

أعضاء مجلس ادارة شركة الصناعات الكيماوية الاردنية

نضال رشيد عوض عوض	رئيس مجلس الادارة من ٢٠٢٠/١٢/٣ ولغاية ٢٠٢٢/٠٩/٠٦
رائد زهدي لطفي الرفاعي رسمي خضر محمد الملاح	رئيس مجلس الادارة من ٢٠٢٣/٠٩/٠٦ ولغاية الان المدير العام /نائب رئيس مجلس الإدارة
د. لؤي صبحي حمران	عضو مجلس الإدارة
أيمن فهد الدين رمضان	عضو/ممثل شركة مدارس الافاق المضيئة من ٢٠٢٠/١٢/٣
وليد خضر محمد الملاح	عضو/ممثل شركة مدارس الافاق المضيئة للتجارة والتجهيزات ٢٠٢٠/١٢/٣

أ - كلمة السيد/ رئيس مجلس الإدارة

حضرات السادة المساهمين الأفاضل

يسرني ومجلس الإدارة أن نرحب بكم ونشكركم على حضوركم اجتماع الهيئة العامة العادي السنوي الثاني والاربعون لشركتكم واننا نرحب بالسيد/ مراقب عام الشركات ومدقي حسابات الشركة الافاضل.

السادة المساهمين الحضور الكريم

تبين ارقام الميزانية بأن الشركة قد تعرضت لخسائر كبيرة في العامين المقبلين ، كما تبين أرقام الميزانية بأن الشركة لا تزال تحت تأثير الاوضاع الاقتصادية الصعبة المتمثلة بالارتفاع الكبير بأسعار مواد الخام والمستلزمات اللازمة لصناعتها كما انها تأثرت بالاتجاه السلبي للطلب في الاسواق وانخفاض المبيعات ورغم ذلك عملت الادارة جاهدة على التخفيف من هذه العوامل الامر الذي ادى إلى تجنب الشركة المزيد من الخسائر نتيجة للجهود المبذولة وتحقيق ارباح جيدة ، مما ادى إلى تحقيق مقبول للخطط الموضوعه

نسأل الله ان نحقق نتائج افضل في الاعوام القادمة بإذن الله .

رئيس مجلس الإدارة

راند الرفاعي

نبذة عن الشركة

تأسست شركة الصناعات الكيماوية الاردنية المساهمة العامة المحدودة عام ١٩٨٠ ، مسجلة لدى وزارة الصناعة والتجارة تحت الرقم (١٤٧)، نصنع المنظفات من اجود انواع المواد الاولية والطبيعية للاستعمالات المنزلية والصناعية .

تنتج الشركة مادة الصوديوم هايپوكلورات بصورة خاصة والمواد الكيماوية بصورة عامة وتقوم الشركة بشراء المواد الاولية والالات لتحقيق غاياتها .

تقوم الشركة بصنع ونتاج مادة الصوديوم هايپوكلورات ومشتقاتها واية مواد كيماوية اخرى كما تقوم ايضاً بصناعة مواد التنظيف كسائل الجلي ومزيل التكلس والمبيض ومتعدد الاستعمالات وغيرها من المنتجات وتقوم ببيعها وتسويقها محلياً والتصدير للخارج .

استراتيجيتنا هي تقديم منتجات عالية الجودة ولتأكد من الحفاظ على مقاييس الجودة العالمية للمنتج النهائي يقوم فريق من ادارة التطوير والباحثين والخبراء بدراسات وافية في معامل ومختبرات هايبيكس لتركيبات اكثر ملائمة للاحتياجات المحلية واجتياجات المستهلك المتجددة

رؤيتنا :

نهدف لبيئة عمل مميّزة تشجع العاملين لتقديم أفضل ما لديهم ، نمتلك واحدة من أقوى و أعرق العلامات التجارية البارزة في قطاع المنظفات منذ ٤٠ عام والتي تتمتع بجودة عالية وتناسب مع مختلف الاستخدامات والمتطلبات و نسعى لإضافة العديد من المنتجات لتبقى الأفضل في قطاعها. نسعى لخدمة شبكة واسعة من العملاء والمستوردين ، من أجل تحقيق المنفعة المتبادلة والقيمة المشتركة المستدامة.

نهدف إلى أن نكون شركة مسؤولة خلال المساعدة في بناء ودعم المجتمع المحلي.

نسعى للمحافظة على مكانتنا كشركة عالية الكفاءة والقادرة على الاستجابة لمتطلبات السوق المحلي و الإقليمي.

تقرير مجلس الإدارة لعام ٢٠٢٢ :-

حضرات السادة المساهمين الكرام .

يسر مجلس ادارة الشركة أن يقدم لكم تقريره السنوي عن نتائج أعمال الشركة والذي يتضمن نشاطات الشركة لعام ٢٠٢٢ والميزانية العمومية والبيانات الختامية للسنة المنتهية في ٢٠٢٢/١٢/٣١ والخطة المستقبلية لسنة ٢٠٢٢ وكذلك المتطلبات الواردة في المادة (٤) من قانون الأوراق المالية رقم ٧٦ لسنة ٢٠٠٢ من تعليمات الأوصاح .

١- أ – أنشطة الشركة الرئيسية :

تقوم الشركة بإنتاج وتصنيع مواد التنظيف المنزلية بمختلف أنواعها وتصنع العبوات البلاستيكية اللازمة لها .

ب- أماكن الشركة الجغرافية وعدد الموظفين فيها لعام ٢٠٢٢ :

* تمارس الشركة نشاطها من خلال مكاتبها في المصنع في الزرقاء – حيث يبلغ

عدد موظفي الإدارة (٥) موظف .

* المصنع الكائن في مدينة الزرقاء- حي الجندي ويبلغ عدد الموظفين داخل

المصنع (٥٢) موظف .

* لا يوجد أية فروع للشركة داخل المملكة أو خارجها .

الشركة الشقيقة لبيع مواد التنظيف وتسويقها من شركات تابعة .

٣- أ- أسماء أعضاء مجلس الإدارة ونبذة تعريفية عن كل منهم من ٢٠٢٢/١/١ ولغاية ٢٠٢٢/١٢/٣١

١- السيد نضال رشيد عوض عوض

رئيس مجلس الادارة من ٢٠٢٠/١٢/٣ ولغاية ٢٠٢٢/٠٩/٦

السيد رائد لطفي الرفاعي ريس مجلس الادارة من ٢٠٢٢/٩/٦ ولغاية الان

٢- السيد رسمي خضر محمد الملاح

عضو مجلس ادارة من ١٧-١٢-٢٠١٨ ولغاية ٢٠١٩/٠٦/٢٥

نائب رئيس مجلس الادارة من ٢٠١٩/٠٦/٢٥ ولغاية الان

تاريخ الميلاد : ١٩٥٨

المؤهل العلمي : ماجستير ادارة اعمال – جامعة تكساس – دلاس الولايات المتحدة الامريكية عام

١٩٩٦

الخبرات العملية :

- نائب سابق في البرلمان الاردني
- رئيس هيئة مديرين في عدة شركات ومطاعم ومصانع في الولايات المتحدة الامريكية من عام (١٩٨٢-٢٠٠٥)
- رئيس هيئة مديرين في كل من :
 - شركة سين كاف ميم للتمثيل التجاري
 - شركة مدارس الافاق المضيئة
 - شركة باب المغاربه التعليميه
 - شركة مطاعم سلمى
 - شركة الواعدون للاستثمارات التعليميه

٣- السادة شركة مدارس الافاق المضيئة

ممثلة بالسيد / أيمن فهد الدين رمضان من ٢٠٢٠/١٢/٣ ولغاية الآن

٤- د.لؤي صبحي ناجي حمران من ٢٠١٩/٦/٢٥ ولغاية الان

٥- شركة الافاق المضيفة للتجارة والتجهيزات ممثلة بالسيد/ وليد خضر الملاح من ٢٠٢٠/١٢/٣

بد أسماء ورتب أشخاص الإدارة العليا ونبذ تعريفه عن كل منهم للعام ٢٠٢٢ :-

١- السيد / رسمي خضر محمد الملاح (المدير العام) من ٢٠١٩/٠٤/١٧ ولغاية الان

٢- السيد فادي يوسف الشحاتيت / المدير المالي والاداري ٢٠٢٠/١٢/٣

٤-بيان بأسماء كبار مالكي الأسهم وعدد الأسهم المملوكة لكل منهم والذي تشكل ٥% فأكثر للعام ٢٠٢٢ .

