INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITs SUBSIDIARIES
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITs SUBSIDIARIES
AMMAN – JORDAN

FOR THE YEAR ENDED DECEMBER 31, 2023

Contents

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Independent Auditor's Report

To the Shareholders of Investments & Integrated Industries Company
(Public Shareholding Company – Holding Company)
Amman – Jordan

Qualified Opinion

We have audited the consolidated financial statements of Investments & Integrated Industries Company (Public Shareholding Company – Holding Company) and its subsidiaries ("the Company"), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of income other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

As stated in Note (26) to the consolidated financial statements, there is a legal case filed against the Integrated Investment and Industries Company for a financial claim of JD 3,505,831 in its capacity as a guarantor of Nuqul Engineering and Contracting Company (sister company). Following legal proceedings, the court has issued a directive for both Integrated Investment and Industries Company and Nuqul Engineering and Contracting Company to settle the amount of JD 3,487,233. Additionally, they are responsible for covering associated expenses, lawyers fees, and legal interest at a rate of 9%, accruing from November 1, 2022. However, the Company's management did not recognize any provisions to meet the potential liabilities arising from this case.

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company according to the ethical requirements relevant to our audit of the consolidated financial statements in accordance with the International Ethics Standards Board for Accountants Code of Ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

Without further qualification in our opinion, we bring your attention to the fact the Company's consolidated financial statements for the year ended December 31, 2022, have been audited by another auditor who issued a qualified opinion on those consolidated financial statements on February 1, 2023.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters are described below:

1) **Measurement of Fair Value of Financial Assets**	***How the matter was addressed in our audit***
The book value of the Financial assets at fair value through other comprehensive income amounted to JOD 16,446,650 as of December 31, 2023, which represents %75 of the Company's total assets. The revaluation of these assets at fair value could have a material effect on the value of the Company's assets and the components of other comprehensive income. The financial assets represent one of the main operating activities of the Company, and the selection of valuation technique used in measuring the fair value of these assets is highly dependent on management estimates.	Our audit procedures included the assessment of the Company's procedures used in measuring the fair value of financial assets at fair value through other comprehensive income and examining the trading prices of these assets in the related equity securities markets. The techniques used by the Company's management in measuring the fair value of these financial assets include: 1. Year-end closing prices for equity securities traded in the regular market. 2. Year-end closing prices for equity securities traded in the Over the Counter (OTC) Market. The Company's management believes that the OTC prices for these securities represent the most suitable base for measuring the fair values of these securities. Details and accounting policy of financial assets at fair value through other comprehensive income are disclosed in the accompanying consolidated financial statements under Notes (11) and (4) respectively.

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Other Information

Management is responsible for the other information, which consists of other information stated in the annual report. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determine is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the consolidated financial reporting preparation process.

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Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue our audit report that includes our opinion on the consolidated financial statements.

Reasonable assurance is a high-level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of the audit process in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, we will modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Company audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

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- We communicate with those charged with governance regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records. The accompanying consolidated financial statements are, in all material aspects, in agreement with the Company's accounting records, and we recommend that the Company's General Assembly approves these consolidated financial statements after taking into consideration the potential effects of the qualification stated in the qualified opinion section of this report.

This audit report on the consolidated financial statements is a translated version of the original audit report on the consolidated financial statements issued in Arabic, and in case of a discrepancy, the Arabic original will prevail.

UHY Arab Auditors

Amman - Jordan

Nabil Haddad
License No. (561)

February 21, 2024

UHY Arab Auditors
Public Accountants & Consultants

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
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AMMAN – JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Jordanian Dinar	Note	As of 31 December, 2023	2022
Assets			
Current Assets			
Cash on hand and at banks	5	10,113	241,916
Trade receivables and checks under collection-net	6	2,333,798	2,664,272
Inventory	7	1,136,733	1,690,159
Other debit balances	8	164,011	156,087
Total current assets		3,644,655	4,752,434
Property and equipment - net	9	1,488,227	1,510,088
Investment property	10	300,511	300,511
Financial assets at fair value through other comprehensive income	11	16,446,650	18,601,302
Total Assets		21,880,043	25,164,335
Liabilities and Shareholders' Equity			
Current Liabilities			
Due to banks	12	40,548	162,450
Short-term portion of loans	13	1,205,160	2,115,076
Accounts payable		371,018	449,640
Other credit balances	14	404,645	455,733
Total Current Liabilities		2,021,371	3,182,899
Long term loans	13	5,121,249	5,972,615
Due to related parties – long term	20	4,269,114	3,982,652
Total Liabilities		11,411,734	13,138,166
Shareholders' equity			
Capital	15	14,500,000	14,500,000
Statutory reserve	16	258,718	198,850
Fair value reserve	11	(2,059,166)	95,486
Accumulated losses		(2,592,528)	(3,122,619)
Shareholders' Equity		10,107,024	11,671,717
Non-controlling interest		361,285	354,452
Net Shareholders' Equity		10,468,309	12,026,169
Total Liabilities and Shareholders' Equity		21,880,043	25,164,335

The accompanying notes from (1) to (28) are an integral part of these consolidated financial statements.

