

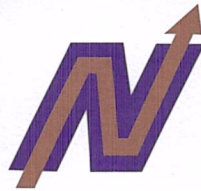
Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Financial statements
as of December 31, 2024

Index

Page

Independent auditors' report	1-5
Statement of financial position	6
Statement of comprehensive income	7
Statement of change in owners' equity	8
Statement of cash flows	9
Notes to financial statements	10 - 30



Independent Auditors' Report
To general assembly
The Arabian Steel Pipes Manufacturing Co.
Public Shareholder Company
Report on the Audit of the Financial Statements

Auditing scope

We have audited the accompanying financial statements of **The company** which comprise:

- Statement of financial position as at 31 December 2024.
- Statement of comprehensive income for the year ended of that date.
- statement of changes in owners' equity for the year ended of that date.
- statement of cash flows for the year ended of that date.
- notes, comprising significant accounting policies and other explanatory information.

the opinion

In our opinion, the accompanying financial statements **present fairly**, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

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

the independency

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.



Continued - Independent auditors' Report of the The Arabian Steel Pipes Manufacturing Co. for the year ended on December 31, 2024

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.

Expected credit losses provision

Given the discretionary nature of the process of calculating the provision for expected credit losses and the importance of the judgments and assumptions used in the classification of receivables stipulated in International Financial Reporting Standard No. (9) and determining the requirements for related provisions, therefore this issue was considered an important audit matter.

Receivables amounted to JD 3,127,871 and a provision for expected credit losses was calculated at a value of JD 697,301 as of December 31, 2024.

The disclosures related to the provision for expected credit losses are set out in Note No. (8) of the financial statements.

The audit procedures included the:

- Studying the appropriateness of the approach to applying International Financial Reporting Standard No. (9), financial instruments, and the practical means applied to determine the allocated provisions, and we have evaluated the reasonableness of the basic assumptions and the adequacy of the data used by the company.
- Verifying the appropriateness of the company's determination of the significant increase in credit risk, and verifying a sample of the appropriateness of its determination when default occurs, the probability of default occurring, and the expected loss in the event of default, used in calculating expected credit losses.
- Verifying the completeness of the receivables included in the expected credit losses calculations, examining a sample of the receivables whose value was determined to be impaired individually, and the management's estimate of future cash flows and evaluating their reasonableness.
- Reviewing the adequacy of the company's disclosures about the provision for expected credit losses, note (8), as well as the disclosure of accounting policies and estimates about the provision for expected credit losses in note (4) to the financial statements.



Continued - Independent auditors' Report of The Arabian Steel Pipes Manufacturing Co. for the year ended on December 31, 2024

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. We expected that we will give the annual report after our report. Our opinion on the 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 financial statements, our responsibility is to read the other information when its available and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

In preparing the 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

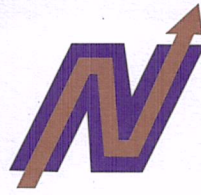
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Continued - Independent auditors' Report of The Arabian Steel Pipes Manufacturing Co. for the year ended on December 31, 2024

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

- Identify and assess the risks of material misstatement of the 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 the purpose of 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' 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 financial statements, including the disclosures, and whether the 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 financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, 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.



Continued - Independent auditors' Report of The Arabian Steel Pipes Manufacturing Company for the year ended on December 31, 2024

- 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 books of accounts and the accompanying Financial Statements agree with the Financial Statements incorporated, and we recommend the General Assembly to approve the Accompanying Financial Statements.

For Obeidat & alsalih

Nabil M. Obeidat

License No. 877

Amman in

February 10, 2025



Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Statement of financial position
as of December 31, 2024

	Note	2024 JD	2023 JD
<u>Assets</u>			
<u>Non - current assets</u>			
Property and equipment - net	5	3,114,806	3,092,506
Intangible assets - net	6	16	16
Financial assets at fair value through comprehensive income	7	937,259	726,248
Total non - current assets		4,052,081	3,818,770
<u>Current assets</u>			
Accounts receivable & checks under collection - net	8	2,430,570	1,756,007
Inventory - net	9	8,054,278	7,833,734
Financial assets at fair value through income	10 + 24 A	3,050,000	3,650,000
Other debit balances	11	227,784	244,376
Cash on hand and at banks	12	993,512	574,277
Total current assets		14,756,144	14,058,394
Total assets		18,808,225	17,877,164
<u>Owners' equity and liabilities</u>			
<u>Owners' equity</u>			
Capital	13	9,000,000	9,000,000
Statutory reserve	13	2,250,000	2,250,000
Voluntary reserve	13	1,061,503	1,061,503
Fair value reserve	13	384,402	235,991
Retained earning	13	2,533,095	1,719,505
Total owner's equity		15,229,000	14,266,999
<u>Current liabilities</u>			
Accounts payable		597,349	245,626
Notes payable - short term	14 + 24 B	2,276,769	2,582,927
Income tax provision	15	47,269	59,064
Other credit balances	16	657,838	722,548
Total current liabilities		3,579,225	3,610,165
Total owners' equity and liabilities		18,808,225	17,877,164

The accompanying notes form from (1) To (30) is an integral part of these statements

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Statement of comprehensive income
for the year ended December 31, 2024

