

Investors Industrial & Properties Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Financial statements
As of December 31, 2022

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Independent Auditors' Report

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To the general assembly of
Investors Industrial & Properties Co.
Public Shareholding Company
Amman- The Hashemite Kingdom of Jordan
Report on the Audit of the Financial Statements

Opinion

We have audited the Accompanying consolidated financial statements of **Investors Industrial & Properties Co. (Public Shareholding Company)**, which comprise the statement of consolidated financial position as at December 31, 2022, and the statements of consolidated comprehensive income, consolidated changes in owner's equity and consolidated cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, and with the exception of the effect of what we mentioned on the basis of the qualified 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 its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for qualified Opinion

- We have not received a confirmation for some receivables balances amounting to JD 24,756,807, and the expected credit losses provision for accounts receivable and accrued checks has not been increased by an amount of JD 39,561,200 (Note 5, 6), noting that the company has filed lawsuits against the owners of those receivables and checks. Its statement is included in the lawyers' replies received and the clarifications of the financial statements.

- An amount of 5,084,167 dinars has been recorded in the prior years' revenues account (retained earnings) instead of being recorded in the income statement for the current year (Note 16).

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.



Continued - Independent auditors' Report for Investors Industrial & Properties Co. for the year ended on December 31, 2022

Emphasizing matter

The company provided the liquidator of the United Group Holding Company with a decision to implement the lawsuit filed against it with a value of JD 6,319,555 (Note 5e). The penalty clause of the agreement signed with the United Group Holding Company amounting to JD one million was not proven in the books, and the company also did not prove the legal benefits and the judicial and legal expenses amounting to JD 2,345,561 are also in the books, and according to the opinion of the company's management, there is a fundamental doubt about the collection of the principal debt amounting to JD 2,973,994, since the company is under compulsory liquidation.

Key Audit Matters

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

• Legal Cases and Contingent Liabilities

In the normal courses of business, contingent liabilities may arise from legal cases held against the company or from governmental fines.

The amounts involved are potentially significant and the application of IFRS to determine the amount,

if any, to be provided as a liability, require from management judgments and estimates, accordingly the determination of liabilities is considered a key audit matter.

- The disclosure relative to legal and contingent liabilities is summarized respectively in Note (20) to the financial statements.

The audit procedures included the:

Our audit procedures include the assessment of the Company's internal controls to determine the liabilities and the review of correspondence with the regulatory parties and the Company's external

legal consultants on all significant legal cases and discussions with the Company's external legal consultant when necessary.

In addition, we obtained formal opinion from the Company's external legal consultant for all significant litigation, analysed correspondence with regulators, and monitored the procedures followed to obtain information from third parties. We also assessed the disclosures made by the Company.

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 auditors' report thereon. We expected that we will give the annual report after our report.

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



Continued - Independent auditors' Report for Investors Industrial & Properties Co. for the year ended on December 31, 2022

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when its available and, in doing so, consider whether the other information is materially inconsistent with the 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 consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's consolidated financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



Continued - Independent auditors' Report for Investors Industrial & Properties Co. for the year ended on December 31, 2022

- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying consolidated financial statements, accordingly, we recommend approving these consolidated financial statements by the general assembly after considerate what we mentioned in the basis of the qualified opinion.

Obeidat & alsalih


Nabil M. Obeidat
License 877



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Amman in
February 22, 2023

Investors Industrial & Properties Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Financial position
as of December 31, 2022

	Note	2022 JD	2021 JD
<u>Assets</u>			
<u>Current assets</u>			
Accounts receivable - net	5	36,491,989	37,691,989
Accrued checks - net	6	3,311,213	3,311,213
Other debit balances	7	35,103	90,771
Cash on hand & at banks	8	162,131	241,571
Financial assets at fair value through income statement	9	703,214	-
Total current assets		40,703,650	41,335,544
<u>Non-current assets</u>			
Property, plant & equipments - net	10	2,529,546	2,590,332
Investment in subsidiary	11	-	15,000
Total non-current assets		2,529,546	2,605,332
Total assets		43,233,196	43,940,876
<u>Liabilities and owners' equity</u>			
<u>Current liabilities</u>			
Due to related parties	19	-	15,000
Banks overdraft	12	-	6,630
Deffered & accrued checks	13	5,180,975	5,177,975
Income tax provision	14	-	1,067,925
Other credit balances	15	375,189	5,647,145
Total current liabilities		5,556,164	11,914,675
<u>Owners' equity</u>			
Capital	16	30,000,000	30,000,000
Statutory reserve	16	54,284	-
Retained earnings	16	7,622,748	2,026,201
Total owners' equity		37,677,032	32,026,201
Total liabilities and owners' equity		43,233,196	43,940,876

The accompanying notes form from (1) To (28) an integral part of this statement .

Investors Industrial & Properties Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Statement of comprehensive income
for the year ended December 31, 2022

	Note	2022 JD	2021 JD
<u>Revenues</u>			
Realized gains from selling financial assets through income statement		70,078	-
Dividends		22,200	-
Other revenues		12,404	7,557
Total revenues		104,682	7,557
General & administrative expenses	17	(568,640)	(40,279)
Depreciations	10	(61,131)	(61,131)
(Loss) for the year before tax		(525,089)	(93,853)
Returned from income tax provision	14	1,067,925	-
Profit (loss) for the year		542,836	(93,853)
Comprehensive income (loss) for the year		542,836	(93,853)
		Fils/Dinar	Fils/Dinar
Basic and diluted earning per share	18	0.018	(0.003)

The accompanying notes form from (1) To (28) an integral part of this statement .

Investors Industrial & Properties Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Statement of owners' equity
for the year ended December 31, 2022

Description	Capital	Statutory reserve	Retained earnings			Total
			Realized profits	Unrealized profits *	Total retained earnings	
	JD	JD	JD	JD	JD	JD
<u>For the year ended December 31, 2022</u>						
Balance as of January 1, 2022	30,000,000	-	2,026,201	-	2,026,201	32,026,201
Prior years' revenues (note 16)	-	-	5,084,167	-	5,084,167	5,084,167
Adjusted opening balance	-	-	7,110,368	-	7,110,368	37,110,368
Profit for the year after tax	-	-	542,836	-	542,836	542,836
Total comprehensive income	-	-	542,836	-	542,836	542,836
Change in fair value of financial assets through income statement **	-	-	-	23,828	23,828	23,828
Transferd to statutory reserve	-	54,284	(54,284)	-	(54,284)	-
Balance as of December 31, 2022	30,000,000	54,284	7,598,920	23,828	7,622,748	37,677,032
<u>For the year ended December 31, 2021</u>						
Balance as of January 1, 2021	30,000,000	-	2,120,054	-	2,120,054	32,120,054
(Loss) for the year	-	-	(93,853)	-	(93,853)	(93,853)
Total comprehensive (loss)	-	-	(93,853)	-	(93,853)	(93,853)
Balance as of December 31, 2021	30,000,000	-	2,026,201	-	2,026,201	32,026,201

* According to the instructions of Securities Commission , it is porhibited to dispose fair value reserve & Unrealized retained earnings through dividends to shareholders or capitalization or loss amortization or anything else .