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
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CONSOLIDATED STATEMENT OF INCOME

Jordanian Dinar

	Note	For the year ended December 31, 2023	2022
Sales-net		4,280,770	5,347,500
Less: Cost of sales	17	(3,424,693)	(4,431,657)
Gross Profit		856,077	915,843
Less: General, administrative, and marketing expenses	18	(786,534)	(785,019)
Add: Other income	19	1,312,154	1,098,707
Less: Interest expenses – net		(783,022)	(634,353)
Profit before Income Tax and National Contributions		598,675	595,178
Previous years tax		(1,742)	-
Income tax and national contributions		(141)	(137)
Profit for the year		596,792	595,041
Allocated as follows:			
Company's shareholders		589,959	573,204
Non-controlling interest		6,833	21,837
		596,792	595,041
Basic and diluted profit per share	22	4,1%	3,95%

The accompanying notes from (1) to (28) are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Jordanian Dinar	For the year ended December 31,	
	2023	2022
Profit for the year	596,792	595,041
(Less) Add Items of Other Comprehensive Income:		
Change in fair value of financial assets at fair value through other comprehensive income	(2,154,652)	2,128,460
Total Profit and Other Comprehensive Income	(1,557,860)	2,723,501
Allocated as follows:		
Company's shareholders	(1,564,693)	2,701,664
Non-controlling interest	6,833	21,837
	(1,557,860)	2,723,501

The accompanying notes from (1) to (28) are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In Jordanian *Dinar*	Capital	Statutory reserve	Fair value reserve	Accumulated losses	Total	Non- controlling interest	Total
For the year ended 31 December 2023							
Beginning balance	14,500,000	198,850	95,486	(3,122,619)	11,671,717	354,452	12,026,169
Profit and other comprehensive income	-	-	(2,154,652)	589,959	(1,564,693)	6,833	(1,557,860)
Statutory reserve	-	59,868	-	(59,868)	-	-	-
Ending Balance	14,500,000	258,718	(2,059,166)	(2,592,528)	10,107,024	361,285	10,468,309
For the year ended 31 December 2022							
Beginning balance	14,500,000	139,332	(2,032,974)	(3,636,305)	8,970,053	332,615	9,302,668
Profit and other comprehensive income	-	-	2,128,460	573,204	2,701,664	21,837	2,723,501
Statutory reserve	-	59,518	-	(59,518)	-	-	-
Ending Balance	14,500,000	198,850	95,486	(3,122,619)	11,671,717	354,452	12,026,169

The accompanying notes from (1) to (28) are an integral part of these consolidated financial statements.

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AMMAN – JORDAN

CONSOLIDATED STATEMENT OF CASHFLOWS

	For the Year Ended December 31,	
Jordanian Dinar	2023	2022
Cash flows from Operating Activities:		
Profit for the year before Income tax	598,675	595,178
Adjustments:		
Depreciation	37,271	35,419
Change in the provision for expected Credit Losses	(78,212)	-
Interest expenses-net	783,022	634,353
Changes in working capital items:		
Inventory	553,426	(211,404)
Trade receivables and checks under collection	408,686	(692,863)
Other debit balances and due from a related party	(6,002)	130,894
Accounts payable	(78,622)	227,930
Other credit balances	(6,883)	4,819
Net Cash Flows from Operating Activities before Income Tax paid	2,211,361	724,326
Income tax paid	(3,801)	(357)
Net Cash Flows from Operating Activities	2,207,560	723,969
Cash flows from Investing Activities:		
Purchase of property and equipment	(15,410)	(2,675)
Net Cash Flows Used in Investing Activities	(15,410)	(2,675)
Cash Flows from Financing Activities:		
Due to related parties	242,253	559,298
Loans and due to banks	(1,883,184)	(428,371)
Interest paid	(783,022)	(634,353)
Net Cash Flows Used in Financing Activities	(2,423,953)	(503,426)
The net change in cash and cash equivalents	(231,803)	217,868
Cash and cash equivalents at the beginning of the year	241,916	24,048
Cash and Cash Equivalents at the end of the year	10,113	241,916

The accompanying notes from (1) to (28) are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1) General

a. Establishment and objectives:

Investments & Integrated Industries Company (public shareholding company) "The Company" was established and registered in the Ministry of Industry and Trade of Jordan under no. (281) on April 20, 1995.

The main objectives of the Company include managing its subsidiaries, participating in managing other entities in which the Company has ownership, investing in equity and debt securities, and granting finance for its subsidiaries.

b. Employees:

The Company's number of employees as of December 31, 2023, was 65 employees (64 employees as of December 31, 2022).

c. Approval of consolidated financial statements:

The consolidated financial statements have been approved by the Board of Directors in their meeting held on February 21, 2024. These financial statements require the approval of the Company's General Assembly.

2) Basis of Preparation of the Consolidated Financial Statements

Statement of compliance

The consolidated financial statements have been prepared in accordance with the international financial reporting standards.

Basis of financial statements consolidation

The consolidated financial statements comprise the financial statements of Investments & Integrated Industries Company (the "Parent Company") and its subsidiaries which are subject to its control. Subsidiaries are entities controlled by the parent company .The parent company controls subsidiaries when it is exposed, or has rights, to variable returns from its involvement with these subsidiaries and has the ability to affect those returns through its power over these subsidiaries.

Balances, transactions, and unrealized profits and expenses resulting from transactions within the group are eliminated when preparing these consolidated financial statements.