الرقم	الاسم	الجنسية	عدد الأسهم كما في ٢٠٢٢/١٢/٣١	النسبة	عدد الأسهم كما في ٢٠٢١/١٢/٣١	النسبة
١	السيد / رسمي محمد خضر الملاح	الأردنية	٥٧٢٠٣٨	٣١.٧٨ %	817182	45.408 %
٢	السادة سين كاف ميم العقارية	الأردنية	٣٧٠٣٧٠	٢٠.٥٨ %	.	.
٣	الاء يوسف عبد الله الملاح	الأردنية	٢٢٥٠٠٠	١٢.٥٠٢٦ %	.	.
٤	السيد/ رياض خضر محمد الملاح	الأردنية	٢٠٥٥٥٨	١١.٤٢٢ %	٣٩٤٢٥٥	٢١.٩٠٠ %

٥- الوضع التنافسي للشركة ضمن قطاع نشاطها وأسواقها الرئيسية وحصتها في السوق المحلي وكذلك حصتها في الأسواق الخارجية .

إن الشركة تملك الاسم التجاري (هايكس) والذي يتمتع بالشهرة العالية بالسوق المحلي رغم التنافس الشديد نتيجة تزايد الشركات التي يرخص لها بإنتاج المنظفات المنزلية بالإضافة الى المستورد منها إلا أن الشركة قد حافظت على حصتها من السوق المحلي وعلى وضعها التنافسي بجهود العاملين بها وتعمل جاهدة على استحداث أصناف جديدة لزيادة حصتها في الاسواق وتنوع منتجاتها لما يلاقي رغبة المستهلكين وأيضاً زيادة حصتها من التصدير بفتح أسواق خارجية. وكذلك لا يسعها الا أن تتقدم بالشكر الجزيل لعملائها الكرام وتتعهد بالحفاظ على هذه العلاقة المميزة وتنميتها باستمرار لما فيه مصلحة الفريقين .

٦- درجة الاعتماد على موردين محددين أو عملاء رئيسيين محلياً أو خارجياً في حال كون ذلك يشكل ١٠% فأكثر من إجمالي المشتريات أو المبيعات أو الإيرادات على التوالي للعام ٢٠٢٢ :

-

المشتريات :-

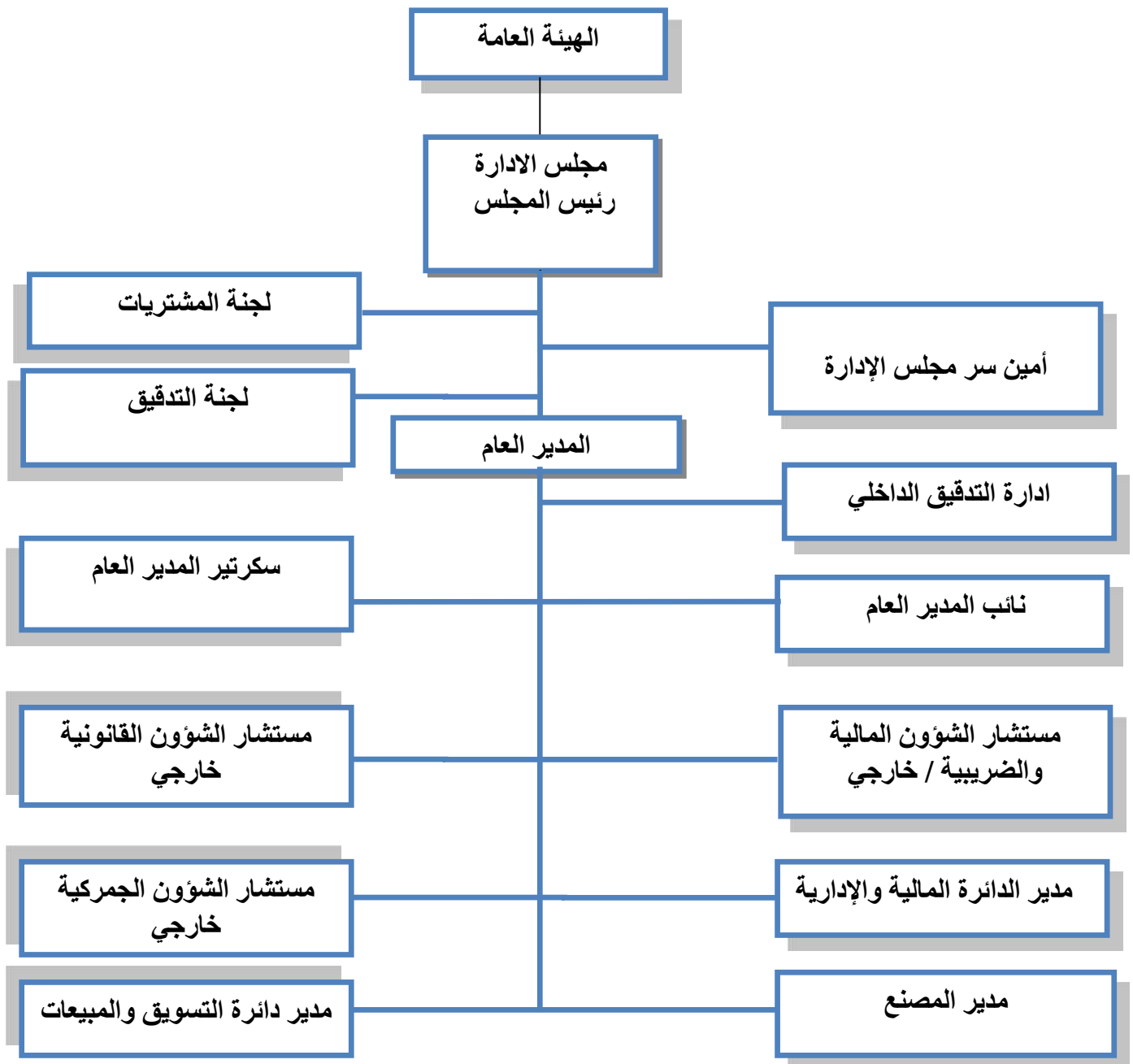
إن الشركة تقوم بشراء المواد الأولية لصناعتها من العديد من الشركات المحلية والخارجية التالية

الرقم	اسم العميل	نسبة التعامل
المشتريات		
١	الشركة الوطنية لصناعة الكلورين (الأردن)	١٦.٢ %
٢	الشركة المتحدة لصناعة السلفوكيماويات	١٦.٨ %
المبيعات		
١	شركة راية النجاح لتجارة المنظفات والورق الصحي	٧٤.٥٧ %
٢	المؤسسة الاستهلاكية العسكرية	١٣.٣٧ %

٧- * لا يوجد أي حماية حكومية أو امتيازات تتمتع بها الشركة أو أي من منتجاتها بموجب القوانين والأنظمة .
* لا تمتلك الشركة أي براءة اختراع أو حقوق امتياز وتخضع منتجاتها للأنظمة والقوانين النافذة في الاردن وتمتلك الشركة الأسم التجاري (هايكس) .

٨- * لا يوجد أي قرارات صادرة عن الحكومة أو المنظمات الدولية أو غيرها لها أثر مادي على عمل الشركة أو منتجاتها أو قدرتها التنافسية .
* ان الشركة تطبق معايير الجودة الدولية وحاصلة على شهادة الايزو ٩٠٠١/٢٠٠٨ عن
والذي يتضمن :-

- ١- الالتزام بمراجعة نظام الجودة من قبل الإدارة .
- ٢- الالتزام بقياس رضى الزبائن المستمر ومراقبة أية شكاوي منهم .
- ٣- ضبط السجلات والنماذج حسب المواصفات المطلوبة أعلاه .
- ٤- الالتزام بعمل الإجراءات التصحيحية والوقائية للنظام .
- ٥- الالتزام بالتوقيع على النظام (تدقيق داخلي) .
- ٦- الالتزام بقياس الأداء لجميع الأقسام في الشركة والتطوير المستمر له



بـ عدد موظفي الشركة وفئات مؤهلاتهم للعام ٢٠٢١ :-

المؤهل العلمي	عدد الموظفين
ماجستير	٢
بكالوريوس	٨
دبلوم كلية مجتمع	٣
ثانوية عامة	١٥
دون الثانوية العامة	٢٤
	٥٢

جـ برامج التأهيل والتدريب لموظفي الشركة
 * تتبنى الشركة العديد من البرامج التدريبية المتكاملة التي ترمي إلى تدريب وتأهيل موظفيها والعاملين فيها بشكل فعال وتعتبر الشركة التأهيل والتدريب عنصرا أساسيا لمدى نجاح الشركة في تحقيق جميع أهدافها و نذكر منها على سبيل المثال لا الحصر :

- دورة السلامة والصحة المهنية .
- دورة الايزو والتدقيق الداخلي ISO 9001:2008
- دورة المحاسبة المالية
- دورة في مهارات استخدام الحاسوب .