** According to the instructions for proving the value and disposing of the revaluation surplus for the year 2022, the change in the fair value of financial assets through income (for trading) was recorded in a separate item as unrealized profits in the statement of changes in owners' equity within the item of retained earnings, and it is prohibited to dispose of this balance.

The accompanying notes form from (1) To (28) an integral part of this statement .

Investors Industrial & Properties Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

Statement of cash flows
for the year ended December 31, 2022

	Note	2022 JD	2021 JD
<u>Cash flows from operating activities</u>			
(Loss) for the year before tax		(525,089)	(93,853)
Prior years' revenues		5,084,167	-
Realized (gains) from selling financial assets through income statement	9	(70,078)	-
Depreciations	10	61,131	61,132
Operating income (loss) before changes in working capital		4,550,131	(32,721)
<u>(Increase) decrease in current assets</u>			
Accounts receivable		1,200,000	128,874
Other debit balances		55,668	191,698
<u>Increase (decrease) in current liabilities</u>			
Due to related parties		(15,000)	-
Deffered & accrued checks		3,000	-
Other credit balances		(5,271,956)	(42,514)
Net cash flows provided from operating activities		521,843	245,337
<u>Cash flows from investing activities</u>			
Acquisitions of property , plant & equipments	10	(345)	(5,019)
Acquisitions of financial assets through income statement		(886,386)	-
Proceeds from selling financial assets through income st.		277,078	-
Subsidiary investment		15,000	-
Net cash (used in) investing activities		(594,653)	(5,019)
<u>Cash flows from financing activities</u>			
Banks overdraft		(6,630)	-
Net cash (used in) financing activities		(6,630)	-
Net cash balance		(79,440)	240,318
Cash on hand & at banks at beginning of the year		241,571	1,253
Cash on hand & at banks at ending of the year		162,131	241,571

The accompanying notes form from (1) To (28) an integral part of this statement .

Investors Industrial & Properties Co.
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the financial statements

1- Registration and activities of the company

The **Investors Industrial & Properties Co.** was established as a public shareholding company on **August 22, 1995** with a capital of **JD 1,000,000** . As of **September 8, 2002**, the legal status of the company was transformed from a limited liability company to become a public shareholding company with a capital of **JD 15,000,000** divided into **15,000,000** shares with a nominal value of dinar per share. The company's general assembly, in its extraordinary meeting held during **2005**, approved an increase in the capital to become **JD 30,000,000** by offering shares for private underwriting.

Company's goals are to establish, build and plan industrial zones and cities, and invest in land development and all economic fields.

The General Assembly decided, in its (postponed) extraordinary meeting held on **May 15, 2018**, to approve the amendment of the company's name from Investors and Arab East Industrial Real Estate Investments Company, to become Investors Industrial & Properties Co.

The financial statements were approved by the board of directors at its meeting held on **February 22, 2023**, these financial statements needs subject to the approval of the general assembly of shareholders .

2- Basis of preparation of financial statements

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

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

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

3- Use of estimates

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

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

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

4- Significant accounting policies

Below used accounting policies in preparation of financial statements, these policies is applying in the years appear in financial statements.

Changes in accounting policies

Accounting policies followed in condensed interim financial statements' preparation for this period are consistent with the policies followed the last year, except for the company's application of the following standards :

New standards, amendments and interpretations issued but not yet effective and not early applied:

It is valid for annual periods beginning on January 1, 2022.

- * Amendments to International Financial Reporting Standard No. 3 - Business Groups.
- * Amendments to IAS 16 Property, Equipment and Machinery.
- * Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

It is valid for annual periods beginning on January 1, 2023.

- * Amendments to International Accounting Standard No. 1 - Presentation of Financial Statements - Classification of Liabilities.
- * Deferred tax assets and liabilities arising from a single transaction - Amendments to IAS 12.
- * Sale or contribution of assets between an investor and his subsidiary or joint venture - Amendments to International Financial Reporting Standard No. 10 and International Accounting Standard No. 28.
- * Amendments to IFRS 17 (Insurance Contracts)
- * Amendments to IAS 8 (Defining Accounting Estimates)
- * Amendments to International Accounting Standard No. 1 (Disclosure of Accounting Policies) and Statement of Practice No. 2 related to international financial reporting standards

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

Accounts receivable

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

Expected credit losses

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

The management of the company calculates the provision based on its historical experience in credit loss adjusted according to future factors of debtors and the economic environment.

Property, plant & equipments

Property, plant & equipments are recorded at cost and depreciated (**except lands**) over its estimated useful lives under the **straight line** method by using annual depreciation rates from **9% to 20%** .

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

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

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

Accounts payable & accrued amounts

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

Income tax

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

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

Offsetting

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

Financial assets at fair value through income

The financial assets that the company purchased for the purpose of selling them in the near future and making profits from short-term market price fluctuations or trading profit margins.

These assets are recorded at fair value upon purchase (acquisition expenses are recorded in the income statement upon purchase) and are subsequently re-evaluated at fair value, and the change in fair value appears in the list of changes in equity within the balance of retained earnings, including the change in fair value resulting from differences Transferring items of non-monetary assets in foreign currencies, and in the event of selling these assets or part of them, the profits and losses resulting from that are recorded in the income statement, the distributed profits or the realized interests are recorded in the income statement.

Other revenues recognition

Other revenues are recognized upon accrual basis .

Fair value

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

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

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

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

Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events , it is probable that an outflow or resource will be required to settle the obligation , and a reliable estimate of the amount can be made . Where the company expect a provision to be reimbursed , for example under an insurance contract , the reimbursed is recognized as a sepearte asset but only when the reimbursement is virtually certain .

Foreign currency translation

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

Investors Industrial & Properties Co.
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Notes to the financial statements

5- Accounts receivable - net

A. This item consists of the following :

	2022	2021
	JD	JD
Middle East Complex Company (5B)	9,672,165	9,672,165
Greater Amman Municipality (5 C)	242,002	1,442,002
United Arab Investors Company (5D)	23,571,213	23,571,213
United Group Holding Company (5E)	2,973,994	2,973,994
Nabeel Yousif Barakat (5F)	1,185,594	1,185,594
Total	37,644,968	38,844,968
Deduct: expected credit losses (5 G)	(1,152,979)	(1,152,979)
Net	36,491,989	37,691,989

B. The company has established the above amount as an amount owed by the Middle East Complex Company, which represents the value of the mortgage bonds executed by the Commercial Bank during the year 2013 on plots of land (No.

During the year 2018, the company filed a lawsuit under No. 341/2018 at the Court of First Instance against the Middle East Complex Company, and the decision was issued in favor of the company by ruling it an amount of 9,065,260 dinars, in addition to fees, expenses and legal interest.