Consolidated financial statements are prepared for the subsidiaries in the same financial year of the parent company and using the same accounting policies adopted by the parent company.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Functional and presentation currency

The consolidated financial statements are presented in Jordanian Dinar, which is the Company's functional currency.

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis except for the financial assets and liabilities which are measured at fair value.

Use of estimates

The preparation of consolidated financial statements in conformity with international financial reporting standards requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- Management estimates the provision for income tax based on its estimates of taxable income in accordance with the prevailing laws and regulations and International Financial Reporting Standards.
- A provision for expected credit loss is taken based on periodic estimates of accounts receivables' collectable amounts and such estimates are approved by management.
- A provision for the decrease in net realizable value of inventory is taken if the selling price of the inventory falls below cost or any other factors that cause the recoverable amount to be lower than its carrying amount.
- Management periodically reassesses the economic useful lives of tangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management frequently reviews the lawsuits raised against the company based on a legal study prepared by the company's legal advisors. This study highlights potential risks that the company may incur in the future.

Management believes that its estimates and judgment are reasonable and adequate.

3) Changes in Accounting Policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those adopted for the year ended 31 December 2022, except for the adoption of new standards and amendments effective as of 1 January 2023.

New standards or amendments	Application Date
IFRS 17 Insurance Contracts, including amendments Initial Application of IFRS 17 and IFRS 9 – Comparative Information	January 1, 2023
Definition of Accounting Estimates – Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2023
Disclosure Initiative: Accounting Policies – Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 1, 2023
International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12	23 May 2023

The application of these new standards and amended standards did not have a significant effect on the Company's financial statements

4) Significant Accounting Policies

Current and non-current classification of assets and liabilities

The Company presents current and non-current assets, and current and non-current liabilities, as separate classifications in its consolidated statement of financial position as follows:

The Company classifies an asset as current when:

- it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Company classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short-term deposits with a maturity of three months or less.

Financial assets

At initial recognition, financial assets are classified as subsequently measured at either amortized cost, fair value through other comprehensive income, or fair value through profit or loss. At initial recognition, a financial asset shall be measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent measurement of financial assets depends on their classifications as follows:

Financial assets at amortized cost

After initial recognition, these assets are measured at amortized cost using the effective interest method and will be subject to impairment. Gain or loss on the financial assets that are measured at amortized cost shall be recognized in profit or loss when the financial asset is derecognized or impaired. Financial assets measured at amortized cost include cash and cash equivalent and trade receivables.

Financial *assets at fair value through other comprehensive income*

These assets represent investments in equity instruments with the intention to keep them as long-term investments. When purchasing these assets they are recognized at fair value including acquisition expenses then to be re-evaluated later at fair value, where changes in the fair value appear in the consolidated statement of other comprehensive income and owners' equity including the change in fair value resulting from the differences in the conversion of non-monetary assets items in foreign currencies, in case of selling such assets or part thereof, profits or losses to be recorded in the consolidated statement of other comprehensive income and owners' equity where the valuation reserve balance of the sold assets should be directly transferred to the retained earnings and not through the consolidated statement of income. These assets are not subject to impairment loss testing.

***Financial* Assets at fair value through profit or loss**

These assets are presented in the consolidated statement of financial position at fair value. Changes in the fair value of these assets are recognized as profit or loss in the consolidated statement of income.

***Derecognition* of financial assets**

The Company derecognizes financial assets when: (a) the contractual rights to the cash flows from the financial asset expire, or (b) it transfers the financial asset, and the transfer qualifies for derecognition.

***Impairment of* financial assets**

The Company records the allowance for expected credit loss for all loans and other debt financial assets not held at FVTPL. When financial assets are first recognized, the Company recognizes an allowance based on 12 months' expected credit losses (ECLs). If a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs.

For trade receivables, the Company recognizes expected credit losses for trade receivables based on the simplified approach under IFRS 9. Based on the simplified approach, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable based on its historical experience of default rates adjusted for future variables related to the debtors and economic environment.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in-first-out principle and comprises all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Property and Equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. An item of property and equipment is derecognized upon disposal. Any gains or losses arising from the derecognizing of the asset are included in the consolidated statement of income when the asset is derecognized. Items of property and equipment are depreciated on a straight-line basis over the estimated useful lives of each part of an item of property and equipment, except land. The estimated useful lives of property and equipment are as follows:

Items of property and equipment	Depreciation rate
Machinery and equipment	8%
Vehicles	15%
Leasehold improvements	4% - 15%
Furniture and office equipment	12% - 33%

The Company reviews the useful lives and depreciation method for the property and equipment periodically to ensure that they are in line with the estimated economic benefits from these assets.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount and recognized as a loss in the consolidated statement of income.

Impairment of _non_-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists or when the International Financial Reporting Standards require annual testing of impairment, then the asset's recoverable amount is estimated. A recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit exceeds its estimated recoverable amount. All impairment losses are recognized in the consolidated statement of income.

Investment in subsidiaries

Subsidiaries are those entities in which the Company has control over their financial and operating policies. An investee is considered a subsidiary if the parent company holds over 50% of its voting rights. Interests in subsidiaries are accounted for using the equity method in both separate and consolidated financial statements.