١٠ - لا يوجد مخاطر تعرضت لها ب سنة ٢٠٢٢

١١- الإنجازات التي حققتها الشركة مدعمة بالأرقام ووصف للأحداث الهامة التي مرت على الشركة خلال السنة المالية ٢٠٢٢

تشير أرقام البيانات المالية كما في ٢٠٢٢/١٢/٣١ إن الشركة حققت مبيعات صافية بلغت ٤٢٨١٤١٧ دينار وذلك على الرغم من الظروف التي مرت بها الشركة كما أثرت الظروف الاقتصادية وتأثيرها السلبي على قدرة المستهلك وعلى قطاع الصناعة بشكل عام وبحمد الله حققت الشركة ارباح لعام ٢٠٢٢ .

١٢- حققت الشركة (٢٥٦٨٠٢) دينار ارباح وبخلاف ذلك لا يوجد أي أثر مالي لعمليات ذات طبعي غير متكررة حدثت خلال السنة المالية ولا تدخل ضمن النشاط الرئيس للشركة ..

١٣- السلسلة الزمنية للأرباح والخسائر وتحليل المركز المالي :-

البـ	٢٠٢٢	٢٠٢١	٢٠٢٠	٢٠١٩	٢٠١٨
الأرباح المحققة قبل الضريبة	٢٥٦٨٠٢	١٤١٦٦٩	٣٥٧٢٣٦-	٨٦٦١٢١-	١,٩٦٦,٨٧١-
الأرباح الموزعة	-	-	صفر	صفر	صفر
النسبة	-	-	صفر	صفر	صفر
صافي حقوق المساهمين			٣٦١٣٦٠-	١٣٤٧٧	٩٨٧,٣٧٤
أسعار الأوراق المالية	٢٠٠٥	١٨٨٨	١٨١١	٠,٩٢	٩٩ر

- ١٥- التطورات المستقبلية الهامة والخطة المستقبلية للشركة لسنة قادمة على الأقل .
- * الاستمرار في تطوير الكادر الفني بالشركة ورفع خبرته بالمؤهلات المناسبة لعملية تطوير خطوط الانتاج المذكوره اعلاه.
 - * عمل صيانة للمصنع والآلات .
 - * الالتزام بتدريب العاملين ورفع كفاءتهم بموجب برنامج تدريب معد مسبقاً.
 - * الاستمرار في العمل على فتح اسواق جديده في الخارج عن طريق تطوير قسم المبيعات الخارجية ، والمشاركة بالمعارض الداخلية والخارجية .
- ١٦-بلغت أتعاب مدققي حسابات الشركة شركة المهنيون العرب (٣٥٠٠) دينار فقط ثلاثة آلاف وخمسمائة دينار لا غير .
- ١٧-أ- عدد الأوراق المالية المملوكة من قبل أعضاء مجلس الإدارة وزوجاتهم وأولادهم القصر عن عام ٢٠٢١ :

الرقم	الاسم	المنصب	الجنسية	عدد الأسهم كما في ٢٠٢٢/١٢/٣١	عدد الأسهم كما في ٢٠٢٢/١٢/٣١	الشركات المسيطر عليها من قبل أي منهم
١	السيد نضال رشيد عوض عوض لغاية ٢٠٢٢/٩/٦	رئيس مجلس الادارة	الأردنية	١٠٠٠	١٠٠٠	
٢	راند لطفي الرفاعي من ٢٠٢٢/٩/٦ ولغاية الان	رئيس مجلس الادارة	الأردنية	٠	١٠٠٠	
٣	السيد/ رسمي خضر محمد الملاح	نائب الرئيس	الأردنية	٥٧٢٠٣٨	٨١٧١٨٢	لا يوجد
٤	شركة مدارس الافاق المضيفة ممثله بالسيد/ ممثلة بالسيد أيمن فهد الدين رمضان من ٢٠٢٠/١٢/٣	عضو الأردنية عضو الأردنية عضو	الأردنية	١,٠٠٠ ١٠٠٠	١,٠٠٠ ١٠٠٠	لا يوجد لا يوجد
٥	د. لؤي صبحي ناجي حمران	عضو	الأردنية	١٠٠٠	١٠٠٠	لا يوجد
٦	شركة الافاق المضيفة للتجارة والتجهيزات ممثلة بالسيد/ وليد خضر الملاح	عضو	الأردنية	١٠٠٠	١٠٠٠	لا يوجد

الأولاد القصر لأعضاء مجلس الإدارة لا يملكون أسهم لدى الشركة .

لا يوجد أية شركات مسيطر عليها من الموردين الرئيسيين من قبل من الإدارة العليا وأقاربهم للعام ٢٠٢٢ .

ب- عدد الأوراق المملوكة من قبل أشخاص الإدارة العليا وأقاربهم للعام ٢٠٢٢ :

الرقم	الاسم	المنصب	عدد الأسهم لعام ٢٠٢٢	عدد الأسهم لعام ٢٠٢١	الشركات المسيطر عليها من قبل أي منهم
١	رسمي خضر محمد الملاح	المدير العام من ٢٠١٧/٠٤/٢٠ لغاية الان	٥٧٢٠٣٨	٨١٧١٨٢	لا يوجد
٢	فادي يوسف محمد الشحاتيت	المدير المالي والاداري	لا يملك	لا يملك	لا يوجد

أقارب الإدارة العليا لا يملكون أسهم (الزوجة والأولاد القصر) لدى الشركة .
لا يوجد أية شركات مسيطر عليها من قبل أيأ من الإدارة العليا وأقاربهم للعام ٢٠٢٢ .
١٨- أ- المزايا والمكافآت التي يتمتع بها كل من رئيس وأعضاء مجلس الادارة للعام ٢٠٢٢ :

الرقم	الاسم	المنصب	مكافأة	مكافأة لجان	بدل انتقال	رواتب	المجموع
١	السيد نضال رشيد عوض عوض	رئيس مجلس	-		٣٠٧٥	-	٣٠٧٥
٢	السيد لؤي صبحي ناجي حمران	عضو	-		٣٦٠٠		٣٦٠٠
٣	أيمن فهد الدين رمضان	عضو	-		٣٦٠٠		٣٦٠٠
٤	السيد / رسمي خضر محمد الملاح	نائب رئيس /المدير العام	-		٣٦٠٠	٣٩٠٠٠	٤٢٦٠٠
٥	وليد خضر محمد الملاح	عضو			٣٦٠٠		٣٦٠٠

الادارة العليا :-

المزايا والمكافآت التي تتمتع بها أشخاص الادارة العليا للعام ٢٠٢١:-

الرقم	الاسم	المنصب	مكافأة	بدل انتقال	رواتب	مزايا أخرى
١	رسمي خضر محمد الملاح	المدير العام	-		٣٩٠٠٠	-
٢	فادي يوسف محمد الشحاتيت	المدير المالي والاداري	-		٢٧٠٠٠	-

١٩- أ - تقوم الشركة بالمساهمة في حماية البيئة من خلال اتباع الأساليب العلمية بالتنسيق مع الجمعية العلمية الملكية ومحافظة الزرقاء للمعالجة والتخلص من النفايات والمخلفات الصناعية الصلبة.

ب- لا يوجد مساهمة للشركة في خدمة المجتمع المحلي .

ج- بيان بالعقود ومشاريع وارتباطات التي عقدتها الشركة مع شركات تابعة أو شقيقة أو حليفة أو رئيس مجلس الادارة وأشخاص الادارة العليا ذوو السلطة عن العام ٢٠٢٢: لا يوجد عقود

- د - ١- يقر مجلس الادارة بوجود أمور جوهرية قد تؤثر على استمرارية الشركة خلال السنة المالية التالية ويتطلب الاجراءات القانونية والمالية لتجاوزها.
- ٢- يقر مجلس الادارة بمسؤوليته عن اعداد البيانات المالية وتوفير نظام رقابة فعال في الشركة .