On April 5, 2018, a precautionary attachment was placed on the movable and immovable funds of the Middle East Complex Company, up to the amount adjudicated in favor of the Industrial and Real Estate Investors Company. The decision was appealed, and the Court of Appeal decided to reject the appeal submitted by the Middle East Complex Company. The appealed decision was upheld, and at the stage of cassation, the case was returned to the Court of Appeal to discuss a legal point, and on December 29, 2021, the Court of Appeal ruled in Case No. 9763/2021 to reject the appeal as subject matter submitted by the Middle East Complex for Engineering, Electronic and Heavy Industries Public Shareholding Company Ltd and upheld the decision issued by the West Amman Court of First Instance issued in favor of the Industrial and Real Estate Investors Company, by obliging the Middle East Complex Company to pay the claimed amount of 9,065,260 dinars, fees, legal expenses, attorney's fees, and fixing the precautionary attachment, and the East Complex Company submitted Al-Awsat filed a cassation against the aforementioned decision, and the company submitted its answer and it is still under consideration before the Court of Cassation under No. 556/2022, and the decision was ratified in appeal and in cassation in favor of the Industrial and Real Estate Investors Company, and the decision became final, and an executive lawsuit was registered Under the number 2022/2523 at the implementation of the Amman Court of First Instance for the purposes of execution by seizing the money of the convict and collecting the rights of the company and the value of JD 12,715,764.

Investors Industrial & Properties Co.

Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the financial statements

And the Middle East Complex Company has filed a preliminary legal case No. 6072/2022, which has been registered since 2020, where the competent court issued a decision that includes stopping its traffic until a final ruling is decided in Case No. 341/2018 that the company filed against the Middle East Complex Company, and a suspension decision was issued Proceeding with the case as an appeal and cassation, and in light of the acquisition of Judgment No. 341/2018, the case was re-registered to follow up on the case, and a request was submitted and a response from the company to the case, and an appeal was submitted against the decision to admit a second party, since the case must be answered from the beginning because of the reason for the settled case, and Still pending appeal.

- C. The Greater Amman Municipality imposed regulatory royalties fees on the company as a result of changing the use status of some plots of land with numbers (19, 18, 17, 16, 15, 14, 13), basin 16 Al-Taher and plots (34, 33, 32) basin 14 Al-Bisharat from Giza/Amman lands in order to establish a private industrial zone, where the Greater Amman Municipality demanded the company an amount of JD 7,709,173 , i.e. 1/750 dinars per square meter as organizational returns, the company paid an amount of 2,698,210 dinars during the year 2007 and the remaining amount of JD 5,010,963 was scheduled through 12 equal payments by quarterly post-dated checks, the value of each check is 417,580 dinars, and the first payment is due on March 31, 2008.

The company filed a lawsuit against the Greater Amman Municipality to prevent its claim for special organization returns and to demand the recovery of amounts paid and checks for collection with a total value of JD 7,709,173 and to stop the disbursement of uncashed checks. On the other hand, the Greater Amman Municipality filed a counter-claim at the expense of the same suit, with a value of 40 million dinars.

A reconciliation agreement was reached with the Greater Amman Municipality Council, and the reconciliation was ratified by the court and considered as a final judgment issued by the court on September 5, 2019. The following are the most important provisions of the agreement:

- Dropping the counterclaim filed by the Municipality of Amman with a value of JD 40 million
- The Greater Amman Municipality Council refrains from claiming the company for an amount of JD 7,709,173 , the subject of the original lawsuit .
- The two parties agreed to estimate the company's share of the expenses incurred by the Greater Amman Municipality at the expense of the works it carried out or the studies of the works it intended to carry out at an amount of JD 786,111 .
- Deducting the amount mentioned in the previous point above from the company's total claim amounting to JD 4,786,111 , and the Greater Amman Municipality is obligated to refund the amount of 4 million dinars to the company
- The Greater Amman Municipality is committed to returning the checks issued by the company to the order of the Greater Amman Municipality, which were not cashed, amounting to JD 2,923,061 .

Based on the above, an amount of JD 4 million will be paid as follows:

- * A first payment of JD 50,000 at the beginning of the month following the signing of the reconciliation (and it was collected on October 30, 2021)
- * A second payment of JD 50,000 , two months after the first payment (and it was collected on November 27, 2021)
- * A payment of JD 500,000 before January 10, 2022 (and it was collected until February 16, 2022)

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* The remaining balance of JD 3,400,000 is paid according to 34 consecutive equal monthly installments of JD 100,000 per month, the first payment is due on January 31, 2020 until full payment, and the total receipts until December 31, 2022 amounted to JD 3,757,998, and the receipts include reservation and Payment of an amount of JD 1,549,043, including the payment of an amount of JD 1,549,043 to the Amman Criminal Execution Court on account of executive cases. The receipts also include the payment of an amount of JD 33,956 to the account of labor cases directly from the Greater Amman Municipality.

- D. During the year 2010, the company signed a cooperation and investment agreement with the United Arab Investors Company regarding lands owned by the company that were mortgaged in favor of and against loans granted to the United Arab Investors Company previously for this agreement. According to this agreement, the United Arab Investors Company pays an investment fee of 1% annually of the value of The leased lands amounting to 1193 dunums belong to the Industrial Real Estate Investors Company. In return, the United Arab Investors Company has the right, according to the agreement, to use the plots of land as collateral and gurantees for the facilities and its financing works.
- E. During the year 2012, the company obtained receivable notes from the United Group Holding Company in the amount of JD 3,000,000 according to the sale agreement signed between the two parties during the year 2011.
The company obtained a bill of exchange worth JD 1,000,000 as a penalty clause contained in the signed agreement. The company filed an executive case to collect the value of the above notes, amounting to JD 4,000,000. The decision was issued in favor of the company to place a precautionary attachment on the debtor, and the decision became final. The liquidator of the United Group Holding Company by the decision to implement it, at a value of JD 6,319,555 including legal interests, fees and expenses.
- F. There is a case filed by the plaintiff, Nabil Barakat, to demand the establishment of the non-isolable agency on a plot of land of 120 dunums, and to demand the recovery of an amount of one million and three hundred thousand dinars. The court issued a decision obliging the company to pay an amount of JD 1,175,000 .
Accordingly, the plaintiff, Nabil Barakat, filed Executive Case No. 1173/B/2020 against the company to collect the value of the executive suit amounting to JD 1,175,000 , and according to this lawsuit, an amount of JD 100,000 per month is supplied from the company's rights with the Greater Amman Municipality for the account of this lawsuit, where the defendant was recovered An amount of 211,467 dinars, then the Public Prosecutor of Amman issued a decision to seize the remaining amounts until the case No. 737/2020 filed by the company against him is decided, and the plaintiff submitted a request to seize a number of plots of land in exchange for releasing the sequestration of the seized amounts, and the sequestration was lifted and the remainder of the case amount was handed over amounting to JD 971,126 .
The plaintiff, Nabil Barakat, filed the first-instance lawsuit No. 1808/2021, the beginning of Oman's rights, the subject of which is a claim for legal benefits for the amount claimed in case No. 1173/2020, and it is under consideration before the Court of First Instance.
- G. The expected credit losses for receivables represent the component amounting to JD 1,152,979 against the risk of collecting the United Arab Investors Company's liability only.