Investment in associate companies

Associate companies are those entities in which the Company has significant influence over their financial and operating policies. Interests in associate companies are accounted for using the equity method. Unrealized gains and losses resulting from transactions between the parent company and the associate companies are eliminated to the extent of the parent company's share in the associate company.

The financial statements of the associate companies are prepared for the same fiscal year of the parent company and using the same accounting policies adopted by the parent company.

Financial liabilities

At initial recognition, financial liabilities are classified as subsequently measured at either amortized cost using the effective interest method, fair value through profit or loss, or as derivatives. At initial recognition, financial liabilities are measured at their fair value. Financial liabilities measured at amortized cost are measured at their fair value less transaction costs that are directly attributable to the financial liabilities. Subsequent measurement of financial assets depends on their classifications as follows:

Financial liabilities *at fair value through profit or loss*.

Financial liabilities at fair value through profit or loss, include financial liabilities held for trading, and financial liabilities designated at initial recognition as financial liabilities at fair value through profit or loss, which are subsequently measured at fair value.

Financial liabilities at amortized cost

After initial recognition, financial liabilities at amortized cost such as loans and due to banks are measured using the effective interest method. Gain or loss on the financial liabilities that are measured at amortized cost shall be recognized in profit or loss upon amortizing the effective interest rate and when the financial liability is derecognized.

Derecognition of financial liabilities

Financial liability is derecognized when the obligation under the liability is discharged, canceled, or expires.

Accounts payable and accruals

Accounts payable and accruals are obligations to pay for goods or services that have been acquired. These obligations are recorded whether billed by the supplier or not.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Revenue recognition

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable in the normal course of business activities. Revenue is recognized in the consolidated statement of income when the control over the goods is transferred to the customer, or when the goods are delivered to the customer providing that there are no obligation liabilities that affect acceptance of the goods by the customer.

Income tax

The income tax provision is calculated in accordance with the prevailing Income Tax Law and in accordance with International Accounting Standard No. 12, which requires that the Company recognizes deferred tax in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

The Company measures the fair value of assets and liabilities based on the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants are acting according to their economic benefit.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Fair values of assets and liabilities are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Offsetting

Financial liabilities are set off against financial assets, and the net amount is shown in the consolidated statement of financial position only when the obliging legal rights are available or when settled on a net basis or the realization of assets or settlement of liabilities is done at the same time.

Foreign Currency Transactions

Transactions in foreign currencies during the year are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jordanian Dinar at the exchange rate at that date. Foreign currency differences arising from the translation of foreign currencies to the Jordanian Dinar are recognized in the consolidated statement of income.

5) Cash on hand and at banks

This item represents the cash balance on hand and at banks as of December 31, 2023.

6) Trade receivables and checks under collection

Jordanian Dinar	As of December, 31 2023	2022
Trade receivables	3,099,712	3,455,091
Checks under collection	148,377	201,684
Total	3,248,089	3,656,775
Less: Provision for expected credit loss (1)	**(914,291)**	**(992,503)**
Net receivables and checks under collections	2,333,798	2,664,272

(1) The movement on the provision for expected credit loss during the year was as follows:

Jordanian Dinar	As of December, 31 2023	2022
Balance at the beginning of the year	992,503	995,534
Less: Change in provision	(86,800)	(3,031)
Add: bad debts	8,588	-
Balance at the end of the year	914,291	992,503

7) Inventory

Jordanian Dinar	As of December 31, 2023	2022
Finished goods	783,325	867,644
Raw materials	238,817	665,291
Work in progress	24,233	59,688
Spare parts	330,959	338,137
Total	1,377,334	1,930,760
Less: Provision for inventory	(240,601)	(240,601)
Net	1,136,733	1,690,159

8) Other debit balances and related parties

Jordanian Dinar	As of December 31, 2023	2022
Due from related parties (note 20)	12,910	17,066
Goods in transit	28,579	4,913
Income tax	63,857	61,935
Refundable deposits	21,238	21,238
Due from employees	7,911	1,280
Prepaid expenses	15,622	25,305
Advance payments to suppliers	13,515	23,072
Miscellaneous	379	1,278
Total	164,011	156,087

9) Property and equipment

Jordanian Dinar	Land (1)	Machines & equipment	Vehicles	Leasehold improvements	Furniture	Total
Cost						
Beginning balance	1,312,500	2,137,987	138,652	174,146	191,218	3,954,503
Additions	-	15,410	-	-	-	15,410
Ending Balance	1,312,500	2,153,397	138,652	174,146	191,218	3,969,913
Accumulated Depreciation						
Beginning balance	-	2,001,647	135,328	137,852	169,588	2,444,415
Depreciation for the year	-	17,677	3,084	5,939	10,571	37,271
Ending Balance	-	2,019,324	138,412	143,791	180,159	2,481,686
Net Book value 31/12/2023	1,312,500	134,073	240	30,355	11,059	1,488,227
Net Book value 31/12/2022	1,312,500	136,340	3,324	36,294	21,630	1,510,088

(1) This item represents the land of the Quality Printing Press Company (a subsidiary) on which the factory building (fully depreciated) is located. The value of this land is determined based on the assessment of the Land Department on the date of the transfer of ownership of the land from Mr. Elia Nuqul Transfer to the Quality Printing Press Company during the year 2010.