	Note	2024	2023
		JD	JD
Sales	17	13,363,661	13,159,670
Cost of sales	18	(10,553,990)	(10,721,607)
Gross Profit for the year		2,809,671	2,438,063
General & administrative expenses	19	(551,292)	(504,874)
Selling and distribution expenses	20	(214,558)	(190,276)
Finance expenses		(112,207)	(125,354)
Expected credit losses	8	(66,841)	(223,391)
Returned from expected credit losses	8	24,775	101,895
Stagnant and slow moving goods	9	(390,705)	(249,000)
General provision		(50,000)	(100,000)
Other revenues	21	197,242	224,222
Profit for the year before tax		1,646,085	1,371,285
Income tax	15	(112,495)	(120,432)
Profit for the year		1,533,590	1,250,853
<u>Add: Other comprehensive income items</u>			
Net change in the fair value of financial assets through comprehensive income and associates		148,411	(9,680)
Total Comprehensive income for the year		1,682,001	1,241,173
		Fils/Dinar	Fils/Dinar
Basic and diluted earningig per share	22	0.170	0.139

The accompanying notes form from (1) To (30) is an integral part of these statements

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Statement of changes in owners' equity
for the year ended December 31, 2024

Description	Capital	Statutory reserve	Voluntary reserve	Fair value reserve *	Retained earnings	Total
	JD	JD		JD	JD	JD
<u>For the year ended December 31, 2024</u>						
Balance as of January 1, 2024	9,000,000	2,250,000	1,061,503	235,991	1,719,505	14,266,999
Profit of the year after tax	-	-	-	-	1,533,590	1,533,590
Fair value reserve	-	-	-	148,411	-	148,411
Total Comprehensive income	-	-	-	148,411	1,533,590	1,682,001
Dividends paid to shareholders (note 13)	-	-	-	-	(720,000)	(720,000)
Balance as of December 31, 2024	9,000,000	2,250,000	1,061,503	384,402	2,533,095	15,229,000
<u>For the year ended December 31, 2023</u>						
Balance as of January 1, 2023	9,000,000	2,250,000	1,061,503	245,671	1,008,652	13,565,826
Profit of the year after tax	-	-	-	-	1,250,853	1,250,853
Fair value reserve	-	-	-	(9,680)	-	(9,680)
Total Comprehensive income	-	-	-	(9,680)	-	1,241,173
Dividends paid to shareholders	-	-	-	-	(540,000)	(540,000)
Balance as of December 31, 2023	9,000,000	2,250,000	1,061,503	235,991	1,719,505	14,266,999

* In accordance with the Securities And Exchange Commission's instructions, it is prohibited to dispose of the balance of fair value reserves of financial assets by distributing to the company's shareholders, capitalization, extinguishing losses or any other aspect of conduct.

The accompanying notes form from (1) To (30) is an integral part of these statements

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Statement of cash flows
for the year ended December 31, 2024

	Note	2024 JD	2023 JD
<u>Cash flows from operating activities</u>			
Profit for the year before tax		1,646,085	1,371,285
Depreciations	5	308,156	285,006
Returned from expected credit losses	8	(24,775)	(101,895)
Expected credit losses	8	66,841	223,391
Stagnant and slow moving goods	9	390,705	249,000
Capital (gains)		(18,671)	(7,190)
Finance expenses		112,207	125,354
Operating profit income before changes in working capital		2,480,548	2,144,951
<u>(Increase) decrease in current assets</u>			
Accounts receivable & checks under collection		(716,629)	107,475
Inventory		(611,249)	292,665
Other debit balances		16,592	(4,637)
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		199,840	(75,674)
Due to related parties		-	(265,688)
Other credit balances		87,173	315,621
Net cash provided from operating activities before paid tax		1,456,275	2,514,713
Paid tax	15	(124,290)	(96,296)
Net cash provided from operating activities		1,331,985	2,418,417
<u>Cash flows from investing activities</u>			
Acquisitions of property , plant & equipments	5	(330,459)	(131,136)
Proceeds from selling property & equipments		18,674	9,154
Acquisitions of financial assets at fair value through income		600,000	(1,180,000)
Proceeds from selling financial assets through comp. income		(62,600)	176,248
Investment in subsidiary		-	(1,125,734)
Net cash flows provided investing activities		225,615	(2,251,468)
<u>Cash flows from financing investing</u>			
Notes payable		(306,158)	(210,202)
Dividends paid to shareholders	13	(720,000)	(540,000)
Finance expenses		(112,207)	(125,354)
Net cash flows (used in) financing activities		(1,138,365)	(875,556)
Net increase in cash balances		419,235	417,127
Cash on hand & at banks at beginning of year		574,277	157,150
Cash on hand & at banks at ending of year		993,512	574,277

The accompanying notes form from (1) To (30) is an integral part of these statements

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Notes to the financial statements

1- Company's registration and objectives

The **Arabian Steel Pipes Manufacturing Company** was established in accordance with the Companies Law of **1964** as a private shareholding company and was registered in the register of private shareholding companies under No. **(1185)** on **June 12, 1983**, and its status was reconciled as a limited liability company on **June 5, 1989** under the Jordanian Companies Law No. **(1)** of **1989** and registered in the Register of Limited Liability Companies under No. **(208)** on **November 20, 1989**. According to the meeting of the extraordinary general assembly held on **November 4, 1993**, the legal status of the company was transformed from a limited liability company to a public shareholding company and its status was reconciled as a public shareholding company on **August 3, 1994** and registered in the Register of Public Shareholding Companies under No. **(251)**.