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6- **Accrued checks - net**

A. This item consists of the following :

	2022	2021
	JD	JD
Checks due - Arab Real Estate Development Company (6B)	10,641,273	10,641,273
Checks due - Others (6C)	831,940	831,940
Total	11,473,213	11,473,213
Deduct: expected credit losses (6D)	(8,162,000)	(8,162,000)
Net	3,311,213	3,311,213

B. Acrued checks represent checks received from Al-Arab Real Estate Development Company (a previously related company) as a result of the sale of lands in Al-Mashta Industrial City project.

During the years 2010 and 2011, the company returned an area of 586 dunums of the lands of Al-Mashta Industrial City, which the company sold during 2008 to the Arab Real Estate Development Company, and thus the collection checks were reduced by an amount of JD 19,722,694.

The company filed a lawsuit against the Arab Real Estate Development Company, Bashar Al-Zoubi and Haitham Al-Dahla at the Court of First Instance to claim compensation for the damage and the value of the checks issued by them. Al-Zoubi and Haitham Al-Dahla, and the decision was appealed under No. 23239/2019 by the Industrial and Real Estate Investors Company and by the Arab Real Estate Development Company. The decision was issued to reject the two appeals and uphold the appealed decision, and then the decision was distinguished by the Industrial Investors Company and Real Estate and by the Arab Real Estate Development Company,

It was reinstated by the Court of Cassation and registered under No. 1174/2022, where the court decided to reject the appeal submitted by the Arab Real Estate Development Company and accept the appeal of the Industrial and Real Estate Investors Company, and as a result obligated the Arab Real Estate Development Company and Haitham Al-Dahla and Bashar Al-Zoubi with an amount JD 669,063 , fees, expenses, attorney's fees, and legal interest. In light of the cassation filed by the defendants, the Court of Cassation decided to dismiss the case on behalf of the defendant, Bashar Al-Zoubi, and return the case file to the Court of Appeal to support the decision to dismiss the case on behalf of Bashar Al-Zoubi, and return the case file to the Court of Appeal. The first degree to consider the lawsuit against each of the Arab Real Estate Development Company and Haitham Al-Dahla.

And the company filed a preliminary legal suit under the number 3095/2019 and became the number 7459/2020 at the Court of First Instance of Amman in the face of the Arab Real Estate Development Company, Bashar Al-Zoubi, Haitham Al-Dahla and Imad Abdel-Hadi to claim the rest of the checks issued by them amounting to JD 13,546,382 and it is still pending. Before the Court of First Instance, a decision was issued in favor of the Industrial and Real Estate Investors Company, including obligating the defendant jointly and severally to pay the claimed amount of JD 13,546,382 , fees, expenses, attorney's fees, and legal interest. The decision was appealed by the defendant and took the appeal number. 1409/2022, where a decision was issued to dismiss the lawsuit due to the statute of limitations, and the judgment decision was distinguished, and the lawsuit is still pending in cassation.

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And Al-Arab Real Estate Development Company filed a preliminary legal suit No. 594/2019, the subject of which is an accounting lawsuit with the Amman Court of First Instance, and it became under the number 988/2020, and its subject matter is an accounting procedure, annulment of an agreement and restoring the situation to what it was, and the lawsuit is still pending. Before the Court of First Instance, an experience report was received in favor of the company, which includes that (the defendant, the Industrial and Real Estate Investors Company) has rights of more than JD 19 million owed by the plaintiff (Al-Arab Real Estate Development Company), and on May 8, 2022, a decision was issued that includes the dismissal of the plaintiff's case And its inclusion of fees and expenses, and the ruling has gained the final degree.

- C. During the year 2011, the company sold lands to a member of the Board of Directors of the United Arab Investors Company for an amount of JD 831,940 in exchange for a check for collection issued by a related party (previously) on his behalf. The company filed a lawsuit against the person who wrote the check, and the decision was issued convicting him and sentencing him to one year in prison on September 30, 2012.
- D. The expected credit losses for the accrued checks represent the component amount of JD 8,162,000 against the risks of collecting checks received from Al-Arab Real Estate Development Company only.

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7- Other debit balances

This item consists of the following :

	<u>2022</u> JD	<u>2021</u> JD
Refundable deposits	15,525	15,525
Due to others	15,328	70,996
Prepaid expenses	<u>4,250</u>	<u>4,250</u>
Total	<u>35,103</u>	<u>90,771</u>

8- Cash on hand & at banks

A. This item consists of the following :

	<u>2022</u> JD	<u>2021</u> JD
Cash on hand	1,768	4,373
Checks on hand (8B)	30,000	235,945
Current accounts at banks	<u>130,363</u>	<u>1,253</u>
Total	<u>162,131</u>	<u>241,571</u>

B. The maturity of checks in the cashier extends until **October 13, 2023**.

9- Financial assets at fair value through income statement

This item consists of the following :

	<u>2022</u> JD	<u>2021</u> JD
<u>National</u>		
<u>Public shareholding companies (listed)</u>		
Financial assets portfolio	679,386	-
Add: changes in fair value	<u>23,828</u>	<u>-</u>
Fair value	<u>703,214</u>	<u>-</u>

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10- **Property, plant & equipments - net**

A. This item consists of the following :

	<u>Lands *</u>	<u>Buildings *</u>	<u>Vehicles</u>	<u>Machines and equipments</u>	<u>Furnitures & fixtures</u>	<u>Total</u>
	JD	JD	JD	JD	JD	JD
<u>Cost</u>						
Balance beginning of the year	72,682	2,944,132	20,500	1,963	3,056	3,042,333
Additions for the year	-	-	-	345	-	345
Balance ending of the year	<u>72,682</u>	<u>2,944,132</u>	<u>20,500</u>	<u>2,308</u>	<u>3,056</u>	<u>3,042,678</u>
<u>Accumulated depreciations</u>						
Balance beginning of the year	-	430,704	20,500	306	491	452,001
Depreciation for the year	-	60,335	-	491	305	61,131
Balance ending of the year	<u>-</u>	<u>491,039</u>	<u>20,500</u>	<u>797</u>	<u>796</u>	<u>513,132</u>
Book value as of December 31, 2022	<u>72,682</u>	<u>2,453,093</u>	<u>-</u>	<u>1,511</u>	<u>2,260</u>	<u>2,529,546</u>
Book value as of December 31, 2021	<u>72,682</u>	<u>2,513,428</u>	<u>-</u>	<u>1,657</u>	<u>2,565</u>	<u>2,590,332</u>

* The company's lands are represented in plot No. 48, Basin No. 16 Al-Taher, south of Amman, Quneitra, with an area of 10,757 square meters (and the buildings built on it). It is reserved for the courts, the Water Authority, the Ministry of Finance, the Securities Commission, the Social Security Corporation, and the Income and Sales Tax Department.

