing activities</b>	<u>(44,574)</u>	<u>(250,000)</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	(203,140)	25,067
Cash and cash equivalents at the beginning of the period	714,018	86,671
<b>Cash and cash equivalents at the end of the period</b>	<u>510,878</u>	<u>111,738</u>

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

**(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 Company's General Assembly approved in its extraordinary meeting held on 30 June 2020 to increase the authorized capital from JD 1,000,000 to JD 10,000,000, by issuing 9,000,000 shares at a par value of 1 JD per share through public offering. The Company's General Assembly decided in its extraordinary meeting held on 29 March 2022 to revoke the decision to increase the Company's capital and approve the merger of Noor Capital Markets for Diversified Investments Company with Noor Al Mal Brokerage and Foreign Stock Exchange Company, where Noor Capital Markets for Investments Company will be the merging company. In addition, it was agreed to change the new Company's name to become NCM for Investments - Jordan. The legal and acquisition procedures were not started in accordance with the legal requirements until the date of these interim condensed financial statements.

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

The Company's General Assembly approved in its ordinary meeting held on 5 April 2021 to distribute cash dividends to the shareholders of 25% from the Company's paid in capital for the year 2020 in the amount of JD 250,000 each by their contribution to the Company.

The Company is owned by NCM for Investments (Parent Company) by a percentage of 81.2%, and the interim condensed financial statements are consolidated with NCM for investments company (Parent Company).

The Board of Directors approved the interim condensed financial statements on 25 July 2022.

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

## **(2.1) BASIS OF PREPARATION**

The accompanying interim condensed financial statements for the six months ended 30 June 2022 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 2021. In addition, the results for the six months ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

## **(2.2) 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 2021 except for the adoption of new standards effective as of 1 January 2022 shown below:

### **Reference to the Conceptual Framework – Amendments to IFRS 3**

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

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

### **Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16**

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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

**Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37**

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

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

**IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

This amendment is not applicable to the Company.

**IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities**

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

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

**IAS 41 Agriculture – Taxation in fair value measurements**

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

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

**NOOR CAPITAL MARKETS FOR DIVERSIFIED INVESTMENTS  
PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
30 JUNE 2022**

**(3) RELATED PARTIES BALANCES AND TRANSACTIONS**

These represent transactions with related parties such as 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:**

	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
NCM for Investments company (Parent Company)	844,300	817,508

**Amounts due to related parties:**

	30 June 2022 JD (Unaudited)	31 December 2021 JD (Audited)
Naser Al-Marri (Chairman)	-	798
Noor Capital Markets for Financial Consulting and Training (Sister Company)	-	126
	-	924

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

	30 June 2022 JD (Unaudited)	30 June 2021 JD (Unaudited)
<b>Board of Directors and executive management benefits</b>		
Remuneration for Board of Directors members	20,000	15,000
	30 June 2022 JD (Unaudited)	30 June 2021 JD (Unaudited)
<b>Consultancy revenues</b>		
Consultancy fees*	259,494	259,494
Marketing expenses - NCM for Investments company (Parent Company)	7,339	7,770

\* The Company signed a consulting 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.

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.

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PUBLIC SHAREHOLDING COMPANY  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
30 JUNE 2022**

**(4) CASH ON HAND AND AT BANKS**

	30 June 2022	31 December 2021
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	2,089	3,290
Current accounts*	508,789	710,728
	<u>510,878</u>	<u>714,018</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**

	30 June 2022	30 June 2021
	(Unaudited)	(Unaudited)
Profit for the period (JD)	80,452	128,422
Weighted average number of shares (share)	1,000,000	1,000,000
	<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic and diluted earnings per share from the profit for the period	<u>0/080</u>	<u>0/128</u>

**(6) INCOME TAX**

The Company calculated the income tax provision for the periods ended 30 June 2022 and 30 June 2021 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 contribution tax.

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 the income tax declaration to the Income Tax Department for the year 2021, 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.