The company started its commercial production on **February 15, 1989**, and the company was given the right to start working as a public shareholding company on **November 2, 1994**.

One of the most important goals of the company is the manufacture of metal pipes of all kinds with diameters from 0.5 to 6 mm, import and export, general trade, production of electrical poles of all kinds, tubular, polygon, communication poles, forming sheet metal, manufacturing components of metal structures for special use and general galvanizing And the production of iron towers and their parts for high and medium pressure electricity extension networks, communication towers, lighting towers, and insulation of pipes by all methods of insulation.

The financial statements were approved by the board of directors at its meeting held on **February 10, 2025** these financial statements aren subject to the approval of the general assembly of shareholders .

2- Basis of preparation of financial statements

The financial statements of the company have been prepared in accordance to International Financial Reporting Standards.

The financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value (if exist).

The financial statements are presented in Jordanian Dinars (JD) which is the company's functional and presentation currency.

3- Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities . These estimates and assumptions also affect the revenues and expenses and the resultant provisions and particular , considerable judgement by management is required in the estimation of the amount and timing of future cash flows . Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ, resulting in future change in such provisions .

Management believe that the estimates are reasonable and are as follows :

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable . For individually significant amounts , this estimation is performed on an individual basis . Amounts which are not individually significant , but which are past due , are assessed collectively and a provision applied according to the length of time past due , based on historical recovery rates .
- Inventories are held at the lower of either cost or net realizable value . When inventories become old or obsolete , an estimate is made of their realizable value . For individually significant amounts this estimation is performed on an individual basis . Amounts which are not individually significant , but which are old or obsolete , are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence , based on historical selling prices.
- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of comprehensive income.

4- Significant accounting policies

Changes in accounting policies

Accounting policies followed in financial statements' preparation for this year are consistent with the policies followed the last year, December 31, 2023.

New standards, amendments and interpretations issued :

It is valid for annual periods beginning on January 1, 2024.

- * Amendments to IFRS 16 - Liabilities of leases in sales and leaseback transactions.
- * Amendments to IAS 1- Non-current liabilities with undertakings and classification of liabilities as current or non-current
- * Amendments to IAS 7 - Statement of Cash Flows and IFRS 7 Financial Instruments.
- * Amendments to IAS No. 16 - Lease Contracts - Lease Obligations in Sale and Re-Lease.
- * IFRS S1 – General requirements for the disclosure of financial information related to sustainability.
- * IFRS S1 – Climate-related disclosures.
- * Deferred tax assets and liabilities arising from a single transaction - amendments to IAS 12.
- * Sale or contribution to assets between an investor and his subsidiary or joint venture - Amendments to IFRS 10 and IAS 28, effective date not yet specified, allows for early application.

In the opinion of the management, the new standards, amendments and interpretations did not have a material impact on the company during the current or future year and on the expected future transactions.

Accounts receivable

Accounts receivable are stated at their net realizable value net of a provision for impairment debts, bad debts where written off when identified deduct of its stated provision and the collected amounts from debts which identified to revenues .

Expected credit losses

The company recognizes a provision for expected credit losses for all debt instruments that are not held at fair value through the statement of profit or loss. The expected credit losses are based on the difference between the contractual flows due in accordance with the contract and all the cash flows that the company expects to receive, it discounted when estimating the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit improvements that are part of the contractual terms (if any). The management of the company calculates the provision based on its historical experience in credit loss adjusted according to future factors of debtors and the economic environment.

Inventory

Inventory are recognized at cost or net realizable value, whichever is lower. Goods include all financing costs and other costs incurred in acquiring them. Net realizable value represents the estimated selling price in the ordinary course of business.

Financial assets at fair value through income

The financial assets at fair value through income that the company purchased for the purpose of selling them in the near future and making profits from short-term market price fluctuations or trading profit margins. These assets are recorded at fair value upon purchase (acquisition expenses are recorded in the income statement upon purchase) and are subsequently re-evaluated at fair value, and the change in fair value appears in the income statement, including the change in fair value resulting from translation differences of non-monetary asset items in foreign currencies And in the event that these assets or part of them are sold, the resulting profits and losses are recorded in the income statement, and the distributed profits or realized interests are recorded in the income statement.

Financial assets at fair value through comprehensive income

Financial assets at fair value through comprehensive income are non derivative financial assets, the purpose of the acquisition is to keep them available for sale and not to trade or keep them until maturity.

The differences in the change in fair value of financial assets carried at fair value are recorded through the statement of comprehensive income.

Financial assets at fair value through comprehensive income that is available to quoted market prices in active markets at fair value, net of accumulated impairment losses in the fair value appear.

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

Gains and losses arising from differences foreign currency debt instruments that bear interest within the specified financial assets at fair value through comprehensive income transfer register, while the registration of foreign exchange rate changes ownership of the tools included in the cumulative change in fair value in equity.

If the company did not adopt the recognition of the fair value changes of financial assets in equity instruments in the list of other comprehensive income must be an option then these assets are measured at fair value and recognize changes in fair value in the statement of comprehensive income.