10) Investment property

The details of this item as of December 31, 2023, are as follows:

Jordanian Dinar	Land	Machines & equipment	Total
Cost			
Beginning balance	34,726	1,852,758	1,887,484
Ending Balance	34,726	1,852,758	1,887,484
Accumulated Depreciation			
Beginning balance	-	1,055,675	1,055,675
Ending Balance	-	1,055,675	1,055,675
Provision for revaluation (1)	265,784	(797,082)	(531,298)
Net Book Value 2023	300,510	1	300,511
Net Book Value 2022	300,510	1	300,511

(1) This item represents the accumulated earnings (losses) resulting from the revaluation of the land and buildings of Fa Kaf Consulting company (subsidiary) due to ceasing its manufacturing activities during the year 2012.

11) Financial assets at fair value through other comprehensive income

Jordanian Dinar	As of December 31, 2023	As of December 31, 2022
Shares listed in the local principal market	15,205,072	17,851,468
Shares traded in the local OTC market	1,020,118	528,374
Unlisted companies	221,460	221,460
Total	16,446,650	18,601,302

The movement on the fair value reserve during the year was as follows:

Jordanian Dinar	As of December 31, 2023	As of December 31, 2022
Beginning balance	95,486	(2,032,974)
Change in fair value of financial assets	(2,154,652)	2,128,460
Net	(2,059,166)	95,486

Valuation technique

a. Shares listed in the local principal market:

Fair values of shares listed in the local principal market have been determined by reference to the -end closing price. Details of these shares as of December 31, 2023, are as follows:

Company	No. Shares	Book Value before Valuation	Closing Price	Fair Value	Unrealized Profit
Bank El Mal	5,338,007	13,024,737	2/04	10,889,534	(2,135,203)
International vegetarian oil	1,609,666	3,428,589	2	3,219,332	(209,257)
Delta Insurance Co.	1,251,331	1,376,464	0/86	1,076,145	(300,319)
Al Noor Co.	7,000	15,750	2/25	15,750	-
Al-Rai	53,889	5,928	0/08	4,311	(1,617)
		17,851,468		15,205,072	(2,646,396)

b. Shares traded in the local OTC market:

During 2016, and according to the Regulating Directives for Trading in Unlisted Securities at the ASE issued dated 12/4/2016, the shares of Amwaj Real Estate Company and Amwal Invest Company became OTC traded. As a result, the Company's management has used its year-end closing prices to determine the fair value of investments in these shares. Management believes that the quoted prices of these shares in the OTC market are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs. Details of these investments are as follows:

Company	No. Shares	Book Value before Valuation	Closing Price	Fair Value	Unrealized Profit
Amwaj Real Estate	3,514,727	527,209	0/29	1,019,271	492,062
Amwal Invest	10,588	1,165	0/08	847	(318)
		528,374		1,020,118	491,744

c. Unlisted Companies:

Investment in equity securities of unlisted companies is evaluated at actual cost/book value. Details of investment in equity securities of unlisted companies are as follows:

Company	No. Shares	Book Value before Valuation	Fair Value	Unrealized (Loss)
Kuwaiti Jordanian Holding Co.	174,000	43,960	43,960	-
Dead Sea Company for Tourism Investments	177,500	177,500	177,500	-
		221,460	221,460	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The total number of shares blocked against membership in the board of directors of the following Investments is 101,500 shares:

Company	No. Shares
International vegetarian oil Co.	20,000
Delta Insurance Co.	500
Bank El Mal	25,000
Amwaj Real Estate Company	50,000
Al Noor Co.	5,000
Al-Rai	1,000
Total	101,500

12) Due to banks

This item represents the outstanding balance of the facilities granted to the Quality Printing Press Company (a subsidiary) from the Arab Bank in Jordanian Dinar with a ceiling of JD 500,000 and an interest rate of 10.25%. These facilities were granted against personal guarantees from the shareholders.

13) Loans

This item represents the loans granted to the Company from local banks against personal guarantees from shareholders. Details of these loans are as follows:

	2023		2022	
Bank	Short-term	Long-term	Short-term	Long-term
Arab Bank (1)	850,800	5,121,249	1,063,500	5,972,615
Arab Bank (2)	354,360	-	1,051,576	-
Total	1,205,160	5,121,249	2,115,076	5,972,615

Arab Bank (1):

In 2013, The Company signed a loan agreement with Arab Bank amounting to USD 28,000,000. The loan bears an interest rate similar to the interest rate applicable on the LIBOR – 3 months plus a margin of 2.5% with a minimum interest rate of 4% per annum. The purpose of this loan is to settle the overdraft ceilings granted to the Company in different currencies in the amount of USD 17,200,000 in addition to the declining loan in the amount of USD 6,300,000 and the overdraft facilities.

The loan principal is repayable over 24 equal quarterly installments of USD 1,200,000 (except the last installment for USD 400,000) starting from March 30, 2014.

In 2015, an amount of USD 18,400,000 was paid into the loan by Elia Nuqul and Sons Co (shareholder).

On March 9, 2016, the Company signed an addendum to increase the loan balance by USD 14,400,000 to replace the facilities granted by Etihad Bank, Bank of Jordan, Housing Bank, and Kuwaiti Bank.

The total amount of the loan after the increase is repayable over 28 equal quarterly installments of USD 850,000 (except the last installment of USD 1,050,000) starting one year after signing the addendum.