The cost of fully depreciated property and equipment that is still in use is JD **20,500** as of **December 31, 2022**.

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11- Investment in subsidiary

A. This item consists of the following :

	<u>Ownership rate</u>	<u>2022</u>	<u>2021</u>
	<u>%</u>	<u>JD</u>	<u>JD</u>
<u>National</u>			
<u>Limited liability companies (un-listed)</u>			
Cloves Company for Industrial Investments	-	-	15,000

B. The subsidiary was written off according to the approval of the Companies Control Department on **December 28, 2022**.

12- Banks overdraft

This item consists of the following :

	<u>2022</u>	<u>2021</u>
	<u>JD</u>	<u>JD</u>
Arab Jordan Investment Bank	-	6,630

13- Deffered & accrued checks

A. This item consists of the following :

	<u>2022</u>	<u>2021</u>
	<u>JD</u>	<u>JD</u>
Tameer Investments Company (13B)	5,166,665	5,166,665
Others	14,310	11,310
Total	5,180,975	5,177,975

B. This item represents the amount payable to Tameer Investments Company as a result of the termination of the development agreement for Al-Mashta Industrial City. The amount is repaid in 36 equal monthly installments, the value of each of which is JD 166,667 , with a total value of JD 6,000,000 , the first installment of which was due on December 31, 2008. The amount due was recorded initially at the present value of JD 5,182,604 and was calculated by discounting the expected future cash flows using an interest rate of 9 ,25%, which approximates the company's current borrowing rate. The agreement termination fee was subsequently recognized at amortized cost using the effective interest method at an interest rate of 9.25%. The agreement termination fee was recorded as an expense in the consolidated statement of comprehensive income. The discount amortization expense amounted to JD 82,034 for the year ended December 31, 2011 (2010: JD 250,868).

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Tameer Investments Company filed a preliminary lawsuit No. 3660/2012 to demand bank checks amounting to JD 4,833,333 . The judgment was issued in absentia in favor of Tameer Company. The decision was appealed under No. 22960/2019 at the end of 2019 and the implementation procedures were suspended. The company filed suit No. 3393/2020, the subject of which is to prevent a claim for the value of these checks, as they are not based on any consideration. Late in 2019, the company had filed a criminal investigation complaint with the Public Prosecutor of Amman, registered under the number 10585/2019, in the presence of financial and economic crimes that resulted in these checks. The subject of the claim in Case No. 3660/2012, and since the Integrity and Anti-Corruption Commission has referred this matter to the Prosecutor General of the Integrity and Anti-Corruption Commission under No. 282/2019, and investigation file No. 10585/2019 has been included in investigation file No. 282/2019 , On November 7, 2019, the Council of the Integrity and Anti-Corruption Commission decided to refer the existence of violations and lack of eligibility and the lack of a legal basis for paying these checks in the amount of 6 million dinars to His Excellency the Prosecutor General of the Integrity and Anti-Corruption Commission, which is still under consideration and investigation. Under No. 282/2019. And the company filed a preliminary lawsuit No. 3393/2020 before the Court of First Instance of Oman against Tameer Investments Company, the subject of which is to prevent a claim for the value of checks in the amount of JD 4,833,333 , which represents uncashed checks, and the case is still under consideration. The company had independently complained about these checks and what was disbursed from them. The complaint was pending before His Excellency the Public Prosecutor of Amman under the number 10558/2019 and its subject matter is job investment and crimes related to the public office. His Excellency the Public Prosecutor of Oman decided to refer the case to His Excellency the Public Prosecutor The Integrity and Anti-Corruption Commission for its inclusion in Investigative Case No. 282/2019.

Therefore, Case No. 3660/2012, and the appellate case No. 22960/2019, which stems from it, the Court of Appeal decided to suspend the case until it decides on the claim to prevent Claim No. 3393/2020 and Investigative Case No. 282/2019, and Taameer Investments filed a cassation against the decision, as A decision was issued to overturn the distinguished decision and return it to the Court of Appeal to consider the case, where a decision was issued to proceed with the case and not to respond to the request to stop the traffic, and a cassation was submitted against the decision and it is still under consideration before the Court of Cassation, as for case No. 3393/2020 and its subject matter is preventing a claim The value of the checks is still under consideration before the Court of First Instance, as for the investigation complaint No. 10558/2019 attached to the investigation file No. 282/2019, and in light of the existence of crimes and legal violations, a presumptive decision and an indictment were issued that included many violations and abuses that constitute economic crimes, and they were referred in mid-December 2022 To the Amman Criminal Court, with the number 1341/2022, and it is still under consideration.

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14- **Income tax**

A. A clearance was obtained from the Income and Sales Tax Department for the years from **1997 to 2021**.

B. **The movement of income tax provision during the period as follow :**

	2022	2021
	JD	JD
Balance begining of the year	1,067,925	1,067,925
Disposals for the year (returned to the income statement)	(1,067,925)	-
Balance ending of the year	-	1,067,925

15- **Other credit balances**

This item consists of the following :

	2022	2021
	JD	JD
Dues received at the selling lands	-	2,667,127
Accrued expenses	275,535	2,790,007
Due to social security	26,058	61,085
Due to income tax	455	38,805
Land sale assignment fees	-	69,201
Due to shareholders	19,994	19,994
Employees debts	926	926
Others	52,221	-
Total	375,189	5,647,145

16- **Owners' equity**

- **Capital**

Declared & Paid capital amounted of JD **30,000,000** distributed on **30,000,000** shares, of Nominal value for each share of one JD .

- **Statutory reserve**

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

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- Retained earnings

The movement of accumulated (loss) during the year as follow :

	2022	2021
	JD	JD
Balance at beginning of the year	2,026,201	2,120,054
Prior years' revenues *	5,084,167	-
Adjusted openning balance	7,110,368	2,120,054
Profit (loss) for the year	542,836	(93,853)
Change in fair value of financial assets through income statement	23,828	-
Transferd to statutory reserve	(54,284)	-
Balance at ending of the year	7,622,748	2,026,201

* The account of prior years' revenues is represented in the following accounts, which have been approved to be closed in accordance with the meeting of the Board of Directors held on February 21, 2023:

	2022
	JD
Accrued expenses	2,443,279
Dues received at the selling lands	2,667,127
Land sale assignment fees	69,201
Due to income tax	29,285
Banks overdraft	6,630
Debit banks	(1,252)
Other expenses	(130,103)
Total	5,084,167

17- General & administrative expenses

This item consists of the following :

	2022	2021
	JD	JD
Professional fees	429,119	4,650
Fees & licenses & subscriptions	14,819	14,706
Salaries & wages	23,200	3,900
Company's share in social security	3,306	427
Rent	8,500	4,250
Stationary & printing	841	498
Electricity	1,130	355
Postage & telecommunication	1,081	541
Entertainmet & cleaning	1,912	1,070
Maintenance	2,420	2,500
Cases fees	54,047	6,952
Others	1,765	429
Board of directors transportation	26,500	-
Total	568,640	40,278

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18- **Basic and diluted earning per share**

This item consists of the following :

	<u>2022</u>	<u>2021</u>
	JD	JD
Profit (loss) for the year after tax (JD)	542,836	(93,853)
Weighted average shares (share)	30,000,000	30,000,000
Basic and diluted earning per share	<u>0.018</u>	<u>(0.003)</u>

The diluted earning per share is equal to the basic earning per share .