Offsetting

Offsetting of financial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legally enforceable right to offset the recognized amounts and the bank intends to either settle them on a net basis , or to realize the assets and settle the liability simultaneously

Property, plant & equipments

Property, plant & equipments are recorded at cost and depreciated exception of (lands) over its estimated useful lives under the **straight line** method by using annual depreciation rates as follows:

Buildings	3	Vehicles	15
Machines, equipment and spare parts	7	Computers	12-20
Production and technical tools	30-35	Furniture & fixtures	10
office equipment	10-20		

An assets carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, the impairment record in statement of comprehensive income.

The expected production life for assets is reviewed at end of the year , whenever ther are changes between the expected life and the estimated, the depreciation method is changed to depreciate on net book value based on the remaining production life after re-estimation from the year re-estimated on .

When there are no expected economic benifits from usage, that item will be written down immediately.

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Notes to the financial statements

Intangible assets

Intangible assets with finite useful lives are shown at cost separately after deducting the accumulated amortization and accumulated impairment losses, and the costs of acquiring and preparing them to benefit from them are capitalized.

Intangible assets are classified on the basis of estimating their lifespan for a specific period, or for an indefinite period, and intangible assets that have a specific lifespan are amortized during this life and the amortization is recorded in the income statement using the straight line method at percentages ranging from **20% - 33%**. As for intangible assets with an indefinite life, the decline in their value is reviewed on the date of the financial statements, and the decline in their value is taken to the statement of comprehensive income.

The estimated useful lives and the amortization method are reviewed as at the date of the financial statements, as any impact of changes in estimates is calculated on a prospective basis.

Accounts payable & accrued amounts

The accounts Payable and accrued amounts are recognized upon receipt of the goods by the company, whether billed by the supplier or not.

Fair value

The closing prices (purchase of assets / sale of liabilities) on the date of the financial statements in active markets represent the fair value of financial instruments and derivatives that have market prices.

In the event that declared prices are not available, or there is no active trading of some financial instruments and derivatives, or market inactivity, their fair value is estimated in several ways, including:

- Comparing it with the current market value of a financial instrument that is very similar to it.
- Analyzing future cash flows and discounting the expected cash flows at a rate used in a similar financial instrument.
- Comparing it with the current market value of a financial instrument that is largely similar to it.
- Options pricing models.
- Evaluation of long-term financial assets and liabilities that do not accrue interest according to the cash flow discount and according to the effective interest rate, and the discount / premium is amortized within the interest income received / paid in the statement of comprehensive income for the year.

Valuation methods aim to obtain a fair value that reflects market expectations and takes into account market factors and any expected risks or benefits when estimating the value of financial instruments. In the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any impairment in their value.

The date the financial assets are recognized

Purchase and sale of financial assets are recognized on the trading date (the date of the company's commitment to buy or sell financial assets).

Revenues recognition

The company generates revenue according to IFRS 15 using the following five-step model:

The first step: determine the contract with the customer

The second step: determine performance obligations

The third step: determine the transaction price

The fourth step: allocate the transaction price to contract obligations

The fifth step: Revenue recognition

Other revenues and expenses

Other revenues and expenses are taken to the income statement on an accrual basis.

Dividends distributed

Dividends are recognized when announced by the investee companies.

Provisions

Provisions are recognized when the company has obligations at the date of the financial position arising from previous events and that the payment of the obligations is probable and their value can be measured reliably.

The amounts recognized as provisions represent the best estimate of the amounts required to settle the obligation as at the date of the financial statements, taking into account the risks and uncertainties associated with the obligation. When the value of the provision is determined on the basis of the cash flows estimated to settle the current obligation, its book value represents the present value of these cash flows.

When it is expected that some or all of the economic benefits required from other parties to settle the provision will be recovered, the receivable is recognized within the assets if the actual receipt of compensation is certain and its value can be reliably measured.

Income tax

Accrued taxes expenses are calculated according to taxable gains in accordance to law (38) for the year **2018**, taxable gains are different from declared gains in income statement because declared gains include non-taxable revenues or non-reduction expenses at the current year but in coming years, or acceptable taxable accumulated loss, or non-taxable items or reducing for tax purposes.

Taxes are calculated according to decision tax rate in accordance with laws, systems and instructions.

Foreign currency translation

Foreign currency transactions are translated into Jordanian Dinars at the exchange rates prevailing at the date of transaction. Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at the exchange rates prevailing as at the balance sheet date. Exchange differences arising from these translations are included in the statement of income.