According to the aforementioned addendum, the interest rate has been adjusted to LIBOR 3 – months plus a margin of 2.75% with a minimum interest rate of 3.5%.

The bank has the right to adjust the interest margin providing that a notice is issued to the Company before 30 from the date of adjustment.

Interest is calculated based on the loan's daily outstanding balance and paid every three months.

On June 16, 2020, the loan outstanding balance of USD 13,824,004 was rescheduled as follows:

- USD 1,200,00 to be paid on May 30, 2021.
- USD 800,000 to be paid over four quarterly equal installments starting from March 30, 2021.
- USD 5,400,000 to be paid over eighteen quarterly equal installments starting from March 30, 2022.
- USD 6,424,004 to be paid in full on September 30, 2026

According to the aforementioned rescheduling addendum, the interest rate has been adjusted to LIBOR 3 – months plus a margin of 3.5% with a minimum interest rate of 4.5%. Interest is calculated based on the loan's daily outstanding balance and paid every three months.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The aggregate amounts (in JD) and maturities of the loans are as follows:

Year	Amount
2025	850,800
2026	4,270,449
Total	5,121,249

Arab Bank (2):

In 2006, Quality Printing Press Company (subsidiary) obtained a revolving loan from Arab Bank in the amount of USD 2,000,000 to finance letters of credit. The loan bears an interest rate of 4,5% per annum. The loan is repayable after six months from the date of withdrawal.

In 2021, the currency of the above loan was changed to the Jordanian Dinar, and the interest rate increased to 7,375% per annum. In 2022, the interest rate increased to 10% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14) Other credit balances

	As of December 31,	
Jordanian Dinar	2023	2022
Due to related parties (note 20)	85,079	129,288
Accrued expenses	113,209	95,369
Sales tax	70,327	98,308
Prepaid from costumer	78,457	67,423
Sales commissions	28,257	23,222
Social security	3,577	8,953
Tax due and other	2,950	2,868
Other	22,648	30,165
National contributions	141	137
Total	404,645	455,733

15) Capital

Upon the approval of the Board of Security and Exchange Commission (No. 204/2012) dated May 22, 2012, the authorized paid-up capital increased from JOD 500,000 (1 JOD /share) to JOD 14,500,000 (1 JOD /share) through offering the incremental shares for subscription to the Company's existing shareholders. These shares are restricted for two years from the date of subscription.

16) Statutory reserve

This item represents the total amounts deducted from annual pre-tax net profit (10%) for the account of the statutory reserve according to the Companies Law of Jordan. Amounts accumulated in this account are not subject to distribution to the shareholders. The company's general assembly has the right to decide in an extraordinary meeting to amortize accumulated losses through this reserve.

17) Cost of sales

Jordanian Dinar	For the year ended December 31, 2023	2022
Raw material used in production	2,783,555	3,723,128
Cost of finished goods	157,221	254,196
Add Manufacturing Overheads:		
Employees' salaries, wages, and benefits	186,415	168,001
Social security contributions	26,514	21,778
Labor transportation	27,632	22,337
Depreciation	20,254	22,861
Maintenance	15,947	16,951
Utilities	22,679	22,364
Temporary labor	12,839	8,577
Insurance	5,194	4,900
Medical insurance and treatments	20,297	18,516
Consumables	14,257	11,824
Miscellaneous	9,715	4,154
Uniforms	2,400	2,008
Total manufacturing overheads	364,143	324,271
Add: Work in progress – beginning balance	59,688	41,104
Less: Work in progress – ending balance	(24,233)	(59,688)
Cost of manufactured and ready goods	3,340,374	4,283,011
Add: Finished goods – beginning balance	867,644	1,016,290
Less: Finished goods – ending balance	(783,325)	(867,644)
Cost of Sales	3,424,693	4,431,657

18) General, administrative, and marketing expenses

	For the year ended December 31,	
Jordanian Dinar	**2023**	**2022**
Employees' salaries, wages, and benefits	376,407	390,643
Governmental fees and expenses	46,542	37,859
Professional expenses	50,197	52,611
Depreciation	17,017	12,558
Social security contributions	45,024	41,797
General maintenance	14,048	6,728
Miscellaneous	18,248	12,830
Communication	1,756	3,364
Travel and transportation	13,176	9,689
Cleaning and entertainment	10,993	10,414
Stationery and computer expenses	2,571	4,717
Security and guarding	21,720	20,160
Medical insurance and treatments	14,331	13,154
Vehicles expenses	53,234	51,409
Tenders' expenses	26,488	39,152
Insurance	3,735	4,077
Sales commission	25,251	28,804
Advertisement and exhibitions	29,231	18,441
Samples and gifts	7,542	16,350
Rent – Aqaba office	2,600	2,129
Uniforms	224	1,569
Website design	6,199	6,564
Total	786,534	785,019

19) Other income:

	For the year ended December 31,	
Jordanian Dinar	**2023**	**2022**
Dividends received	1,249,795	1,042,990
Sale of spare parts and defective items	25,019	19,577
Rental revenue	37,115	36,140
Other gains	225	-
Total	1,312,154	1,098,707

20) Related parties' transactions:

Parties are considered related parties when one party has control or significant influence over the other party. Following is a summary of related party transactions and balances:

- Salaries and other benefits for key management personnel of the Company (General Manager and Financial Manager) for the year ended December 31, 2023, amounted to JOD 161,911 (JOD 141,531 for the year ended December 31, 2022).
- The following transactions took place with sister companies during the current year:

Nature of dealing	JOD
Sales	24,219
Purchases	37,740

On 1/12/2021, and in accordance with the general assembly resolution, the Company sold all of its shareholdings in the Packing and Packaging Materials Industrial Company (associate company) for JOD 369,221. As a result, the Company recognized a loss of approximately JOD 222,000 from this transaction. The legal procedures for the transfer of the shares in the name of the acquirer are still in progress until the date of the financial statements.

a. Due from related parties

		December 31,	
	Relationship	2023	2022
Jordanian Dinar			
Saueressig Jordan	Sister	9,663	14,663
Nuqul Engineering and Contracting	Sister	973	972
Nuqul Automotive	Sister	297	172
Al ahfad	Sister	-	1,259
Ideal For Printing	Sister	372	-
Fine Hygienic Paper-Sahab	Sister	1,605	-
Total		12,910	17,066

b. Due to related parties:

		December 31,	
Short-term:	**Relationship**	**2023**	**2022**
Jordanian Dinar			
Al Naseem Trading	Sister	53,714	76,205
Fine Hygienic Paper-HO	Sister	27,899	28,163
Masader Investments	Sister	505	2,830
Fine Hygienic Paper-Sahab	Sister	-	20,880
Fine Hygienic Paper-Dubai	Sister	561	561
Al Sanouber Hygienic Paper	Sister	2,400	600
Ideal For Printing	Sister	-	49
Total		85,079	129,288
Long-term:			
Elia Nuqul & Sons	Shareholder	4,269,114	3,982,652
Total		4,269,114	3,982,652

The above balances are not subject to interest and there is no timetable for settlement.

21) Income and sales tax

We set out here below the Group's income and sales tax status as of December 31, 2023:

Investments & Integrated Industries Company:

Income tax:

- Income tax up to December 31, ,2018 is finalized and settled.
- Tax returns until the year 2022 are submitted
- No definite amounts are due to the Tax Department.
- Tax return for the year 2023 will be submitted within the legal deadline.

Sales tax:

- Sales tax returns up to December 31, 2016, are audited by the Tax Department.
- Sales tax returns up to October 31, 2023, are reviewed by the Company's Tax Advisor.
- No definite amounts are due to the Tax Department.

Quality Printing Press Company:

Income tax - Amman:

- Income tax up to December 31, 2018, is finalized and settled.
- Income taxes for the years 2019-2022 are not audited.
- Tax returns until the year 2022 are submitted
- No definite amounts are due to the Tax Department.

Income tax - Aqaba:

- Income tax for the year ended December 31, 2021, is finalized and settled.
- Tax returns until the year 2022 are submitted
- No definite amounts are due to the Tax Department.

Sales tax - Amman:

- Sales tax returns up to December 31, 2020, are audited by the Tax Department.
- Sales tax returns up to December 31, 2023, are reviewed by the Company's Tax Advisor.
- No definite amounts are due to the Tax Department.

Fa Kaf Company:

Income tax:

- Income tax up to December 31, 2018, is finalized and settled.
- Tax returns until the year 2022 are submitted
- Income taxes for the years 2019-2022 are not audited.
- Tax return for the year 2023 will be submitted within the legal deadline.
- No definite amounts are due to the Tax Department.

Sales tax:

Starting from June 30, 2015, the Company's sales tax registration has been canceled, therefore, a final adjusted sales tax return has been submitted and the outstanding amount settled.

Oran Company:

Income tax:

- Income tax up to December 31, 2022, is finalized and settled.
- Tax return for the year 2023 will be submitted within the legal deadline.
- No definite amounts are due to the Tax Department.

22) Basic and diluted profit per share

Jordanian Dinar	As of December 31, 2023	2022
Profit for the year	589,959	573,204
The weighted average number of shares	14,500,000	14,500,000
Basic and diluted profit per share for the year	4,1%	3,95%

23) Subsidiaries

a- The following is a breakdown of the Company's subsidiaries:

Subsidiary	Paid-up Capital 2023	Paid-up Capital 2022	Ownership % 2023	Ownership % 2022	Nature of Operation
Fa Kaf Consulting Co.	3,000,000	3,000,000	98,2%	98,2%	Management, industrial and trading consulting, and RE rental
Quality Printing Press	3,160,000	3,160,000	82,59%	82,59%	Stationery and library accessories
Oran for Investments	10,000	10,000	100%	100%	Investment

b- The fair value reserve of the financial assets owned by Oran for Investment Company (a subsidiary) as of December 31, 2023, amounted to JOD 1,349,888 (unrealized losses from the valuation of financial assets), which exceeded its paid-up capital, and as a result, the net equity of Oran for Investment Company as of December 31, 2023, was at a deficit in the amount of JOD 1,344,381 which rais doubt about the subsidiary's ability to continue as a going concern.