19- **Related parties transactions**

Realated parties include key shareholders , key management personnel , key managers , associates and subsidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

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

	<u>Type of transaction</u>	<u>2022</u>	<u>2021</u>
		JD	JD
<u>Susidiary</u>			
Cloves Company for Industrial Investments	Finance	-	15,000

E. **Wages , allowances and other benefits for senior excutive managements :**

	<u>2022</u>	<u>2021</u>
	JD	JD
Wages & other benefits	<u>82,081</u>	<u>-</u>

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20- Legal situation

A. Cases filed by third parties against the company

The case filed by the Greater Amman Municipality No. (2781/2010) and became No. (215/2018) to claim an amount of 40 million dinars, and a decision was issued to prevent the company's claim to this amount, and a final settlement was made on this claim, including that the company did not incur any amounts From this value, the decision issued in the case became final.

The case filed by the Greater Amman Municipality No. (10992/2013), the subject of which is the offense of issuing checks without balance, and an objection was submitted to the decision issued in absentia, and it was registered under the number (13671/2022), and the objection was accepted in form, as these checks It is the same checks that are the subject of the claim prevention lawsuit No. (2781/2010), which ended in reconciliation with the Greater Amman Municipality by preventing a claim for the value of the cheques, but this decision was issued before the settlement in 2013 and based on it and based on the ruling in the case No. (2010/2781), this complaint is still under consideration, but it is in the interest of the company.

Primitive legal case No. 3086/2016 filed by the Gulf General Investments Company, the subject of which is a claim of JD 1,317,589 . A decision was issued in the interest of the company to dismiss the lawsuit filed by the Gulf Investments Company, and the decision was ratified in appeal and cassation, and the decision became final.

Tameer Investments Company filed a preliminary lawsuit No. 3660/2012 to demand bank checks amounting to JD 4,833,333 . The judgment was issued in absentia in favor of Tameer Company. The decision was appealed under No. 22960/2019 at the end of 2019 and the implementation procedures were suspended. The company filed suit No. 3393/2020, the subject of which is to prevent a claim for the value of these checks, as they are not based on any consideration. Late in 2019, the company had filed a criminal investigation complaint with the Public Prosecutor of Amman, registered under the number 10585/2019, in the presence of financial and economic crimes that resulted in these checks. The subject of the claim in Case No. 3660/2012, and since the Integrity and Anti-Corruption Commission has referred this matter to the Prosecutor General of the Integrity and Anti-Corruption Commission under No. 282/2019, and investigation file No. 10585/2019 has been included in investigation file No. 282/2019 , On November 7, 2019, the Council of the Integrity and Anti-Corruption Commission decided to refer the existence of violations and lack of eligibility and the lack of a legal basis for paying these checks in the amount of 6 million dinars to His Excellency the Prosecutor General of the Integrity and Anti-Corruption Commission, which is still under consideration and investigation. Under No. 282/2019. And the company filed a preliminary lawsuit No. 3393/2020 before the Court of First Instance of Oman against Tameer Investments Company, the subject of which is to prevent a claim for the value of checks in the amount of JD 4,833,333 , which represents uncashed checks, and the case is still under consideration. The company had independently complained about these checks and what was disbursed from them. The complaint was pending before His Excellency the Public Prosecutor of Amman under the number 10558/2019 and its subject

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matter is job investment and crimes related to the public office. His Excellency the Public Prosecutor of Oman decided to refer the case to His Excellency the Public Prosecutor The Integrity and Anti-Corruption Commission for its inclusion in Investigative Case No. 282/2019.

Therefore, Case No. 3660/2012, and the appellate case No. 22960/2019, which stems from it, the Court of Appeal decided to suspend the case until it decides on the claim to prevent Claim No. 3393/2020 and Investigative Case No. 282/2019, and Taameer Investments filed a cassation against the decision, as A decision was issued to overturn the distinguished decision and return it to the Court of Appeal to consider the case, where a decision was issued to proceed with the case and not to respond to the request to stop the traffic, and a cassation was submitted against the decision and it is still under consideration before the Court of Cassation, as for case No. 3393/2020 and its subject matter is preventing a claim The value of the checks is still under consideration before the Court of First Instance, as for the investigation complaint No. 10558/2019 attached to the investigation file No. 282/2019, and in light of the existence of crimes and legal violations, a presumptive decision and an indictment were issued that included many violations and abuses that constitute economic crimes, and they were referred in mid-December 2022 To the Amman Criminal Court, with the number 1341/2022, and it is still under consideration.

The primitive legal case No. 594/2019 filed by the Arab Real Estate Development Company, the subject matter of which is an accounting suit at the Court of First Instance of Amman Law, and it became under the number 988/2020, and its subject matter is an accounting procedure, annulment of an agreement and restoring the situation to what it was, and the case is still pending Before the Court of First Instance, an experience report was received in favor of the company, which includes that (the defendant, the Industrial and Real Estate Investors Company) has rights of more than JD 19 million owed by the plaintiff (Al-Arab Real Estate Development Company), and on May 8, 2022, a decision was issued that includes the dismissal of the plaintiff's case And its inclusion of fees and expenses, and the ruling has gained the final degree.

The case filed by the plaintiff, Nabil Barakat, to demand the establishment of the non-isolable agency on a plot of land of 120 dunums, and to demand the recovery of an amount of one million and three hundred thousand dinars. The court issued a decision obliging the company to pay an amount of JD 1,175,000 to the defendant, Nabil Barakat.

Accordingly, the plaintiff, Nabil Barakat, filed Executive Case No. 1173/B/2020 against the company to collect the value of the executive suit amounting to 1,175,000 dinars, and according to this lawsuit, an amount of JD 100,000 per month is supplied from the company's rights with the Greater Amman Municipality for the account of this lawsuit, where the defendant was recovered An amount of 211,467 dinars, then the Public Prosecutor of Amman issued a decision to seize the remaining amounts until the case No. 737/2020 filed by the company against him is decided, and the plaintiff submitted a request to seize a number of plots of land in exchange for releasing the sequestration of the seized amounts, and the sequestration was lifted and the remainder of the case amount was handed over amounting to JD 971,126 .

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The Middle East Complex Company filed a preliminary legal case No. 6072/2022, which has been registered since 2020, where the competent court issued a decision that includes stopping the proceeding with it until a final ruling is decided in Case No. 341/2018 that the company filed against the Middle East Complex Company, and a decision was issued to stop the case. An appeal and a cassation, and in light of the acquisition of Judgment No. 341/2018, the case was re-registered with the number to follow up on its progress, and a request and a response were submitted by the company to the case, and an appeal was submitted against the decision to admit a second party, since the case must be answered from the outset due to the cause of the settled case, and not Still under appeal.