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

5- Property, plant and equipment - Net

A. This item consists of :

	Lands	Buildings	equipment and spare parts	Production and technical tools	Vehicles	Computers	Furniture & fixtures	office equipment	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
<u>Cost</u>									
Balance beginning of the year	927,462	2,553,343	7,318,141	333,100	426,820	125,860	137,728	29,395	11,851,849
Additions for the year	-	-	141,267	3,750	178,263	4,049	2,105	1,025	330,459
Disposals for the year	-	-	-	-	(67,960)	-	-	-	(67,960)
Balance ending of the year	927,462	2,553,343	7,459,408	336,850	537,123	129,909	139,833	30,420	12,114,348
<u>Accumulated depreciations</u>									
Balance beginning of the year	-	1,505,830	6,312,637	330,184	342,095	113,474	124,711	30,412	8,759,343
Depreciation for the year	-	69,826	195,973	2,956	31,044	4,553	3,292	512	308,156
Disposals for the year	-	-	-	-	(67,957)	-	-	-	(67,957)
Balance ending of the year	-	1,575,656	6,508,610	333,140	305,182	118,027	128,003	30,924	8,999,542
Book value as of December 31, 2024	927,462	977,687	950,798	3,710	231,941	11,882	11,830	-	3,114,806
Book value as of December 31, 2023	927,462	1,047,513	1,005,504	2,916	84,725	12,386	13,017	-	3,092,506

B. Cost of depreciated property , plant & equipments & still in use JD 6,363,574 as of December 31, 2024 .

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

6- Intangible assets - Net

A. This item consists of the following :

Computer software

Cost

Balance ending of the year

2024	2023
JD	JD
196,962	196,962

Accumulated amortization

Balance ending of the year

196,946	196,946
----------------	----------------

Net book value

16	16
-----------	-----------

B. Cost of amortized intangible assets and still in use JD 196,946 as of December 31, 2024

7- Financial assets at fair value through comprehensive income

This item consists of :

2024	2023
JD	JD

Inside Jordan

Public shareholding companies (Listed)

Portfolio of financial assets

544,274	481,674
---------	---------

Outside Jordan

Portfolio of financial assets

8,583	8,583
-------	-------

Total

552,857	490,257
----------------	----------------

Fair value reserve

384,402	235,991
---------	---------

Faire value

937,259	726,248
----------------	----------------

8- Account receivables and checks under collection- net

A- This item consists of the following:

2024	2023
JD	JD

Tenders receivables

1,975,015	1,214,236
-----------	-----------

Export receivables

399,875	427,544
---------	---------

Trade receivables

163,159	147,382
---------	---------

Checks under collection (note 8 B)

339,900	263,625
---------	---------

Other receivables

249,922	358,455
---------	---------

Total

3,127,871	2,411,242
------------------	------------------

Less: impairment debts provision (note 8 C)

(697,301)	(655,235)
------------	------------

Net

2,430,570	1,756,007
------------------	------------------

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

B. Checks under collection maturity date extend to **June 30, 2025** .

C. **The movement of impairment debts during the year as follow :**

	2024	2023
	JD	JD
Balance at beginning of the year	655,235	533,739
Additions for the year	66,841	223,391
Disposals for the year (returned for income)	(24,775)	(101,895)
Balance at ending of the year	697,301	655,235

9- **Inventory - net**

A. This Item Consists of :

	2024	2023
	JD	JD
Raw materials (note 18)	3,800,463	4,244,790
Finished goods (note 18)	3,993,710	2,929,787
Supplies and production kits	960,105	968,452
Total	8,754,278	8,143,029
Less: stagnant and slow moving goods provision (note 9 B)	(700,000)	(309,295)
Net	8,054,278	7,833,734

B. **The movement of stagnant slow moving goods provision during the year as follow :**

	2024	2023
	JD	JD
Balance at beginning of the year	309,295	60,295
Additions for the year	390,705	249,000
Balance at ending of the year	700,000	309,295

10- **Financial assets at fair value through income**

A. This item consists of :

	2024	2023
	JD	JD
An investment portfolio with Jordan Islamic Bank	3,050,000	3,650,000

B. The annual profit rates for the investment portfolio are determined at the end of the financial year in accordance with the principles of Islamic Sharia.

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

11- **Other debit balances**

This Item Consists of :

	2024	2023
	JD	JD
Refundable deposits	25,308	61,057
Guarantees deposits	52,924	56,993
Prepaid expenses	6,627	8,409
Employee advances	117,227	85,180
Other	25,698	32,737
Total	227,784	244,376

12- **Cash on hand & at banks**

This Item Consists of :

	2024	2023
	JD	JD
Cash on hand	14,040	7,217
Checks on hand	1,568	146,134
Current accounts at banks	977,904	420,926
Total	993,512	574,277

13- **Owners' equity**

A- **Capital**

Declared & Paid capital amounted of JD **9,000,000** distributed on **9,000,000** shares, of Nominal value for each share of one JD .

B- **Statutory reserve**

This item represents the accumulated amounts appropriated at a rate of **10%** of annual income and prior years, the appropriation will stop when the statutory reserve amount equals the capital , it is not available for distribution to the shareholders, provided that deductions for statutory reserve account do not exceed **25%** of the paid up capital, and it can be used for amortization accumulated loss in accordance with the companies law. The board of directors in previous years to stop deducting statutory reserve according to reached to **25%** of declared and paid up capital.

C- **Voluntary reserve**

The voluntary reserve is formed by deducting a percentage not exceeding **20%** of the year's profits, and it is distributable as dividends to the shareholders, and it can also be used for the purposes decided by the company's board of directors.

