

JORDAN INDUSTRIAL RESOURCES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD FROM
JANUARY 1, 2023 TILL JUNE 30, 2023

Report on review of Interim Consolidated Condensed Financial Statements
To the Board of Directors
Jordan Industrial Resources Company
(Public Shareholding Limited Company)
Amman – Jordan

We have reviewed the accompanying Interim condensed financial statements which comprise the statement of Interim consolidated statement of financial position as of 30 JUNE 2023, and the Interim consolidated statement of comprehensive income, Interim consolidated statement of changes in equity and Interim consolidated statement of cash flows for the three months period then ended, and explanatory notes. The Board of Directors are responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with International Financial Reporting Standards IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim financial statements information based on our review.

Review

Except as described in the following paragraph, we conducted our review in accordance with International Standards on review engagements No.2410, “Review of interim financial information’s performed by the independent auditor of the entity”. A review of interim financial information consists of making inquiries primarily of review with persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for qualified result

- Jordan Industrial Resources Company did not undertake any commercial activities and has not operated its factories in Jordan since the year 2006 until the date of this consolidated condensed statements of financial statements.
- Jordan Industrial Resources Company in Jordan undertakes the operations and management of the Ukrainian company.
- We did not obtain audited financial statements from an external auditor of the subsidiary in Ukraine because of the presence of the company in a separate zone from Ukraine, where there is no possibility of external audit in the separate region due to war. The proportion of assets of the subsidiary in Ukraine is approximately 92% of the total of assets of the financial statements the interim consolidated condensed financial statements have been prepared based on the disclosures submitted to us by the Company's management in Amman, Jordan.



BROTHERS

CPA JORDAN

Certified Public Accountants & Consultants

الأخوة

لتدقيق الحسابات والإستشارات

محاسبون قانونيون معتمدون ومستشارون



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Qualified result

Except of any adjustments on interim information's which could come to our attention and except for the situation shown above and upon our review nothing has come to our attention for any other matters which let us believe that Interim consolidated condensed Financial Statements has not been prepared in all material respects in accordance with standard IAS 34.

Attention

We draw attention without further reservation in our opinion above to the following:

- We point out that there is a mortgage on the land of the company No. (1070) basin (10 / Mawares Al-Dar) plate No. (27) with an area of (Dunum and 306 M²) and the building on it for the Integrated Financial Leasing Company PLC, and that for a loan amounting JD 214,056 (the loan amount is 140,000 and the remaining amount is interest) to be paid according to monthly cheques, which is (54) cheques, the value of each Cheque is 3,964 JD, as the first payment is due on July 5, 2023, and the last payment is due on December 5, 2027.

BROTHERS CPA JORDAN
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
AFFILIATED WITH INPACT INTERNATIONAL

Dr. George
DR. GEORGE LUTFI GHAWI CPA, CBM
LICENSE NO .133



AMMAN-JORDAN

July 25, 2023

JORDAN INDUSTRIAL RESOURCES COMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY

Amman - Jordan

Interim Consolidated Statement of Financial Position

	June 30, <u>2023</u>	December 31, <u>2022</u>
<u>ASSETS</u>	<u>Unaudited</u>	<u>Audited</u>
	<u>JD</u>	<u>JD</u>
Current Assets:		
Cash and cash equivalent	37,878	15,373
Accounts receivable and other debit balances - Net	198,245	197,110
Inventory	121,483	159,960
Undue and unpaid interest and bank charges	74,056	-
Prepaid expenses	411	948
Refundable deposits	1,265	1,265
Total Current Assets	<u>433,338</u>	<u>374,656</u>
Non - Current Assets:		
Lands - at cost	1,474,337	1,474,337
Property and equipment, net	7,140,226	7,150,826
Total Non - Current Assets	<u>8,614,563</u>	<u>8,625,163</u>
TOTAL ASSETS	<u>9,047,901</u>	<u>8,999,819</u>
 <u>LIABILITIES & SHAREHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable and other credit balances	896,364	942,277
Postdated cheques	1,000	-
Accrued expenses	700	1,578
Total current liabilities	<u>898,064</u>	<u>943,855</u>
Non - Current Liabilities:		
Long - term loan	976,074	976,074
The comprehensive leasing company loan	214,056	-
Total non - current liabilities	<u>1,190,130</u>	<u>976,074</u>
 <u>SHAREHOLDERS' EQUITY</u>		
Authorized, Subscribed and Paid-up capital 6,285,649 share at JD one each	6,285,649	6,285,649
Statutory reserve	873,196	873,196
(losses) Exhibit (C)	(608,080)	(480,889)
Foreign Currency exchange differences	406,192	399,184
Net Shareholders' Equity	<u>6,956,957</u>	<u>7,077,140</u>
Non-controlling interest	2,750	2,750
TOTAL LIABILITIES AND NET SHAREHOLDERS' EQUITY	<u>9,047,901</u>	<u>8,999,819</u>