رئيس مجلس الادارة السيد رائد زهدي الرفاعي	نائب رئيس مجلس الإدارة السيد رسمي خضر الملاح	عضو مجلس الادارة شركة مدارس الافاق المضينة ممثلة بالسيد/ أيمن فهد الدين رمضان
<p>عضو مجلس الادارة الدكتور لؤي صبحي حمران</p> <p>شركة الافاق المضينة للتجارة والتجهيزات ممثلة بالسيد/ وليد خضر الملاح</p>		

- ٣- نقر نحن الموقعين أدناه بصحة ودقة واكتمال المعلومات والبيانات الواردة في التقرير السنوي عن العام ٢٠٢٢ حسب ما ورد في سجلات الشركة.
- ٤- نقر بان مجلس الادارة عقد ثمان جلسات خلال عام ٢٠٢٢ حسب سجلات الشركة .

رئيس مجلس الإدارة رائد زهدي الرفاعي	المدير العام رسمي خضر الملاح	القائم بأعمال المدير المالي والإداري فادي يوسف الشحاتيت
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Jordan Chemical Industries Company

Public Shareholding Company

Amman Jordan

Consolidated Financial Statements for

The year ended December 31, 2022

With Auditors' report

Jordan Chemical Industries Company

(Public Shareholding Company)

Amman Jordan

December 31, 2022

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KHALIFEH & RAYYAN

Auditors and Financial Consultants

Independent Auditors' Report

To The Shareholders of

Jordan Chemical Industries Company

Public Shareholding Company

Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan Chemical Industries Company PLC which comprise the consolidated statement of financial position as at 31 December 2022, and consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022, and of its consolidated financial performance and its consolidated 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The Company's current liabilities exceed its current assets by JOD (1,191,730). This requires providing the necessary funding to pay its obligations and continue its operations, also the Company's accumulated losses exceed its paid capital which requires the company's management to comply with Article No. (86) of the Companies Law.

Other Matter

The consolidated financial statements as at 31 December 2021 were audited by another certified public accountant who issued a qualified opinion on 21 April 2022 about the inventory (raw materials and packaging), as they included slow-moving items which the necessary provisions were not taken. Also, to the fact that the financial statements included expected credit losses and no provision was taken for them, in addition to not obtaining a confirmation letter from one of Company's bank.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements [of the current period]. The auditor's procedures relating to these matters were designed in the context of the audit of the financial statements as a whole; and the auditor's opinion on the financial statements is not modified with respect to any of the key audit matters, and the auditor does not express an opinion on these individual matters. After conducting our audit, we have concluded the key audit matters listed below: -

(1) Provision for Expected Credit Loss

With regard to the report of the previous auditor, which indicated that the financial statements included expected credit losses and no provision was taken for them, it was confirmed during the year that the appropriate provision for these balances was taken, as the provision for the expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

(2) Cost of Finished Goods

With regard to the previous auditor's report, which indicated that the financial statements included slow-moving items and the necessary provisions were not taken for them, the nature of these items has been verified and it has been found that these items have been rehabilitated for the possibility of using them in production, and most of these materials have been used during this year.

Included in the accompanying consolidated financial statements at the end of the year 2022 finished goods totaling JOD (473,863) as determining the cost of these goods involve the calculation of an overhead application rate based on the plant normal capacity, we considered determining the cost of finished goods a key audit matter. The audit procedures performed by us to address this key audit matter included assessing the appropriateness of the underlying data used by management in determining the overhead application rate. We have also inspected sales invoices to assess whether inventory is being sold at a higher value than its cost by comparing sales price to values at which it is held in the Company's inventory records.

(3) Credit Facilities

Regarding the previous auditor's report, which indicated that a confirmation letter was not received from the Arab Bank regarding the company's financial relationship with the bank, which includes credit facilities, due to the existence of issues between the company and the bank. During the year, as shown in Note No. (9), an initial settlement agreement was concluded with the Bank, which indicated that the amount due amounted to JOD (1,229,321), which is the balance that was recorded in the financial statements.

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 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 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.

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.

- 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.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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

Jordan Chemical Industries Company for the year ended at 31 December 2022 maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report, and we recommend the General Assembly to approve it.

Khalifeh & Rayyan Auditors and Financial Consultants

Imad Al-Rayyan

License No. 719


KHALIFEH & RAYYAN
Auditors And Financial Consultants

Amman – Jordan

As on: 1 April 2023

Jordan Chemical Industries Company
Public Shareholding Company
Consolidated Statement of Financial Position AS AT 31 DEC 2022

	<u>Notes</u>	<u>31-Dec-22</u>	<u>31-Dec-21</u>
		JOD	JOD
Assets			
Non-Current assets			
Properties and equipments	5	1,413,831	1,648,025
Financial assets at fair value (Comprehensive income)	3	98,003	93,019
		<u>1,511,834</u>	<u>1,741,044</u>
Current assets			
Inventories	4	702,215	813,188
Accounts receivable	6	387,548	491,216
Amounts due from related parties		1,190	396,323
Other current assets	7	358,650	6,790
Checks under collection		405,279	334,350
Cash and cash equivalents	8	454	410
		<u>1,855,336</u>	<u>2,042,277</u>
TOTAL ASSETS		<u>3,367,169</u>	<u>3,783,321</u>
EQUITY AND LIABILITIES			
EQUITY			
AUTHORIZED CAPITAL(1,799,624 share/Jod)			
Paid in capital	11	1,799,624	1,799,624
Statutory reserve		-	817,434
Voluntary reserve		-	100,000
Accumulated losses		(1,840,650)	(3,014,890)
Accumulated changes in fair value of financial assets		55,423	50,440
Total Equity		<u>14,397</u>	<u>(247,392)</u>
LIABILITIES			
Non -current liabilities			
Credit facilities -long term	9	305,707	637,149
Deferred checks -long term		-	101,723
Total non -current liabilities		<u>305,707</u>	<u>738,872</u>
Current liabilities			
Credit facilities -short term	9	1,538,847	1,771,321
Deferred checks -short term		113,028	135,648
Accounts payable		459,454	647,424
Advance payments from clients		-	223,922
Amounts due to related parties	10	427,386	-
Shareholders' withholdings		54,889	132,664
Other current liabilities	12	453,461	380,862
Total current liabilities		<u>3,047,065</u>	<u>3,291,841</u>
TOTAL EQUITY AND LIABILITIES		<u>3,367,169</u>	<u>3,783,321</u>

(The accompanying notes are an integral part of these financial statements)

Jordan Chemical Industries Company
Jordan Chemical Industries Company
Public Shareholding Company
Consolidated Statement of Profit or Loss For the year ended 31 December 2022

	<u>Notes</u>	<u>31-Dec-22</u> JOD	<u>31-Dec-21</u> JOD
Net sales	13	4,281,417	4,780,934
Cost of sales	14	(3,880,268)	(4,071,960)
Gross profit(loss)		401,149	708,974
Selling and distribution expenses	16	(44,529)	(98,698)
Administrative expenses	17	(328,368)	(338,795)
Financing cost		(55,507)	(154,527)
Other income	18	284,058	12,642
Profit (loss) for the year before tax		256,802	129,596
Income tax for the year		-	(25,920)
National Contribution tax for the year		-	(1,296)
Profit (loss) for the year		256,802	102,380
Other comprehensive income items:			
Changes in fair value of financial assets		4,983	12,073
Total comprehensive income (loss) for the year		261,785	114,453
Basic and diluted earnings (loss) per share	19	0.143	0.057

(The accompanying notes are an integral part of these financial statements)

Jordan Chemical Industries Company
Jordan Chemical Industries Company
Public Shareholding Company

Consolidated Statement of Cash Flows For the year ended 31 December 2022

	<u>Notes</u>	<u>31-Dec-22</u>	<u>31-Dec-21</u>
		JOD	JOD
Operating activities			
Profit (loss) for the year		256,802	129,596
Adjustments for:			
Depreciation		249,639	249,230
End of service provision		-	6,500
Prior years adjustments		4	-
Changes in working capital			
Checks under collection		(70,929)	(1,625)
Accounts receivable		103,668	21,308
Inventories		110,973	(203,711)
Amounts due from related parties		395,133	(396,323)
Other current assets		(351,860)	111,596
Deferred checks		(124,343)	(375,299)
Accounts payable		(187,970)	(15,610)
Other current liabilities		72,599	178,083
Advance payments from clients		(223,922)	223,922
Net cash from operating activities		229,795	(72,333)
Investing activities			
Property, plant and equipment		(15,446)	(184,544)
Financial assets at fair value (Comprehensive income)		-	38,444
Net cash from operating activities		(15,446)	(146,100)
Financing activities			
Credit facilities		(563,916)	(142,580)
Shareholders' withholdings		(77,775)	(1,180)
Amounts due to related parties		427,386	(28,859)
Net cash from financing activities		(214,305)	(172,619)
Net changes in cash and cash equivalent		45	(391,052)
Cash and cash equivalent at beginning of period		410	391,462
Cash and cash equivalent at end of period		455	410