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

D- Fair value reserve

Fair value reserve represents of Decrease or increase of financial assets fair value as follows :

	2024	2023
	JD	JD
Balance at beginning of the year	235,991	245,671
Net change during the year	148,411	(9,680)
Balance at ending of the year	384,402	235,991

E- Retained earnings

The movement of retained earnings as follow :

	2024	2023
	JD	JD
Balance at beginning of the year	1,719,505	1,008,652
Profit of the year	1,533,590	1,250,853
Dividends paid to shareholders *	(720,000)	(540,000)
Balance at ending of the year	2,533,095	1,719,505

* In accordance with the ordinary general assembly meeting held on **March 24, 2024** it was approved to distribute cash dividends to shareholders at a rate of **8%** of the capital, with a value of JD **720,000**.

14- Notes payable

This item represents the value of the notes payable issued for the benefit of the Jordan Islamic Bank (a major shareholder of the company) in return for purchases of raw materials. All these notes payable are taken with the guarantee of the company's name, and the maturity of these notes payable extends until **July 15, 2025**.

15- Income tax

A- The movement of income tax as follow :

	2024	2023
	JD	JD
Balance at beginning of the year	59,064	27,889
Income tax for the year (note 15 C)	112,495	120,432
Income tax paid during the year	(114,183)	(89,894)
Income tax paid of investment portfolio	(10,107)	(6,402)
income tax for previous years	-	7,039
Balance at ending of the year	47,269	59,064

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

B- Income tax for 2020 has been accepted and self-assessment statements for income tax for the years 2021, 2022 and 2023 have been submitted and have not yet been reviewed by the Income and Sales Tax Department.

C- **Reconciliation of taxable income**

	2024	2023
	JD	JD
Recorded profit	1,646,085	1,371,285
Non-taxable income	(656,584)	(101,895)
Non-taxable expenses	521,603	448,536
Taxable income	1,511,104	1,717,926
Income tax rate	% 20- 5	5-20%
Income tax for the year	97,384	102,540
National contribution account (1% of taxable income)	15,111	17,892
Total income tax	112,495	120,432

16- **Other credit balances**

This item consists of :

	2024	2023
	JD	JD
Due to sales tax	57,233	59,276
Employees vacation provision	88,715	76,863
Employees rewards provision	90,730	63,750
Provision for remuneration of members of the Boards of Directors	34,644	35,000
Social Committee Fund	34,283	31,121
Due to income tax	18,937	13,368
Due to others	1,347	1,252
Due to shareholders	52,979	54,952
Due to social security	21,971	21,084
Accrued expenses	6,999	13,999
General provision	250,000	200,000
Total	657,838	570,665

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

17- **Sales**

A. This item consists of :

	2024	2023
	JD	JD
Export sales (note 17 b)	3,238,748	947,463
Local sales	2,149,536	2,621,655
Tenders local sales	7,975,377	9,590,552
Total	13,363,661	13,159,670

B. The percentage of export sales reached 24% of the total sales for the year 2024 (7% of the total sales for the year 2023).

18- **Cost of sales**

A. This item consists of :

	2024	2023
	JD	JD
Raw materials at the beginning of the year	4,244,790	2,804,080
Raw materials purchasing during the year	8,718,088	8,211,334
Raw materials at the ending of the year (note 9)	(3,800,463)	(4,244,790)
The cost of raw materials used in production	9,162,415	6,770,624
Cost of industrial employees (note 18 B)	1,460,458	1,320,021
Depreciation	280,552	265,198
Industrial expenses (note 18 C)	714,488	580,222
Raw materials at the beginning of the year	11,617,913	8,936,064
Finished goods at the beginning of the year	2,929,787	4,715,329
Finished goods at the ending of the year (note 9)	(3,993,710)	(2,929,787)
Cost of sales	10,553,990	10,721,607

B. **Cost of industrial employees**

This item consists of :

	2024	2023
	JD	JD
Salaries, wages and bonuses	1,230,058	1,106,398
Company's share of social security	138,650	128,531
Medical insurance	51,713	48,118
Transportation of employees	40,037	36,974
Total	1,460,458	1,320,021

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

C. Industrial expenses

This item consists of :

	2024	2023
	JD	JD
Energy expenses (water, electricity, and fuel)	300,157	303,641
Hospitality and cleanliness	7,320	4,060
public safety	2,388	1,170
Inspection, quality, ISO and courses	6,986	5,640
General insurance and public subscriptions	8,983	9,236
Bank commissions and government fees	3,694	769
Security and protection expenses	20,563	20,563
Maintenance expenses	120,799	41,224
Spare parts expenses	58,484	43,351
Supplies expenses	73,474	71,949
Equipment and tools expenses	60,666	36,053
Cars, machinery and cranes expenses	50,047	42,012
Stationery expenses	927	554
Total	714,488	580,222

19- General & administrative expenses

A. This item consists of :

	2024	2023
	JD	JD
Cost of administrative employees (note 19 B)	352,249	325,956
Transportations of members of the boards of directors	51,530	48,638
Boards of directors remuneration provision	34,644	35,000
Depreciation	21,318	16,606
Governmental fees & licenses & suscriptions	13,763	13,313
Professional fees & consulting	16,939	11,950
Mail and phone	8,649	8,170
Cars expenses	7,192	9,279
Donations	10,535	8,400
Security and Protection	3,917	3,917
Maintenance	16,901	7,757
Government stamps and fees	1,047	5,145
Hospitality and general authority expenses	5,294	5,690
Stationary, printing and computers' needs	6,592	4,346
Other	722	708
Total	551,292	504,874