The accompanying notes from (1) to (4) are an integral part of these financial statements

JORDAN INDUSTRIAL RESOURCES COMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY
AMMAN - JORDAN
Interim Consolidated Statement of Comprehensive Income

	For The Six Months Ended	
	June 30,	
	<u>2023</u>	<u>2022</u>
	<u>Unaudited</u>	
	<u>JD</u>	<u>JD</u>
Sales	107,440	428,101
<u>Less: Cost of Sales :</u>		
Finished goods beginning of period after evaluation	366,590	46,687
Cost of production	141,474	457,683
Finished goods end of period	(394,587)	(22,192)
Cost of Sales	<u>113,477</u>	<u>482,178</u>
Net income from operations	(6,037)	(54,077)
<u>Less/Add :</u>		
Selling and distributing expenses	(21,908)	(25,194)
General, administrative and financial expenses	(90,406)	(92,508)
Foreign Currency exchange differences	(6,319)	50,859
Ukraine income tax	(2,724)	(13,646)
Other revenue	203	9,922
Net (Losses) for the period Exhibit (C)	<u><u>(127,191)</u></u>	<u><u>(124,644)</u></u>

The accompanying notes from (1) to (4) are an integral part of these financial statements

JORDAN INDUSTRIAL RESOURCES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

Interim Consolidated Statement of Changes in Shareholders' Equity
For The six months Ended June 30, 2023 And 2022 (UNAUDITED)

	Paid - up		Statutory		Retained		Foreign		Non-controlling		Total
	Capital	JD	Reserve	JD	(losses)	JD	Currency	exchange	interest	JD	
Balance - at January 1, 2023	6,285,649		873,196		(480,889)		399,184		2,750		7,079,890
Net (Losses) for the period Exhibit (B)	-		-		(127,191)		-		-		(127,191)
Foreign Currency exchange differences	-		-		-		7,008		-		7,008
Balance - at June 30, 2023	6,285,649		873,196		(608,080)		406,192		2,750		6,959,707
(Unaudited)											
Balance - at January 1, 2022	6,285,649		873,196		(162,030)		397,029		2,750		7,396,594
Net (Losses) for the period Exhibit (B)	-		-		(124,644)		-		-		(124,644)
Foreign Currency exchange differences	-		-		-		61,261		-		61,261
Balance - at June 30, 2022	6,285,649		873,196		(286,674)		458,290		2,750		7,333,211

The accompanying notes from (1) to (4) are an integral part of these financial statements

JORDAN INDUSTRIAL RESOURCES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)

Amman - Jordan

Interim Consolidated Statement of Cash flows
For The six months Ended June 30, 2023 And 2022

	<u>2023</u>	<u>2022</u>
	<u>Unaudited</u>	
	<u>JD</u>	<u>JD</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net (Losses) for the period-Exhibit (B)	(127,191)	(124,644)
Adjustments :		
Depreciation and amortization	10,600	11,979
Cash flows from operations before changes in working capital	(116,591)	(112,665)
(Increase) in accounts receivable and other debit balances	(1,135)	(94,338)
Decrease (Increase) in inventory	38,477	(34,078)
(Increase) in undue and unpaid interest and bank charges	(74,056)	-
Decrease (Increase) in prepaid expenses	537	(27,919)
(Decrease) Increase in accounts payable and other credit balances	(45,913)	180,870
Increase in postdated cheques	1,000	-
(Decrease) in accrued expenses	(878)	(1,618)
Cash flows (used in) operating activities	<u>(198,559)</u>	<u>(89,748)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
The comprehensive leasing company loan	214,056	-
Paid for Loan	-	(723)
Foreign Currency exchange differences	7,008	61,261
Net cash flows from financing activities	<u>221,064</u>	<u>60,538</u>
Net Increase (Decrease) in cash flow	22,505	(29,210)
Cash and cash equivalent - beginning of year	15,373	74,754
Cash and cash equivalent -end of period	<u>37,878</u>	<u>45,544</u>

The accompanying notes from (1) to (4) are an integral part of these financial statements

JORDAN INDUSTRIAL RESOURCES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN – JORDAN