Primitive human rights case No. 1808/2021 filed by plaintiff Nabil Barakat at the Amman Court of First Instance, the subject of which is a claim for the benefits of the refunded amount from Case No. 1173/B/2020, which is under consideration by the Court of First Instance.

Primitive case No. 2591/2016 filed by the plaintiff of the Amman Stock Exchange at the Amman Court of First Instance, the subject of which is a claim of JD 54,000 , where the decision issued as adversarial against the company was appealed and the implementation procedures were suspended, and the case is still under appeal.

Executive Case No. 101/2014, Giza Execution Department, from the convict, Alaa Moanes, to demand an executive deed (labor rights) at a value of JD 95,000 , as well as Executive Case No. 6127/2015, Amman Execution Department, to demand an executive deed (labor rights) at a value of JD 44,000 , of which an amount of JD 16,750 was paid. Dinars during the year 2015, according to the accounting statement, and it was paid in full during the subsequent period of the financial statements, and it is considered expired, and the case of 101/2014 is still under settlement.

B. Cases filed by the company against third parties

Primitive Jurisprudence Case No. 2781/2010 before the Amman Court of First Instance, filed before the Greater Amman Municipality Council and the District Committee for Planning and Buildings in the Greater Amman Municipality and the Greater Amman Municipality. And the disbursement of uncashed checks, holidays and damage was stopped, and the Greater Amman Municipality filed a counterclaim at the expense of the same suit at a value of JD 40 million and return the uncashed checks issued by the company to the trust with a value of JD 2,923,061 , or provide the company with a clearance for those checks, and then return the amount of 4 million dinars in installments over 3 years, and the trust is still supplying the installments.

Primitive case No. 873/2014 before the West Amman Court of First Instance, which was filed against the United Holding Company and the Mellows Company. 4 million dinars, and the decision became final, and the liquidator of the United Group Holding Company was provided with the decision to implement it, at a value of JD 6,319,555, including legal interests, fees, and expenses.

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The primitive legal case No. 2309/2018 filed against the Arab Real Estate Development Company at the Court of First Instance to claim compensation for damage and damage for the value of checks issued by them, and the court's decision was issued obligating the Arab Real Estate Development Company for an amount of JD 669,063 , and the decision was appealed under No. 2019/ 23239 by the Industrial and Real Estate Investors Company and by the Arab Real Estate Development Company, and the decision was issued to reject the two appeals and support the appealed decision, and then the decision was distinguished by the Industrial and Real Estate Investors Company and by the Arab Real Estate Development Company and it was reinstated by the Court of Cassation and registered under No. 1174/2022, where the court decided to reject the appeal submitted by the Arab Real Estate Development Company and accept the appeal of the Industrial and Real Estate Investors Company, and as a result obligated the Arab Real Estate Development Company and Haitham Al-Dahla and Bashar Al-Zoubi In the amount of JD 669,063 , fees, expenses, attorney's fees, and legal interest, and in light of the cassation filed by the defendants, the Court of Cassation decided to dismiss the case on behalf of the defendant, Bashar Al-Zoubi, and return the case file to the Court of Appeal to support the decision to dismiss the case on behalf of Bashar Al-Zoubi, and return the case file The Court of First Instance to hear the case against Al-Arab Real Estate Development Company and Haitham Al-Dahla.

Primitive human rights case No. 3095/2019 and became No. 7459/2020 at the Amman Court of First Instance in the face of the Arab Real Estate Development Company, Bashar Al-Zoubi, Haitham Al-Dahla and Imad Abdel-Hadi to claim the rest of the checks issued by them amounting to JD 13,546,382 and are still pending before the Court of First Instance, and A decision was issued in the interest of the Industrial and Real Estate Investors Company, which includes obligating the defendant jointly and severally to pay the claimed amount of JD 13,546,382, fees, expenses, attorney's fees, and legal interest. The decision was appealed from the defendant, and the appeal number 1409/2022 was issued. The decision to dismiss the lawsuit due to the statute of limitations, and the judgment decision has been distinguished, and the lawsuit is still pending in cassation.

During the year 2018, the company filed a lawsuit under No. 341/2018 at the Court of First Instance against the Middle East Complex Company, and the decision was issued in favor of the company by ruling it an amount of JD 9,065,260, in addition to fees, expenses and legal interest, and on April 5, 2018, the reservation was thrown Conservation on the movable and immovable funds of the Middle East Complex Company up to the amount adjudicated in favor of the Industrial and Real Estate Investors Company, and the decision was appealed and the Court of Appeal decided to reject the appeal submitted by the Middle East Complex Company and the appealed decision was upheld, and in the cassation stage it was Returning the case to the Court of Appeal to discuss a legal point and on December 29, 2021, the Court of Appeal ruled in Case No. 9763/2021 to reject the appeal submitted by the Middle East Complex for Engineering, Electronic and Heavy Industries, Public Shareholding Company

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Limited, and upheld the decision issued by the Court of First Instance of West Amman Rights issued in favor of the Industrial Investors Company and And that is by obliging the Middle East Complex Company to pay the claimed amount of JD 9,065,260, fees, legal expenses, attorney's fees, and fixing the precautionary attachment. Before the Court of Cassation under No556/2022, and the decision was ratified in appeal and cassation in favor of the Industrial and Real Estate Investors Company, and the decision became final, and an executive case was registered under the number 2523/2022 with the implementation of the Amman Court of First Instance for the purposes of implementation by seizing the property of the convict and collecting the company's rights and the value of JD 12,715,764.

Primitive case No. 3393/2020 before the Amman Court of First Instance against Tameer Investments Company, the subject of which is preventing a claim with a value of checks of JD 4,833,333, which represents uncashed checks, and the case is still under consideration. The company had independently complained about these checks and what was disbursed from them. The complaint was pending before His Excellency the Public Prosecutor of Amman under the number 10558/2019 and its subject matter is job investment and crimes related to the public office. His Excellency the Public Prosecutor of Oman decided to refer the case to His Excellency the Public Prosecutor The Integrity and Anti-Corruption Commission for its inclusion in Investigative Case No. 282/2019.

Primitive Case No. 12300/2012 in the face of a related party (previously) and the subject of which is a check without balance in the amount of JD 831,940, which was issued to the order of the Industrial and Real Estate Investors Company on August 31, 2011 and was not cashed. The decision was issued convicting the defendant and imprisoning him for one year On 9/30/2012.

There are also cases filed by the company against third parties, and there are 3 cases of unspecified value, the subject of which is functional investment, and the cases are still under consideration before the competent courts.

21- future plan

- Follow up the collection of the company's rights
- Investing and trading in shares listed on the Amman Financial Market in the finance, energy and industry sectors, and managing the company's investment portfolio.
- Initiating the establishment of a subsidiary company whose objectives are to carry out financial leasing business, and its capital shall be from the collections of the Greater Amman Municipality.
- Adding the goal of investing in foreign financial markets to the company's goals.