(The accompanying notes are an integral part of these financial statements)

Jordan Chemical Industries Company
Public Shareholding Company

Consolidated Statements of changes in equity for the period ended at 31 DEC 2022

	<u>Paid in capital</u>	<u>Statutory reserve</u>	<u>Voluntary reserve</u>	<u>Accumulated changes in fair value</u>	<u>Accumulated losses</u>	<u>Total equity</u>
	JOD	JOD	JOD	JOD	JOD	JOD
Balance as at 01/01/2022	1,799,624	817,434	100,000	50,440	(3,014,890)	(247,392)
Adjustments	-	-	-	-	4	4
Total comprehensive income for the period	-	-	-	4,983	256,802	261,785
Closing Accumulated losses	-	(817,434)	(100,000)	-	917,434	-
Balance as at 31/12/2022	1,799,624	-	-	55,423	(1,840,650)	14,397
Balance as at 01/01/2021	1,799,624	804,474	100,000	37,555	(3,103,498)	(361,845)
Total comprehensive income for the period	-	-	-	12,073	102,380	114,453
Sale of financial asset at fair value	-	-	-	812	(812)	-
Statutory reserve	-	12,960	-	-	(12,960)	-
Balance as at 31/12/2021	1,799,624	817,434	100,000	50,440	(3,014,890)	(247,392)

(The accompanying notes are an integral part of these financial statements)

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

1- GENERAL

Jordan Chemical Industries Company, was established as a Public Shareholding Company on 13 October 1980 under number (147). The company's head office is in the Hashemite Kingdom of Jordan. The main purposes of the Company are production of sodium hypochlorite in addition to production of other chemicals materials and manufacturing cleaning products.

The Company's shares are listed in Amman Stock Exchange - Jordan.

The consolidated financial statements have been approved for issue by the Company's Board of Directors on 1 April 2023, and these consolidated financial statements require the approval of the General Assembly.

According to the minutes of the extraordinary General Assembly meeting held on 8/8/2022, it was approved to close part of the accumulated losses as on 12/31/2021 with the amount of 917,434 JOD, by closing 817,434 JOD from the Statutory reserve account and an amount of 100,000 JOD from the voluntary reserve account .

2- Summary of significant accounting policies

A- Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

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

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

The accounting policies are consistent with those used in the previous year, except for the adoption of new and amended standards effective as at the beginning of the period.

B- Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the parent and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiary included in the consolidated statement of comprehensive income from the acquisition date which is the date on which control over subsidiary is transferred to the Company.

The results of operation of the disposed subsidiary are included in the consolidated statement of comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

The following subsidiary has been consolidated:

Company	Country	Ownership	Capital	Activity
Al-Shaqqa for Sale and Marketing Detergents	Jordan	100%	5,000	Sale and Marketing Detergents

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

C- Functional currency and presentation

These financial statements are presented in Jordanian Dinars ("JOD"), which is the Company's functional and reporting currency.

D- Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

E- Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1-Identify contract(s) with a customer:

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify performance obligations in the contract:

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price:

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract:

For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

F- Taxation

Tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or item recognized directly in equity or in OCI.

G- Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition or construction of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income" in statement of profit or loss and other comprehensive income.

Items of property, plant and equipment are depreciated from the date they are available for use. Depreciation is calculated to write off the cost of items of property, plant and equipment using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset.

H- Inventories

Inventories (including stores, spares and tools) are measured at the lower of cost and net realizable value. Cost comprises the invoiced cost, freight and other expenses incurred in bringing the inventories to their present condition and location. Raw materials, spare parts and consumables are valued using the weighted average method. The cost of finished goods comprises direct materials, direct labour costs and related overheads, allocated to urea and ammonia on the basis of cost allocation mechanism.

Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Provision is made for obsolete and slow-moving items.

I- Provision

A provision is recognized in the statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

J- Foreign currency transactions

Transactions denominated in foreign currencies are initially recorded at the rate of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the balance sheet date.

K- Accruals

Accruals are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

L- Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, that comprise of cash on hand and at banks including short-term fixed and call deposits with original maturities less than three months which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

M- Contingent liability

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

A liability will be recorded as a liability when there is a possible obligation arising from past events whose existence will be confirmed by future events or a present obligation arises from past events but is not probable that an outflow of resources will arise and/or the amount cannot be measured reliably.

N- Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3- Financial assets measured at fair value through other comprehensive income

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Companies' shares listed in Amman Stock Exchange	98,003	93,019
The above shares are reserved by Social Security Corporation.		

4- Inventories

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Raw and packaging materials	228,352	575,437
Finished goods	473,863	237,751
	<u>702,215</u>	<u>813,188</u>

5- Fixed assets

	Cost as of	Additions	Cost as of	Accumulated Depreciation	Annual Depreciation	Accumulated Depreciation	Net Book Cost
	01/01/2022	2022	31/12/2022	01/01/2022	2022	31/12/2022	
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Lands	21,284	-	21,284	-	-	-	21,284
Buildings	1,501,651	4,060	1,505,711	592,414	30,095	622,509	883,203
Towers, Tanks machinery and equipments	4,530,545	11,385	4,541,930	3,813,042	219,545	4,032,587	509,344
Cars	318,542	-	318,542	318,541	-	318,541	1
Total	6,372,022	15,446	6,387,468	117,926	249,639	4,973,636	1,413,831

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

6- Accounts receivable

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Accounts receivables	387,548	850,191
Provision for expected credit loss	-	(358,975)
	<u>387,548</u>	<u>491,216</u>

Movement on the provision for expected credit loss is as follows:

Balance at beginning of the year	358,975	536,000
Write-off	(358,975)	(177,025)
Balance at end of the year	<u>-</u>	<u>358,975</u>

7- Other current assets

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Refundable deposits	5,106	5,025
Employees receivables	2,290	1,765
Receivables under settlement (Arab Bank loan agreement)	351,255	-
	<u>358,650</u>	<u>6,790</u>

8- Cash and cash equivalents

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Cash and checks	402	352
Cash at banks	52	58
	<u>454</u>	<u>410</u>

9- Bank facilities

	<u>Short term</u>	<u>Long term</u>
Type of facilities:		
Ahli Bank loan increased facilities	140,016	305,187
Ahli Bank loan / central grant	169,509	521
Arab Bank - loan	225,000	-
Arab Bank - loan	513,159	-
Arab Bank / current account	491,162	-
	<u>1,538,847</u>	<u>305,707</u>

An initial settlement agreement was concluded with the Arab Bank to pay off the due loan amounting to (1,229,321) JOD, where the two parties agreed to pay the value of (700,000) JOD until the end of 2023 within a specific payment schedule, and the enforcement of this agreement is limited to the extent of the company's commitment to the schedule Payments. Therefore, there was no reliable confirmation of the enforcement of this agreement, and therefore recording the effect of this agreement was postponed until the year 2023, which confirms the commitment of the company to pay and enforce the agreement.

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

10- Amounts due to related parties

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Al-Mahra Company for the manufacture of foodstuffs	427,386	-
	<u>427,386</u>	<u>-</u>

11- Equity

Paid - in capital

The authorized, and paid - in capital is JOD (1,799,624) divided equally into (1,799,624) shares with par value of JOD (1) for each share as at 31 December 2021 and 2020.

Statutory reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

Voluntary reserve

The accumulated amounts in this account represent 20% of the Company's net income before income tax according to the Companies Law. The voluntary reserve is available for distribution to shareholders.

Cumulative changes in fair value of financial assets

This item represents the cumulative change in fair value of financial assets measured at fair value through other comprehensive income owned by the Company and its subsidiaries and associates.