Notes on the Interim Consolidated Condensed Financial Statements

1- GENERAL

- A- The Company was established and registered as a public shareholding limited company in Jordan under no. (211) on October 22, 1991 with its head office in Amman-Jordan. Branches or agencies of the company can be established in Jordan and abroad. In accordance with the controller of the companies' approval, the company commenced its operations as of March 1, 1992.
- General Assembly in its extraordinary meeting held on March 19, 2009 and decided the following adjustments:
- 1) Restructuring the company's capital amounted to JD (13,250,000), amortize the accumulated losses amounting to JD (7,368,894) of capital by an amount JD (6,625,000) and the premium by JD (743,894), according to Article (114 / d) of the Companies law and the adjustment of article No. (4) Of the articles of association and the Memorandum of Association to read as follows:-
The capital of the company JD (6,625,000) divided into (6,625,000) six million six hundred and twenty five thousand shares par value and each share has one vote in the General Assembly.
 - 2) General Assembly decided to increase the capital of the company from JD (6,625,000) to JD (16,625,000), all procedures were completed legally.
 - 3) General Assembly decided on the meeting held on 4/15/2022 to reduce the company's capital from 16,625,000 shares/JD to 6,285,649 shares/JD by amortizing the company's accumulated losses as in the financial statements ended on December 31, 2021 the amount of 10,357,957 JD and amortization of the share premium reserve amounting to 18,606 shares / JD.
- B- International Industrial Resources - exempt was established and registered with the Ministry of Industry and trade under number (10) on 9 August 1997 with a capital of JD (30,000), the general assembly decided in its extraordinary meeting held on 25 August, 1999 to increase the capital to JD (1,250,000) and decided in its meeting held on 17 January, 2002 to increase the capital by JD (3,000,000) to JD (4,250,000), the general assembly decided in its extraordinary meeting held on 11 January, 2003 to increase capital to JD (6,250,000) .
- C- Ukrainian company resources were established on May 6, 1999 in Donetsk – Ukraine under no.593 with a capital of U.S \$ 2,504,573 equivalent to JD 1,778,247, the capital was increased during 2008 to U.S \$ 4,356,323 equivalent to JD 3,092,990 there was increase in capital during the year 2011 to become US dollars 7,634,808 equivalent to 5,420,714 dinars and there was another increase in capital through the year 2014 to become 10,657,436 US dollars equivalent to 7,566,708 dinars it was increased in capital during the year 2015 to be U.S \$11,781,896, equivalent to JD 8,365,146, The capital was reduced during the year 2021 to 7,117,106 US dollars, equivalent to 5,053,145 JD.
- D- The Company had (81) employees as of JUNE 30, 2023 and 2022.
- E- The board of directors approved the financial statements for issuance in their meeting held on July 25, 2023 and the F/S requires the approval of the general assembly of shareholders.

The accompanying notes from (1) to (4) are an integral part of these financial statements

2 - The objectives of the Company:

- A) Manufacturing and production of vegetable oils and their derivatives for human consumption, industrial purposes and marketing.
- B) Import and export of raw materials for these industries and related accessories
Furthermore the company has the right to undertake all types of investments, borrow, lend, mortgage, and join or cooperate with any establishment within Jordan or outside, in order to achieve its objectives.
- C) General Assembly in its extraordinary meeting held on July 31, 2008 decided to adjust the Memorandum of association and articles of association and add other related objectives:
 - 1- The company guarantee debts and obligations of corporations owned by the company , subsidiaries and its related party including mortgage of company funds movable and immovable to ensure that such debts and obligations of banks and financial institutions inside and outside the Kingdom.
 - 2- Purchase, sell and invest properties and land within the organization and outside the organization of all types and uses according to the laws and regulations.
 - 3- Purchase and sale of land after development, regulation, improving, dividing, sorting and delivery of all services to them by the laws and regulations and exploit its resources and preparing it for all kinds of investment including agricultural and manufacturing management on condition not to undertake brokerage business.
 - 4- Establishment of real estate projects of all types and purposes of residential, tourist, commercial, industrial and investment according to the laws and regulations.
 - 5- Purchase of land and the establishment of buildings and apartments are sold without interest.
 - 6- Building trade and apartments.
 - 7- Maintenance and rehabilitation of existing buildings, updating and development, commensurate with the regulations and requirements of modern buildings and perform all related services according to the laws and regulations in force.
 - 8- Import of all materials, machinery, equipment, machinery, raw materials and all building materials needed to implement the objectives of the company according to the laws and regulations.
 - 9- To undertake the work and management / supervision / implementation for the work and the projects mentioned above.
 - 10- To act the work of management, operation and development of investment activities in various fields, establishing and participating.
 - 11- To undertake the work of buying, selling, leasing, investment, distribution and supply of all products, materials, tools, supplies, devices and services.
 - 12- The sale and purchase and possess of securities, stocks, bonds, shares in public companies or private company, and in the establishment and management of companies of different types and objectives alone or jointly with others.
 - 13- To participate or contribute in any company, project or other works have an interest in, or with.