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22- Sectors classification

The company has several sectors, as shown below, which are strategic sectors in the company. Strategic divisions offer different products and services, and are managed separately because they require different technical and marketing strategies.

Information on each segment's results is included in the report below. Performance is measured based on segment profit before tax, as received by internal management reports that are reviewed by the company's management. Segment profit is used to measure performance as management believes that this information is the most important in evaluating the results of some segments related to other entities that operate within these segments. .

When providing information on a geographical basis, segment revenue depends on the geographical location of customers, and segment assets depend on the geographical location of assets.

The company's operating sectors include industrial, investment and other activities.

The company carries out its activities within the Hashemite Kingdom of Jordan only.

	2022			
	Main activity	Investments	Others	Total
	JD	JD	JD	JD
Revenues	-	92,278	1,080,329	1,172,607
<u>Assets & liabilities</u>				
Assets	42,367,851	703,214	162,131	43,233,196
Liabilities	-	-	5,556,164	5,556,164
<u>Other sectors informations</u>				
Depreciations	-	-	345	345
	-	-	61,131	61,131
	2021			
	Main activity	Investments	Others	Total
	JD	JD	JD	JD
Revenues	-	-	7,557	7,557
<u>Assets & liabilities</u>				
Assets	43,699,305	-	241,571	43,940,876
Liabilities	-	-	11,914,675	11,914,675
<u>Other sectors informations</u>				
Depreciations	-	-	61,131	61,131
	-	-	5,019	5,019

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23- **Assets & liabilities accrual analysis**

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

	2022		
	More than 1		Total
	Until 1 year	year	
	JD	JD	JD
<u>Assets</u>			
<u>Current assets</u>			
Accounts receivable - net	36,491,989	-	36,491,989
Accrued checks - net	3,311,213	-	3,311,213
Other debit balances	35,103	-	35,103
Cash on hand & at banks	162,131	-	162,131
Financial assets at fair value through income statement	703,214	-	703,214
Total current assets	40,703,650	-	40,703,650
<u>Non-current assets</u>			
Property, plant & equipments - net	61,131	2,468,415	2,529,546
Investment in subsidiary	-	-	-
Total non-current assets	61,131	2,468,415	2,529,546
Total assets	40,764,781	2,468,415	43,233,196
<u>Current liabilities</u>			
Deffered & accrued checks	5,180,975	-	5,180,975
Income tax provision	-	-	-
Other credit balances	375,189	-	375,189
Total current liabilities	5,556,164	-	5,556,164
Net	35,208,617	2,468,415	37,677,032
	2021		
	More than 1		Total
	Until 1 year	year	
	JD	JD	JD
<u>Assets</u>			
<u>Current assets</u>			
Accounts receivable - net	37,691,989	-	37,691,989
Accrued checks - net	3,311,213	-	3,311,213
Other debit balances	90,771	-	90,771
Cash on hand & at banks	241,571	-	241,571
Financial assets at fair value through income statement	-	-	-
Total current assets	41,335,544	-	41,335,544
<u>Non-current assets</u>			
Property, plant & equipments - net	61,131	2,529,201	2,590,332
Investment in subsidiary	-	15,000	15,000
Total non-current assets	61,131	2,544,201	2,605,332
Total assets	41,396,675	2,544,201	43,940,876
<u>Current liabilities</u>			
Due to related parties	15,000	-	15,000
Banks overdraft	6,630	-	6,630
Deffered & accrued checks	5,177,975	-	5,177,975
Income tax provision	1,067,925	-	1,067,925
Other credit balances	5,647,145	-	5,647,145
Total current liabilities	11,914,675	-	11,914,675
Net	29,482,000	2,544,201	32,026,201

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24- **Risk management**

Interest price risk

Company is not facing interest price risks on its assets and liabilities because there is no deposits at banks or facilities .

Liquidity risks

Liquidity risks represents of inability making sure of facilities availability to performance its obligations in due dated , company doesn't face these risks .

The following schedule summarizes distribution of financial liabilities (non-discounted) as of **December 31, 2022** based on remaining period for contractual entitlement :

	2022			
	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	Total
	JD	JD	JD	JD
Deffered & accrued checks	5,177,975	3,000	-	5,180,975
Other credit balances	375,189	-	-	375,189
Total	5,553,164	3,000	-	5,556,164

	2021			
	Less than 3 months	From 3 months to 1 year	From 1 to 5 years	Total
	JD	JD	JD	JD
Due to related parties	-	-	15,000	15,000
Banks overdraft	6,630	-	-	6,630
Deffered & accrued checks	5,177,975	-	-	5,177,975
Income tax provision	1,067,925	-	-	1,067,925
Other credit balances	5,647,145	-	-	5,647,145
Total	11,899,675	-	15,000	11,914,675

The company manages liquidity risk by maintaining reserves and continuous monitoring of actual cash flows and matching the maturities of financial assets with financial liabilities.

Liquidity as of financial statements as follows :

	2022	2021
	JD	JD
Current assets	40,703,650	41,335,544
Current liabilities	(5,556,164)	(11,914,675)
Deficit of working capital	35,147,486	29,420,869

Credit risks

These risks rise from receivables & others treatments which may cause defaults from parties to pay their commitments.

The management believes that there are no credit risk facing the company because there are no any receivables or material balances at banks .

Currencies risks

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

25- Subsequent events

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

26- Capital management

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

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

The items include in capital structure represents of paid capital & statutory reserve & retained earnings totaling of JD **37,677,032** as of **December 31, 2022** opposite of JD **32,026,201** as of **December 31, 2021**.

27- Independent auditor's report for the year 2021

The independent auditor's report for the year 2021, issued on August 15, 2022, contained the following qualified:

- We did not receive endorsements from the banks that the company deals with as of December 31, 2021.
- We did not receive confirmations of receivables balances and checks for collection, amounting to JD 47,690,585 , and no impairment allowance was made for them in the amount of JD 38,375,606 (Note 6, 7), noting that the company had filed lawsuits against the owners of those receivables, which were indicated in the lawyers' responses received and notes to the financial statements.
- The penalty clause of the agreement signed with the United Group Holding Company amounting to one million dinars was not recorded in the books, as the company filed a lawsuit for the full value of the receivable notes (Note 6E).
- We were unable to obtain reinforcements for liabilities that appeared within the various credit accounts at a value of JD 3,338,904 , noting that they are balances from previous years.

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- We did not receive a response from the tax advisor about the tax status of the parent company and the subsidiary company as of December 31, 2021, nor did the parent company and the subsidiary company submit self-assessment statements to the Income and Sales Tax Department, nor did we receive an income tax statement for the subsidiary company, and Therefore, we were unable to determine the impact of this on the financial statements, and it appeared within the income tax statement received by the parent company a balance on the company in the amount of JD 58,050 that was not registered in the records, and the company did not deduct a service allowance tax of 5% on the service performers.
- The parent company's financial statements have been consolidated with the subsidiary company (Cloves Company for Industrial Investments) based on unaudited financial statements.

28- Comparative figures

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