12- Other liabilities

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Sales tax withholdings	127,755	91,141
Social security withholdings	186,282	90,445
Accrued expenses	13,550	70,142
Other withholdings	56,346	40,471
Income tax withholdings	45,209	55,519
Board of Directors transportation withholdings	9,153	24,323
End of service provision	6,500	6,500
Employees payable	8,666	2,321
	<u>453,461</u>	<u>380,862</u>

13- Segment reporting

The Company's main operating activity represent production of sodium hypochlorite and other chemicals, and sells its products inside and outside the Hashemite Kingdom of Jordan as follows:

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Local Sales	4,246,600	4,780,934
Foreign Sales	34,817	-
	<u>4,281,417</u>	<u>4,780,934</u>

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

14- Cost of sales

	31-Dec-22	31-Dec-21
Raw and packaging materials beginning balance	575,437	433,160
Purchases during the year	2,761,902	3,170,096
Raw and packaging materials ending balance (Note 4)	(228,352)	(575,437)
Raw and packaging materials used in production	3,108,988	3,027,819
Manufacturing expenses (Note 15)	1,007,393	1,105,575
Manufacturing cost	4,116,380	4,133,394
Finished goods inventory beginning balance	237,751	176,317
Finished goods inventory ending balance (Note 4)	(473,863)	(237,751)
Cost of sales	3,880,268	4,071,960

15- Manufacturing expenses

	31-Dec-22	31-Dec-21
Salaries, wages and other benefits	419,236	488,934
Social security	44,542	44,464
Depreciation (Note 5)	249,639	249,230
Utilities	119,929	176,679
Maintenance	33,393	61,286
Loading and lifting	46,464	30,253
Fuel and oil	10,307	10,565
Vehicles expenses	9,184	10,470
Safety	4,202	8,198
Transportation	40,673	7,372
Municipality fees	5,508	6,474
Lab and research expenses	3,774	3,782
Stationary	486	811
Medical insurance	532	759
Insurance	1,726	-
Miscellaneous	17,798	6,298
	1,007,393	1,105,575

16- Selling and distribution expenses

	31-Dec-22	31-Dec-21
Tenders expenses	35,294	49,428
Advertisement and showroom expenses	9,235	48,966
External expenses	-	304
	44,529	98,698

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

17- Administrative expenses

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Salaries, wages and other benefits	185,897	186,120
Social securities	19,324	19,711
Lawsuits	4,796	31,198
Board of Directors transportations	18,000	29,175
Professional and consulting fees	43,500	15,000
Government fines	356	11,756
Donations	2,004	6,762
End of service provision	-	6,500
Licenses and subscriptions	8,787	3,655
Hospitality	3,469	1,751
Telecommunications	1,163	1,380
Stationary	1,312	1,175
Maintenance	743	565
Miscellaneous	1,798	24,047
Bad debt expense	35,000	-
Import and export expenses	994	-
Board of Directors remuneration	1,225	-
	<u><u>328,368</u></u>	<u><u>338,795</u></u>

18- Other income

The balance of other revenues included in the income statement included an amount of (268,785) JOD, which the company realized as revenue resulting from signing a settlement of the Arab Bank loan, where the value of the loan as per the bank records was (1,229,321) JOD, which result with a difference of (268,785) JOD from what was recorded in company records.

19- Basic and diluted earnings per share (EPS)

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Profit (loss) for the year	256,802	102,380
Weighted average number of shares	1,799,624	1,799,624
	<u><u>0.143</u></u>	<u><u>0.057</u></u>

The market value of the share, as published by the Amman Financial Market on December 31, 2022, was (2.1 JOD).

20- Executive management salaries and remunerations

The remuneration of executive management during the years 2022 and 2021 amounted to JOO (85,225) and JOO (76,050) respectively.

21- Contingent liabilities

The Company is contingently liable against several law suits amounting to JOD (103,126). Management and Legal Counsel believes that the outcome of these cases will not have a material impact on the consolidated financial position of the Company.

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

22- Income tax

- The Company has settled its tax liability with the Income Tax Department up to 2019.
- The income and sales tax for 2020 and 2021 have been audited and no decision has been issued yet.
- Income tax provision was not calculated for the company's business results for the year ending on December 31, 2022, based on the recommendations of the company's tax advisor, due to the presence of previous losses that will be offset with the profits of the current year.

23- Financial risk management

Capital risk management

The company's objectives when managing its capital are to safeguard the company's ability to continue as a going concern in order to provide returns for its shareholders and to maintain an optimal structure to reduce the cost of capital.

Credit risk

The company has no significant risk concentration. The company applies a consistent credit policy to all its customers who has acceptable credit ratings.

Liquidity risk

The management monitors the company's liquidity requirements to ensure that it has sufficient cash to meet its operational needs and obligations.

Foreign exchange risk

The company transactions mainly in Jordanian dinars and US dollar. The US dollar foreign exchange is fixed to the Jordanian dinar. Hence ,foreign exchange risk is considered to be immaterial.

24- Comparative figures

Some comparative figures for the year 2021 have been reclassified to match the classification figures for the year 2022.

Jordan Chemical Industries Company

Public Shareholding Company

Amman Jordan

Consolidated Financial Statements for

The year ended December 31, 2022

With Auditors' report

Jordan Chemical Industries Company

(Public Shareholding Company)

Amman Jordan

December 31, 2022

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KHALIFEH & RAYYAN

Auditors and Financial Consultants

Independent Auditors' Report

To The Shareholders of

Jordan Chemical Industries Company

Public Shareholding Company

Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan Chemical Industries Company PLC which comprise the consolidated statement of financial position as at 31 December 2022, and consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2022, and of its consolidated financial performance and its consolidated 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

The Company's current liabilities exceed its current assets by JOD (1,191,730). This requires providing the necessary funding to pay its obligations and continue its operations, also the Company's accumulated losses exceed its paid capital which requires the company's management to comply with Article No. (86) of the Companies Law.

Other Matter

The consolidated financial statements as at 31 December 2021 were audited by another certified public accountant who issued a qualified opinion on 21 April 2022 about the inventory (raw materials and packaging), as they included slow-moving items which the necessary provisions were not taken. Also, to the fact that the financial statements included expected credit losses and no provision was taken for them, in addition to not obtaining a confirmation letter from one of Company's bank.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements [of the current period]. The auditor's procedures relating to these matters were designed in the context of the audit of the financial statements as a whole; and the auditor's opinion on the financial statements is not modified with respect to any of the key audit matters, and the auditor does not express an opinion on these individual matters. After conducting our audit, we have concluded the key audit matters listed below: -

(1) Provision for Expected Credit Loss

With regard to the report of the previous auditor, which indicated that the financial statements included expected credit losses and no provision was taken for them, it was confirmed during the year that the appropriate provision for these balances was taken, as the provision for the expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

(2) Cost of Finished Goods

With regard to the previous auditor's report, which indicated that the financial statements included slow-moving items and the necessary provisions were not taken for them, the nature of these items has been verified and it has been found that these items have been rehabilitated for the possibility of using them in production, and most of these materials have been used during this year.

Included in the accompanying consolidated financial statements at the end of the year 2022 finished goods totaling JOD (473,863) as determining the cost of these goods involve the calculation of an overhead application rate based on the plant normal capacity, we considered determining the cost of finished goods a key audit matter. The audit procedures performed by us to address this key audit matter included assessing the appropriateness of the underlying data used by management in determining the overhead application rate. We have also inspected sales invoices to assess whether inventory is being sold at a higher value than its cost by comparing sales price to values at which it is held in the Company's inventory records.

(3) Credit Facilities

Regarding the previous auditor's report, which indicated that a confirmation letter was not received from the Arab Bank regarding the company's financial relationship with the bank, which includes credit facilities, due to the existence of issues between the company and the bank. During the year, as shown in Note No. (9), an initial settlement agreement was concluded with the Bank, which indicated that the amount due amounted to JOD (1,229,321), which is the balance that was recorded in the financial statements.

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 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 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.

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.

- 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.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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

Jordan Chemical Industries Company for the year ended at 31 December 2022 maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report, and we recommend the General Assembly to approve it.