24) Operating Segment

The Company's main activities are investment, consulting, real estate leasing, and Printing. The following table presents information on the Company's operating segments for the year ended December 31, 2023:

Jordanian Dinar	Investment	Fa Kaf Consulting	Quality Printing	Elimination	Total
Revenues	-	-	4,280,770		4,280,770
Net financing expenses	(676,158)	-	(106,864)	-	(783,022)
Profit after tax	552,289	5,861	38,642	-	596,792
Segment total assets	22,806,609	3,349,277	5,084,360	(9,360,203)	21,880,043
Segment total liabilities	14,044,061	34,090	3,357,621	(6,024,038)	11,411,734

25) Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk
- Capital management.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies, and processes for measuring and managing risks, and the Company's management of capital.

The management has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, set appropriate risk limits and controls, and monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, due from related parties, and other debt balances, cash, and cash equivalent and investments in debt securities.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Account	December 31,	
Jordanian Dinar	**2023**	**2022**
Cash and cash equivalents	10,113	241,916
Accounts receivable and other debit balances	2,336,522	2,601,609
Checks under collection	148,377	201,684
Due from related parties	12,910	17,066
	2,507,922	3,062,275

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations when they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contracted maturities of financial liabilities (quantitative analysis of liquidity risk as of December 31, 2023):

Account	Book value	Contractual cash flow	Less than one year	More than one year
Jordanian Dinar				
Accounts payables and other credit balances	690,584	690,584	690,584	-
Due to related parties	4,354,193	4,354,193	85,079	4,269,114
Bank loans	6,326,409	6,326,409	1,205,160	5,121,249
Total	11,371,186	11,371,186	1,980,823	9,390,363

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices will affect the Company's profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return. The following is a quantitative analysis of market risk as of December 31, 2023 (amounts are translated to Jordanian Dinar at the exchange rates prevailing on December 31, 2023):

Account	JOD	USD	Total
Cash and cash equivalent	10,113	-	10,113
Accounts receivable and other debit balances	2,336,522	-	2,336,522
Due to related parties – net	(4,341,283)	-	(4,341,283)
Financial assets at fair value through other comprehensive income	16,446,650	-	16,446,650
Accounts payable and other credit balances	(690,584)	-	(690,584)
Bank loans	-	(6,326,409)	(6,326,409)
Total	13,761,418	(6,326,409)	7,435,009

Currency Risk

The Company's exposure to foreign currency risk results from sales, purchasing, and financing in USD (the exchange rate of USD to JOD is 0.710 as of December 31,). Currency risk has not been hedged by the Company. The following analysis demonstrates the sensitivity of the consolidated statement of income to change in JOD exchange rate against USD by 10%, with all other variables remaining constant:

Jordanian Dinar	2023	2022
Increase in JOD exchange rate against USD by 10%	(632,641)	(808,769)
Decrease in JOD exchange rate against USD by 10%	632,641	808,769

Interest rate risk

Interest rate risk represents the risk of changes in interest rates in the market. In this regard loans and other bank facilities bear fixed and variable interest rates.

Capital management

The Company's policy is to maintain a strong capital base to maintain investor, creditor, and market confidence and to sustain the future development of the business. The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

There have been no changes in the Company's approach to capital management during the year.

Items included in the capital structure consisted of paid-up capital, statutory reserve, accumulated losses, and fair value reserve in the amount of 10,107,024 JOD as of December 31, 2023 (11,671,717 as of December 31, 2022).

26) Legal case against the Company

There is a legal case filed against the Integrated Industries and Investments Company by the plaintiff Cementra/Jordan for a financial claim of JD 3,505,831 in its capacity as a guarantor of Nuqul Engineering and Contracting Company (sister company), which resulted in the issuance of a decision by the Court of Appeal to order the precautionary attachment of the funds of the Integrated Investments and Industries Company. The subject matter of the above case, according to the confirmation of the Company's legal counsel, is summarized in a financial claim filed by Cementra/Jordan Company (Supplier) against both Nuqul Engineering and Contracting Company as a debtor and Integrated Industries and Investment and Integrated Industries Company in its capacity as guarantor of Nuqul Engineering and Contracting Company.

On February 21, 2023, the court issued a directive for both Integrated Investment and Industries Company and Nuqul Engineering and Contracting Company to settle the amount of JD 3,487,233. Additionally, they are responsible for covering associated expenses, lawyers' fees, and legal interest at a rate of 9%, accruing from November 1, 2022. However, the Company's management did not recognize any provision for this case.

27) Contingent liabilities

This item consists of:

- Lawsuits filed by the Quality Printing Press Company against third parties (customers) in the amount of JD 1,576,215. The Company's management expects that there is no need to increase the provisions related to these balances.
- Lawsuits filed by the Fa Kaf Company against third parties (customers) in the amount of JD 48,147.
- Lawsuits filed against the Investments & Integrated Industries Company and Amwal Invest (investee). According to the confirmation of the Company's legal counsel, the subject matter of the case is an abuse of power. The case is currently in the Court of Appeal.

28) 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.

New standards or amendments	Effective date
Non-current Liabilities with Covenants- Amendments to IAS 1 and Classification of Liabilities as Current or on-current – Amendments to IAS 1 Presentation of Financial Statements	January 1, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
Supplier Finance Arrangements – Amendments to IAS 7 AND IFRS 7	January 1, 2024
Lack of Exchangeability – Amendments to IAS 21	January 1, 2025
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	To be determined – Early adoption is permitted

The Company anticipates that each of the above standards and amendments will be adopted in the financial statements by its date mentioned above without having any material impact on the Company's financial statements.