The accompanying notes from (1) to (4) are an integral part of these financial statements

- 14- To sell or behave in any of its assets and shares and stocks and bonds in companies owned.
- 15- Engage in bidding and tenders of government and private regarding the realization of the company.
- 16- Be bought, buys and leases and rents and mortgage imports of any property, movable or immovable, or any rights or privileges see the company necessary or appropriate to its goals, including the land, buildings, machinery, transportation, and goods and create, evaluate and act and conduct the necessary changes in the buildings and works where necessary or appropriate for the purposes of The company without end be trafficking land immovable or just achieved.
- 17- Borrow the funds necessary for the realization of the company to achieve its earnings and its projects as it deems appropriate and that of any party and that are proven money movable and immovable guarantee of debts and obligations.
- 18- The company conducts all actions that are necessary and will help to achieve the goals of the company in accordance with the provisions of the law and regulations in force.
- 19- To do all the things mentioned in the above objectives or any of them, either by itself or through agents or trustees about, or otherwise, and whether alone or in combination with other.
- 20- The company credited the achievement of its goals tightly applicable laws and regulations in force.
- 21- Manufacturing soap, detergents, perfumes and any other chemicals for industrial purposes.

3 - Basis of consolidation

The consolidated financial statements include the assets, liabilities, revenues and expenses of both the holding and subsidiary companies.

Inter – company transactions are eliminated.

<u>Company name</u>	<u>Country of incorporation</u>	<u>Percentage of ownership direct & indirect</u>
International Industrial Resources - exempt	Jordan	99.690
Ukraine Industrial Resources	Ukraine	99.350

4- Significant Accounting Policies

A) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards .

The preparation of financial statements was done in conformity with International Financial Reporting Standards which requires the use of significant accounting estimates and requires management to express an opinion on the process of applying joint accounting policies. Areas of high opinion, complexity or areas where assumptions and estimates are considered to be material to the financial statements.

The accompanying notes from (1) to (4) are an integral part of these financial statements

The financial statements have been prepared according to the historical cost convention. The financial statements have been prepared in accordance with the going concern. The figures shown in the financial statements have been rounded to the nearest whole Jordanian Dinar. The financial statements have been presented in Jordanian Dinars "JD" which is the functional currency of the Company. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the year ended June 30, 2022.

B) Cash and cash equivalents:

For the purpose of the cash flow statement, cash on hand and cash at bank with an original maturity of three months or less, less due to bank.

C) Accounts receivable:

Accounts receivable are carried at original invoice amount less an estimate made for expected credit loss. The Group uses the simplified method in calculating the expected credit loss in accordance with International Financial Reporting Standards (IFRSs) No. (9).

D) Inventories :

Raw materials , packing materials , finished goods , goods under process and semi finished goods are stated at cost using the first – in first –out or net realizable value, net of a provision for slowmoving items or net realizable value, whichever is lower. Moreover, working on process inventory are stated at cost.

E) Accounts payable and accruals:

Liabilities are recognized based on the amount to be paid in the future for goods received or services rendered, whether they were billed by the supplier or not. Trade receivables and other accounts payable are recognized at fair value.

F) Sales:

Revenue from the sale of goods is recognized when all of the following conditions are satisfied:

1. The company has transferred to the buyer the significant risk and rewards of ownership of the goods; and
2. The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; and
3. Revenue can be calculated reliably; and
4. It is probable that the economic benefits associated with the transaction will flow to the company; and
5. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

G) Fixed assets:

Property and equipment are stated at cost after deducting the accumulated depreciation or any impairment loss. And the cost includes all the direct costs which are related to the ownership of the assets.

Property and equipment are depreciated (except for land), using the straight-line method at annual rates ranging from 2% to 100%.

When the expected recoverable amount of any property and equipment is less than its net book value, the net book value is reduced to the expected recoverable amount, and the impairment loss is taken to the consolidated statement of profit or loss.

Property and equipment's useful lives are reviewed at the end of each year and if the expected useful life differs from the previous estimate, the difference is recorded in subsequent years as a change in accounting estimates.