Khalifeh & Rayyan Auditors and Financial Consultants

Imad Al-Rayyan

License No. 719


KHALIFEH & RAYYAN
Auditors And Financial Consultants

Amman – Jordan

As on: 1 April 2023

Jordan Chemical Industries Company
Public Shareholding Company
Consolidated Statement of Financial Position AS AT 31 DEC 2022

	<u>Notes</u>	<u>31-Dec-22</u>	<u>31-Dec-21</u>
		JOD	JOD
Assets			
Non-Current assets			
Properties and equipments	5	1,413,831	1,648,025
Financial assets at fair value (Comprehensive income)	3	98,003	93,019
		<u>1,511,834</u>	<u>1,741,044</u>
Current assets			
Inventories	4	702,215	813,188
Accounts receivable	6	387,548	491,216
Amounts due from related parties		1,190	396,323
Other current assets	7	358,650	6,790
Checks under collection		405,279	334,350
Cash and cash equivalents	8	454	410
		<u>1,855,336</u>	<u>2,042,277</u>
TOTAL ASSETS		<u>3,367,169</u>	<u>3,783,321</u>
EQUITY AND LIABILITIES			
EQUITY			
AUTHORIZED CAPITAL(1,799,624 share/Jod)			
Paid in capital	11	1,799,624	1,799,624
Statutory reserve		-	817,434
Voluntary reserve		-	100,000
Accumulated losses		(1,840,650)	(3,014,890)
Accumulated changes in fair value of financial assets		55,423	50,440
Total Equity		<u>14,397</u>	<u>(247,392)</u>
LIABILITIES			
Non -current liabilities			
Credit facilities -long term	9	305,707	637,149
Deferred checks -long term		-	101,723
Total non -current liabilities		<u>305,707</u>	<u>738,872</u>
Current liabilities			
Credit facilities -short term	9	1,538,847	1,771,321
Deferred checks -short term		113,028	135,648
Accounts payable		459,454	647,424
Advance payments from clients		-	223,922
Amounts due to related parties	10	427,386	-
Shareholders' withholdings		54,889	132,664
Other current liabilities	12	453,461	380,862
Total current liabilities		<u>3,047,065</u>	<u>3,291,841</u>
TOTAL EQUITY AND LIABILITIES		<u>3,367,169</u>	<u>3,783,321</u>

(The accompanying notes are an integral part of these financial statements)

Jordan Chemical Industries Company

Jordan Chemical Industries Company

Public Shareholding Company

Consolidated Statement of Profit or Loss For the year ended 31 December 2022

	<u>Notes</u>	<u>31-Dec-22</u> JOD	<u>31-Dec-21</u> JOD
Net sales	13	4,281,417	4,780,934
Cost of sales	14	(3,880,268)	(4,071,960)
Gross profit(loss)		401,149	708,974
Selling and distribution expenses	16	(44,529)	(98,698)
Administrative expenses	17	(328,368)	(338,795)
Financing cost		(55,507)	(154,527)
Other income	18	284,058	12,642
Profit (loss) for the year before tax		256,802	129,596
Income tax for the year		-	(25,920)
National Contribution tax for the year		-	(1,296)
Profit (loss) for the year		256,802	102,380
Other comprehensive income items:			
Changes in fair value of financial assets		4,983	12,073
Total comprehensive income (loss) for the year		261,785	114,453
Basic and diluted earnings (loss) per share	19	0.143	0.057

(The accompanying notes are an integral part of these financial statements)

Jordan Chemical Industries Company
Jordan Chemical Industries Company
Public Shareholding Company

Consolidated Statement of Cash Flows For the year ended 31 December 2022

	<u>Notes</u>	<u>31-Dec-22</u>	<u>31-Dec-21</u>
		JOD	JOD
Operating activities			
Profit (loss) for the year		256,802	129,596
Adjustments for:			
Depreciation		249,639	249,230
End of service provision		-	6,500
Prior years adjustments		4	-
Changes in working capital			
Checks under collection		(70,929)	(1,625)
Accounts receivable		103,668	21,308
Inventories		110,973	(203,711)
Amounts due from related parties		395,133	(396,323)
Other current assets		(351,860)	111,596
Deferred checks		(124,343)	(375,299)
Accounts payable		(187,970)	(15,610)
Other current liabilities		72,599	178,083
Advance payments from clients		(223,922)	223,922
Net cash from operating activities		229,795	(72,333)
Investing activities			
Property, plant and equipment		(15,446)	(184,544)
Financial assets at fair value (Comprehensive income)		-	38,444
Net cash from operating activities		(15,446)	(146,100)
Financing activities			
Credit facilities		(563,916)	(142,580)
Shareholders' withholdings		(77,775)	(1,180)
Amounts due to related parties		427,386	(28,859)
Net cash from financing activities		(214,305)	(172,619)
Net changes in cash and cash equivalent		45	(391,052)
Cash and cash equivalent at beginning of period		410	391,462
Cash and cash equivalent at end of period		455	410

(The accompanying notes are an integral part of these financial statements)

Jordan Chemical Industries Company
Public Shareholding Company

Consolidated Statements of changes in equity for the period ended at 31 DEC 2022

	<u>Paid in capital</u>	<u>Statutory reserve</u>	<u>Voluntary reserve</u>	<u>Accumulated changes in fair value</u>	<u>Accumulated losses</u>	<u>Total equity</u>
	JOD	JOD	JOD	JOD	JOD	JOD
Balance as at 01/01/2022	1,799,624	817,434	100,000	50,440	(3,014,890)	(247,392)
Adjustments	-	-	-	-	4	4
Total comprehensive income for the period	-	-	-	4,983	256,802	261,785
Closing Accumulated losses	-	(817,434)	(100,000)	-	917,434	-
Balance as at 31/12/2022	1,799,624	-	-	55,423	(1,840,650)	14,397
Balance as at 01/01/2021	1,799,624	804,474	100,000	37,555	(3,103,498)	(361,845)
Total comprehensive income for the period	-	-	-	12,073	102,380	114,453
Sale of financial asset at fair value	-	-	-	812	(812)	-
Statutory reserve	-	12,960	-	-	(12,960)	-
Balance as at 31/12/2021	1,799,624	817,434	100,000	50,440	(3,014,890)	(247,392)

(The accompanying notes are an integral part of these financial statements)

Jordan Chemical Industries Company
NOTES TO THE FINANCIAL STATEMENTS
31 December 2022

1- GENERAL

Jordan Chemical Industries Company, was established as a Public Shareholding Company on 13 October 1980 under number (147). The company's head office is in the Hashemite Kingdom of Jordan. The main purposes of the Company are production of sodium hypochlorite in addition to production of other chemicals materials and manufacturing cleaning products.

The Company's shares are listed in Amman Stock Exchange - Jordan.

The consolidated financial statements have been approved for issue by the Company's Board of Directors on 1 April 2023, and these consolidated financial statements require the approval of the General Assembly.

According to the minutes of the extraordinary General Assembly meeting held on 8/8/2022, it was approved to close part of the accumulated losses as on 12/31/2021 with the amount of 917,434 JOD, by closing 817,434 JOD from the Statutory reserve account and an amount of 100,000 JOD from the voluntary reserve account .

2- Summary of significant accounting policies

A- Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards.

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

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

The accounting policies are consistent with those used in the previous year, except for the adoption of new and amended standards effective as at the beginning of the period.

B- Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the parent and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiary included in the consolidated statement of comprehensive income from the acquisition date which is the date on which control over subsidiary is transferred to the Company.

The results of operation of the disposed subsidiary are included in the consolidated statement of comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

The following subsidiary has been consolidated:

Company	Country	Ownership	Capital	Activity
Al-Shaqqa for Sale and Marketing Detergents	Jordan	100%	5,000	Sale and Marketing Detergents

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C- Functional currency and presentation

These financial statements are presented in Jordanian Dinars ("JOD"), which is the Company's functional and reporting currency.

D- Accounting estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

E- Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The Company recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1-Identify contract(s) with a customer:

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2 Identify performance obligations in the contract:

A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3 Determine the transaction price:

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4 Allocate the transaction price to the performance obligations in the contract:

For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5 Recognize revenue when (or as) the Company satisfies a performance obligation.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- a) The Company's performance does not create an asset with an alternate use to the Company and the Company has as an enforceable right to payment for performance completed to date.
- b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- c) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

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F- Taxation

Tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or item recognized directly in equity or in OCI.

G- Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost includes expenditure that is directly attributable to the acquisition or construction of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income" in statement of profit or loss and other comprehensive income.

Items of property, plant and equipment are depreciated from the date they are available for use. Depreciation is calculated to write off the cost of items of property, plant and equipment using the straight-line basis over their estimated useful lives. Depreciation is generally recognized in profit or loss, unless the amount is included in the carrying amount of another asset.

H- Inventories

Inventories (including stores, spares and tools) are measured at the lower of cost and net realizable value. Cost comprises the invoiced cost, freight and other expenses incurred in bringing the inventories to their present condition and location. Raw materials, spare parts and consumables are valued using the weighted average method. The cost of finished goods comprises direct materials, direct labour costs and related overheads, allocated to urea and ammonia on the basis of cost allocation mechanism.

Net realizable value represents the estimated selling price less all estimated costs of completion and costs necessary to make the sale. Provision is made for obsolete and slow-moving items.

I- Provision

A provision is recognized in the statement of financial position when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

J- Foreign currency transactions

Transactions denominated in foreign currencies are initially recorded at the rate of exchange prevailing on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are translated at the rates prevailing on the balance sheet date.

K- Accruals

Accruals are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

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L- Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, that comprise of cash on hand and at banks including short-term fixed and call deposits with original maturities less than three months which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any, as they are considered an integral part of the Company's cash management.