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

B. Cost of administrative employees

This item consists of :

	2024	2023
	JD	JD
Salaries, wages and bonuses	320,081	295,689
Company's share of social security	27,604	26,457
Medical insurance	4,564	3,810
Total	352,249	325,956

20- Selling and distribution expenses

A. This item consists of :

	2024	2023
	JD	JD
Cost of selling employees (note 20b)	66,024	57,227
Consumptions	6,286	3,203
Commissions and bank guarantee expenses	14,072	14,996
Advertising, subscriptions and exhibitions	4,312	2,450
Copies, fees and referrals to bids	46,647	40,837
Transportation expenses	46,153	43,198
Car expenses	4,654	7,187
Redemption and endeavors	2,347	1,839
Download and download supplies	5,402	10,277
Inspection, samples, quality and engineering	2,569	5,521
hospitality	1,164	422
Foreign selling/export expenses	10,820	891
Government stamps and fees	4,108	2,221
Accommodation, travel, daily trips and transportatio	-	9
Total	214,558	190,276

B. Cost of selling employees

This item consists of :

	2024	2023
	JD	JD
Salaries, wages and bonuses	59,162	50,886
Company's share of social security	1,233	5,321
Medical insurance	5,629	1,020
Total	66,024	57,227

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

21- Other revenues

This item consists of :

	2024	2023
	JD	JD
Dividends received	51,640	42,633
Investment portfolios gains	126,421	80,021
Capital gains	18,671	7,190
Income from the liquidation of the subsidiary company	-	94,378
Other	510	-
Total	197,242	224,222

22- Basic and diluted earningig per share

This item consists of :

	2024	2023
	JD	JD
Profit for the year after tax	1,533,590	1,250,853
Weighted average shares (share)	9,000,000	9,000,000
Basic and diluted earningig per share	0.170	0.139

The diluted earning profit per share is equal to the basic earning per share for the period .

23- Contingent liabilities

On the date of the financial center, the company has contingent laibilites :

	2024	2023
	JD	JD
Bank guarantees	529,235	1,519,829
Deduct: Banks' gurantees deposits	-	(35,749)
Letters of credit	1,162,356	569,934
Deduct: letters of credit deposits	(116,236)	(56,993)
Net	1,575,355	1,997,021

24- Related parties transactions

The related parties represent the main shareholders, associates, subsidiaries, board members and companies in which they are major owners, the prices and conditions related to these transactions are approved by the company's management.

A. Details of due from related parties appear on financial position

	Relationship type	Type of transaction	2024	2023
			JD	JD
Jordan Islamic Bank / investment portfolio	Major shareholder	Investing	3,050,000	3,650,000

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

B. Details of due to related parties appear on financial position

	Relationship type	Type of transaction	2024 JD	2023 JD
Jordan Islamic Bank / notes payable	Major shareholder	Murabaha purchases	2,276,769	2,582,927

C. Details of due to related parties appear on income statement

	Relationship type	Type of transaction	2024 JD	2023 JD
Jordan Islamic Bank	Major shareholder	Investment portfolio gains	126,421	80,021
Jordan Islamic Bank	Major shareholder	Finance expenses	(112,207)	(125,354)

D. Wages , Allowances and other benefits for senior excutive managements :

	2024 JD	2023 JD
Salaries and other benefits	397,141	343,681

25- Legal situation

There is a case filed by the company against the defendants Abdullah Masoud and Mahmoud Shreim, which is the subject of a financial claim of (56,000) dinars, knowing that the case is still in the stage of pleadings before the Amman Court (Palace of Justice).
There are no cases filed by others against the company

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

26- **Sectors classification**

The company has several sectors as described below and are strategic in the company. Strategic departments provide different products and services, and are managed separately because they require different technical and marketing strategies.

Information relating to the result of each sector is included in the report below. Performance is measured based on the profit segment before tax, as reported in internal management reports reviewed by the company's management. The profit of the segment is used to measure performance where management believes that this information is most important in evaluating the the results of certain segments relating to other entities operating within these segments.

When providing information on geographical basis, segment revenue is based on the geographical location of the customers and the segment's assets are based on the geographical location of the assets.

The company operates its activities in major operating segments, which comprise of Industrial and others.

The company operated its activities inside of JORDAN.

	2024			
	<u>Main activity</u>	<u>Investments</u>	<u>Others</u>	<u>Total</u>
	JD	JD	JD	JD
Revenues	13,363,661	178,061	19,181	13,560,903
<u>Assets & liabilities</u>				
Assets	13,827,454	3,987,259	993,512	18,808,225
Liabilities	-	-	3,579,225	3,579,225
<u>Other sectors informations</u>				
Capital expenses	-	-	330,459	330,459
Depreciations	-	-	308,156	308,156
	2023			
	<u>Main activity</u>	<u>Investments</u>	<u>Others</u>	<u>Total</u>
	JD	JD	JD	JD
Revenues	13,159,670	122,654	203,463	13,485,787
<u>Assets & liabilities</u>				
Assets	13,652,888	3,650,000	574,277	17,877,164
Liabilities	-	-	3,610,165	3,610,165
<u>Other sectors informations</u>				
Capital expenses	-	-	131,136	131,136
Depreciations	-	-	285,006	285,006