The accompanying notes from (1) to (4) are an integral part of these financial statements

H) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right offset the recognized amount and the company intends to either settle them on a net basis, or realize the asset and settle the liability simultaneously .

I) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) arising from past event and the costs to settle the obligation are both probable and able to be reliably measured.

J) Investment in subsidiary

Investments appear in the shares of the associate and sister companies which increase the proportion of its capital contribution the company's capital over 20% share of the company's net equity of these companies.

K) Foreign currencies

Transactions in foreign currencies are recorded at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the separated statement of financial position date. All differences are taken to the separated statement of comprehensive income.

L) Income tax

The company deducts a provision for income tax in accordance with laws, regulations, and instructions in effect, and a provision for the tax is taken on the basis of estimates of the expected tax obligations, and any income tax differences incurred on the company for previous years are taken into the income statement when they are paid and a percentage of 24% of the company's net profit is deducted to income tax provision and 1% of the company's net profit is deducted to national contribution account.

The income tax has been settled until 2021 with tax and sales department except for the year 2022 the annual statement was submitted and the Income and Sales Tax Department did not review the records to date.

M) Use of Estimates

The preparation of the financial statements requires management to make estimate and assumptions that effect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also effect the revenues, expenses and the provisions. 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 believes that these estimate are reasonable and re as follows:

- Management reviews periodically the tangible asset in order to assess the depreciations for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimations of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimate are driven by number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgment and estimates include probability of default (PD), loss given default (LGD) and exposure at default (EAD).

The accompanying notes from (1) to (4) are an integral part of these financial statements

N) Risk Management

- Risk interest rate:

IAS no.(21) requires disclosure about the interest rates risks which most financial instruments in the financial position is not subject to the risk of interest rates with the exception of creditor banks and long-term loans, the interest rates amount as at June 30, 2023 as follows :

Loans	Interest rate
FUIB bank loan amount 34,090,292 UAH	0%

- Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation towards the Company.

The Company believes it is not exposed to significant credit risk as it deposits its cash in reputable financial institutions.

- Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to fluctuations in foreign exchange rate, as most of the company's transactions are in the Jordanian dinar and the US dollar, and since the dinar exchange rate is pegged to a fixed rate with the US dollar, balances in the US dollar do not represent risks, general to foreign exchange fluctuations and loss sensitivity.

- Liquidity risk

Liquidity risk is the risk arising from the company's inability to meet its financial obligation when they become due. The company's liquidity management lies in ensuring as much as possible, that the company always maintains sufficient liquidity to meet its obligations when they become payable in normal and emergency conditions without incurring unacceptable losses or risks that may arise. Affect the company's reputation and there is on the company because the company's maintains credit facilities.

O) Fair value for the financial instruments

Financial Instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances and cheque under collection, trade receivable, due from related parties and some other current assets.

Financial liabilities consist of trade payables, due to related parties, lease obligations and some other current liabilities.

The fair value of financial instruments are not materially different from their carrying values.

P) Financial Assets:

- Impairment of Assets

At the end of the financial year the Company reviews the carrying value of financial assets, except for those financial assets through the statement of comprehensive income whether there is objective evidence of impairment in the financial assets, and have a financial asset low in case there is objective evidence to suggest an event resulting in a loss after recognition The initial financial asset, and it is recognized lows when you become a book value in excess of the amount expected to be recovered from a financial asset, in accordance with the requirements of international financial reporting standards.

- Financial assets are stated at cost amortized

Represents the impairment loss reduced the present value of future cash flows expected to be collected discounted at Murabaha original when recognition at the beginning of financial assets (recoverable value) for the financial value of the asset on the books, and this represents the difference impairment loss is recognized in the statement of comprehensive income and in the case of low value decline the decline recorded in the statement of comprehensive income.

The accompanying notes from (1) to (4) are an integral part of these financial statements

- Loans

All loans and borrowings are initially recognized fair value. After initial recognition, they are subsequently measured at amortized cost using the effective interest method.

- Non-controlling interest

Minority rights represent non-owned by the Company of ownership rights in subsidiaries companies.

Q) These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual report for the year ended 31 December 2022. Furthermore, the results of operation for the six months ended 30 JUNE 2023 do not necessarily reflect the expected results for the year ended 31 December 2023.

R) Comparative figures

Some comparative figures for the year 2022 have been reclassified to match the comparative figures for the year 2023, this has no effect on owners' equity.

The accompanying notes from (1) to (4) are an integral part of these financial statements