M- Contingent liability

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

A liability will be recorded as a liability when there is a possible obligation arising from past events whose existence will be confirmed by future events or a present obligation arises from past events but is not probable that an outflow of resources will arise and/or the amount cannot be measured reliably.

N- Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

3- Financial assets measured at fair value through other comprehensive income

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Companies' shares listed in Amman Stock Exchange	98,003	93,019
The above shares are reserved by Social Security Corporation.		

4- Inventories

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Raw and packaging materials	228,352	575,437
Finished goods	473,863	237,751
	<u>702,215</u>	<u>813,188</u>

5- Fixed assets

	Cost as of	Additions	Cost as of	Accumulated Depreciation	Annual Depreciation	Accumulated Depreciation	Net Book Cost
	01/01/2022	2022	31/12/2022	01/01/2022	2022	31/12/2022	
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Lands	21,284	-	21,284	-	-	-	21,284
Buildings	1,501,651	4,060	1,505,711	592,414	30,095	622,509	883,203
Towers, Tanks machinery and equipments	4,530,545	11,385	4,541,930	3,813,042	219,545	4,032,587	509,344
Cars	318,542	-	318,542	318,541	-	318,541	1
Total	6,372,022	15,446	6,387,468	117,926	249,639	4,973,636	1,413,831

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6- Accounts receivable

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Accounts receivables	387,548	850,191
Provision for expected credit loss	-	(358,975)
	<u>387,548</u>	<u>491,216</u>

Movement on the provision for expected credit loss is as follows:

Balance at beginning of the year	358,975	536,000
Write-off	(358,975)	(177,025)
Balance at end of the year	<u>-</u>	<u>358,975</u>

7- Other current assets

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Refundable deposits	5,106	5,025
Employees receivables	2,290	1,765
Receivables under settlement (Arab Bank loan agreement)	351,255	-
	<u>358,650</u>	<u>6,790</u>

8- Cash and cash equivalents

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Cash and checks	402	352
Cash at banks	52	58
	<u>454</u>	<u>410</u>

9- Bank facilities

	<u>Short term</u>	<u>Long term</u>
Type of facilities:		
Ahli Bank loan increased facilities	140,016	305,187
Ahli Bank loan / central grant	169,509	521
Arab Bank - loan	225,000	-
Arab Bank - loan	513,159	-
Arab Bank / current account	491,162	-
	<u>1,538,847</u>	<u>305,707</u>

An initial settlement agreement was concluded with the Arab Bank to pay off the due loan amounting to (1,229,321) JOD, where the two parties agreed to pay the value of (700,000) JOD until the end of 2023 within a specific payment schedule, and the enforcement of this agreement is limited to the extent of the company's commitment to the schedule Payments. Therefore, there was no reliable confirmation of the enforcement of this agreement, and therefore recording the effect of this agreement was postponed until the year 2023, which confirms the commitment of the company to pay and enforce the agreement.

Jordan Chemical Industries Company
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10- Amounts due to related parties

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Al-Mahra Company for the manufacture of foodstuffs	427,386	-
	<u>427,386</u>	<u>-</u>

11- Equity

Paid - in capital

The authorized, and paid - in capital is JOD (1,799,624) divided equally into (1,799,624) shares with par value of JOD (1) for each share as at 31 December 2021 and 2020.

Statutory reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

Voluntary reserve

The accumulated amounts in this account represent 20% of the Company's net income before income tax according to the Companies Law. The voluntary reserve is available for distribution to shareholders.

Cumulative changes in fair value of financial assets

This item represents the cumulative change in fair value of financial assets measured at fair value through other comprehensive income owned by the Company and its subsidiaries and associates.

12- Other liabilities

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Sales tax withholdings	127,755	91,141
Social security withholdings	186,282	90,445
Accrued expenses	13,550	70,142
Other withholdings	56,346	40,471
Income tax withholdings	45,209	55,519
Board of Directors transportation withholdings	9,153	24,323
End of service provision	6,500	6,500
Employees payable	8,666	2,321
	<u>453,461</u>	<u>380,862</u>

13- Segment reporting

The Company's main operating activity represent production of sodium hypochlorite and other chemicals, and sells its products inside and outside the Hashemite Kingdom of Jordan as follows:

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Local Sales	4,246,600	4,780,934
Foreign Sales	34,817	-
	<u>4,281,417</u>	<u>4,780,934</u>

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14- Cost of sales

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Raw and packaging materials beginning balance	575,437	433,160
Purchases during the year	2,761,902	3,170,096
Raw and packaging materials ending balance (Note 4)	(228,352)	(575,437)
Raw and packaging materials used in production	3,108,988	3,027,819
Manufacturing expenses (Note 15)	1,007,393	1,105,575
Manufacturing cost	4,116,380	4,133,394
Finished goods inventory beginning balance	237,751	176,317
Finished goods inventory ending balance (Note 4)	(473,863)	(237,751)
Cost of sales	3,880,268	4,071,960

15- Manufacturing expenses

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Salaries, wages and other benefits	419,236	488,934
Social security	44,542	44,464
Depreciation (Note 5)	249,639	249,230
Utilities	119,929	176,679
Maintenance	33,393	61,286
Loading and lifting	46,464	30,253
Fuel and oil	10,307	10,565
Vehicles expenses	9,184	10,470
Safety	4,202	8,198
Transportation	40,673	7,372
Municipality fees	5,508	6,474
Lab and research expenses	3,774	3,782
Stationary	486	811
Medical insurance	532	759
Insurance	1,726	-
Miscellaneous	17,798	6,298
	1,007,393	1,105,575

16- Selling and distribution expenses

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Tenders expenses	35,294	49,428
Advertisement and showroom expenses	9,235	48,966
External expenses	-	304
	44,529	98,698

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17- Administrative expenses

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Salaries, wages and other benefits	185,897	186,120
Social securities	19,324	19,711
Lawsuits	4,796	31,198
Board of Directors transportations	18,000	29,175
Professional and consulting fees	43,500	15,000
Government fines	356	11,756
Donations	2,004	6,762
End of service provision	-	6,500
Licenses and subscriptions	8,787	3,655
Hospitality	3,469	1,751
Telecommunications	1,163	1,380
Stationary	1,312	1,175
Maintenance	743	565
Miscellaneous	1,798	24,047
Bad debt expense	35,000	-
Import and export expenses	994	-
Board of Directors remuneration	1,225	-
	<u><u>328,368</u></u>	<u><u>338,795</u></u>

18- Other income

The balance of other revenues included in the income statement included an amount of (268,785) JOD, which the company realized as revenue resulting from signing a settlement of the Arab Bank loan, where the value of the loan as per the bank records was (1,229,321) JOD, which result with a difference of (268,785) JOD from what was recorded in company records.

19- Basic and diluted earnings per share (EPS)

	<u>31-Dec-22</u>	<u>31-Dec-21</u>
Profit (loss) for the year	256,802	102,380
Weighted average number of shares	<u>1,799,624</u>	<u>1,799,624</u>
	<u><u>0.143</u></u>	<u><u>0.057</u></u>

The market value of the share, as published by the Amman Financial Market on December 31, 2022, was (2.1 JOD).

20- Executive management salaries and remunerations

The remuneration of executive management during the years 2022 and 2021 amounted to JOO (85,225) and JOO (76,050) respectively.

21- Contingent liabilities

The Company is contingently liable against several law suits amounting to JOD (103,126). Management and Legal Counsel believes that the outcome of these cases will not have a material impact on the consolidated financial position of the Company.

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22- Income tax

- The Company has settled its tax liability with the Income Tax Department up to 2019.
- The income and sales tax for 2020 and 2021 have been audited and no decision has been issued yet.
- Income tax provision was not calculated for the company's business results for the year ending on December 31, 2022, based on the recommendations of the company's tax advisor, due to the presence of previous losses that will be offset with the profits of the current year.

23- Financial risk management

Capital risk management

The company's objectives when managing its capital are to safeguard the company's ability to continue as a going concern in order to provide returns for its shareholders and to maintain an optimal structure to reduce the cost of capital.

Credit risk

The company has no significant risk concentration. The company applies a consistent credit policy to all its customers who has acceptable credit ratings.

Liquidity risk

The management monitors the company's liquidity requirements to ensure that it has sufficient cash to meet its operational needs and obligations.

Foreign exchange risk

The company transactions mainly in Jordanian dinars and US dollar. The US dollar foreign exchange is fixed to the Jordanian dinar. Hence ,foreign exchange risk is considered to be immaterial.

24- Comparative figures

Some comparative figures for the year 2021 have been reclassified to match the classification figures for the year 2022.