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

27- Assets & liabilities accrual analysis

The following table shows the analysis of assets and liabilities according to the expected period of their recovery or settlement:

	2024		
	More than		Total
	Until 1 year	1 year	
	JD	JD	JD
<u>Assets</u>			
Property and equipment - net	-	3,114,806	3,114,806
Intangible assets - net	-	16	16
Financial assets at fair value through comprehensive income	-	937,259	937,259
Accounts receivable & checks under collection - net	2,430,570	-	2,430,570
Inventory - net	8,054,278	-	8,054,278
Financial assets at fair value through income	3,050,000	-	3,050,000
Other debit balances	227,784	-	227,784
Cash on hand and at banks	993,512	-	993,512
Total assets	14,756,144	4,052,081	18,808,225
<u>Liabilities</u>			
Accounts payable	597,349	-	597,349
Notes payable - short term	2,276,769	-	2,276,769
Income tax provision	47,269	-	47,269
Other credit balances	559,838	98,000	657,838
Total liabilities	3,481,225	98,000	3,579,225
Net	11,274,919	3,954,081	15,229,000
	2023		
	More than		Total
	Until 1 year	1 year	
	JD	JD	JD
<u>Assets</u>			
Property and equipment - net	-	3,092,506	3,092,506
Intangible assets - net	-	16	16
Financial assets at fair value through comprehensive income	-	726,248	726,248
Accounts receivable & checks under collection - net	1,756,007	-	1,756,007
Inventory - net	7,833,734	-	7,833,734
Financial assets at fair value through income	3,650,000	-	3,650,000
Other debit balances	244,376	-	244,376
Cash on hand and at banks	574,277	-	574,277
Total assets	14,058,394	3,818,770	17,877,164
<u>Liabilities</u>			
Accounts payable	245,626	-	245,626
Notes payable - short term	2,582,927	-	2,582,927
Income tax provision	59,064	-	59,064
Other credit balances	624,548	98,000	722,548
Total liabilities	3,512,165	98,000	3,610,165
Net	10,546,229	3,720,770	14,266,999

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

28- **Risk management**

Interest price risk

Interest rate risk is the risk that the value of a financial instrument will change as a result of changes in market interest rates.

The company manages its exposure to interest rate risk on an ongoing basis, as it evaluates various options such as financing, renewal of existing positions and alternative financing. The management believes that interest rate risk is not significant.

Credit risks

Credit risk is related to the risk of failure of the other party to fulfill its contractual obligations, which causes losses to the company. The company follows a policy of dealing with credit-qualified companies in addition to obtaining sufficient guarantees where appropriate in order to mitigate the risks of financial losses resulting from non-fulfillment of obligations.

The company's financial assets, which mainly consist of cash on hand and at banks, receivables and financial assets at fair value through the income statement, represent an important concentration of credit risks, and strict credit control is maintained as credit limits are monitored for each individual customer on an ongoing basis. The financial assets are kept at fair value through the income statement with leading banking institutions, and the management believes that the credit risks are not significant.

Liquidity risks

Liquidity risks represents of inability making sure of facilities availability to performance its obligations in due dated.

The following schedule summarizes distribution of financial liabilities (non-discounted) as of **December 31, 2024** based on remaining period for contractual entitlement :

	2024			
	Less than 3 months	months to 1 year	From 1 to 5 years	Total
	JD	JD	JD	JD
Accounts payable	115,320	482,029	-	597,349
Notes payable	1,951,769	325,000	-	2,276,769
Income tax provision	47,269	-	-	47,269
Other credit balances	129,359	403,466	125,013	657,838
Total	2,243,717	1,210,495	125,013	3,579,225

Arabian Steel Pipes Manufacturing Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

	2023			
	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	Total
	JD	JD	JD	JD
Accounts payable	115,320	130,306	-	245,626
Notes payable	2,257,927	325,000	-	2,582,927
Income tax provision	59,064	-	-	59,064
Other credit balances	129,359	498,318	94,871	722,548
Total	2,561,670	953,624	94,871	3,610,165

The company managed its finance risks through keeping reserves and has continuous control on actual cash flows, also complying the timing of both assets with liabilities and the management believe there is no liquidity risks.

Liquidity as of financial statements as follows :

	2024	2023
	JD	JD
Current assets	14,756,144	14,058,394
Current liabilities	(3,579,225)	(3,610,165)
Working capital	11,176,919	10,448,229

Currencies risks

Most of company's transactions was in Jordanian Dinars , so the effect of currencies risks is not material to financial statements .

29- **Subsequent events**

There are no subsequent events may have material affects to financial position .

Capital management

Main objective of capital management is to insure keeping capital ratio appropriate to support company's activity and maximizing Shareholders equity .

Company managing capital structure and making needs adjustments according to ganges in work conditions ,the company structuring capital by decrease it because of no needs for this amount currently .

The items include in capital structure represents of paid capital & statutory reserve & voluntary reserve & retained earnings totaling of JD **14,844,598** as of December **31, 2024** opposite of JD **14,031,008** as of **December 31, 2023**.

30- **Comparative figures**

Some of the comparative figures have been reclassified to suit the classification of the current fiscal year figures. The reclassification and did not result in any impact on the profit or property rights of the previous year.