

**JORDAN POULTRY PROCESSING AND
MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED JUNE 30, 2024**

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED JUNE 30, 2024

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REPORT ON REVIEWING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders and Members of the Board of Directors
Jordan Poultry Processing and Marketing Company
(Public Shareholding Comapny)

Introduction

We have reviewed the accompanying Interim Consolidated Statement of Financial Position for Jordan Poultry Processing and Marketing Company (P.L.C) as of June 30, 2024, and the related statements of Interim Consolidated Comprehensive Income, Owners' Equity and Cash Flows for the period then ended, The management is responsible of preparing and presenting Company's financial statements in accordance with International Accounting Standard No. 34 (Interim Consolidated Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these Interim Consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Financial Statements are free of material misstatement. Our review is primarily limited to inquiries of the Company's accounting and financial departments personnel as well as applying analytical procedures to financial data .The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, Getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, hence, we don't express an opinion regarding in this regard.

Conclusion

Based on our review, nothing has come to our attention that causes us to be believe that the accompanying Interim Consolidated financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

Modern Accountants

Modern Accountants

Sinan Ghosheh
License No.(580)



A member of
Nexia
International

المحاسبون المعتمدون

Amman -Jordan
July 30, 2024

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMAPNY)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF JUNE 30, 2024 AND DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

| | Note | 2024 | 2023 |
|---|------|-------------------|-------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | | 72,567,056 | 73,538,644 |
| Right of use assets | 4 | 22,425 | 44,852 |
| Financial assets designated at fair value through statement of other comprehensive income | | 20,000 | 20,000 |
| Total non-current assets | | 72,609,481 | 73,603,496 |
| Current assets | | | |
| Prepaid expenses and other receivables | | 2,782,264 | 2,672,780 |
| Spare parts and supplies warehouse | | 4,984,392 | 3,412,505 |
| Inventory | | 9,390,204 | 10,340,701 |
| Accounts Receivable | | 6,236,934 | 4,966,553 |
| Cheques under collection | | 1,116,884 | 233,746 |
| Cash and cash equivalents | | 297,023 | 484,543 |
| Total current assets | | 24,807,701 | 22,110,828 |
| TOTAL ASSETS | | 97,417,182 | 95,714,324 |
| LIABILITIES AND OWNERS' EQUITY | | | |
| Owners' equity | | | |
| Share Capital | 1 | 23,558,305 | 23,558,305 |
| Statutory reserve | | 640,651 | 640,651 |
| Accumulated losses | | (3,682,889) | (3,715,256) |
| Total owners' equity | | 20,516,067 | 20,483,700 |
| Non- current liabilities | | | |
| Due to related parties | | 11,225,768 | 11,922,825 |
| Long term notes payable | | 9,632,142 | 9,518,143 |
| Long term loans | | 11,924,676 | 11,611,431 |
| Long term deferred checks | | 9,458,225 | 10,593,552 |
| Total non – current liabilities | | 42,240,811 | 43,645,951 |
| Current liabilities | | | |
| Accrud expenses and other payables | | 874,864 | 638,362 |
| Short term lease obligations | 4 | - | 37,770 |
| Short term notes payable | | 2,091,998 | 2,205,997 |
| Accounts payable | | 7,658,889 | 5,931,312 |
| Short term Deferred checks | | 15,017,774 | 13,879,720 |
| Short term loans | | 7,175,678 | 7,468,001 |
| Banks overdraft | | 1,841,101 | 1,423,511 |
| Total current liabilities | | 34,660,304 | 31,584,673 |
| TOTAL LIABILITIES AND OWNERS' EQUITY | | 97,417,182 | 95,714,324 |

The accompanying notes are an integral part of these Interim Consolidated financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

| | From the period | | From the beginning of the year | |
|--|-------------------------------------|-------------------------------------|--------------------------------|--------------------|
| | April 1, 2024 till June 30, 2024 | April 1, 2023 till June 30, 2023 | June 30, 2024 | June 30, 2023 |
| Poultry Revenues | 13,206,640 | 12,356,863 | 26,906,619 | 24,206,944 |
| Poultry cost | (11,823,896) | (10,630,506) | (24,690,175) | (23,547,158) |
| Gross profit for poultry sales | 1,382,744 | 1,726,357 | 2,216,444 | 659,786 |
| Protein gross profit | 217,286 | 115,189 | 250,179 | 267,920 |
| Gross profit | 1,600,030 | 1,841,546 | 2,466,623 | 927,706 |
| Selling and marketing expenses | (621,097) | (640,142) | (1,325,666) | (1,352,735) |
| General and administrative expenses | (246,557) | (245,455) | (555,563) | (560,541) |
| Financial charges | (403,227) | (334,135) | (576,252) | (731,425) |
| Expected credit loss | (3,000) | (3,000) | (6,000) | (6,000) |
| Other Revenues and expenses | 32,208 | 1,099 | 29,225 | 2,294 |
| Net profit / (loss) for the Period | 358,357 | 619,913 | 32,367 | (1,720,701) |
| Other comprehensive income: | | | | |
| Total comprehensive income for the period | 358,357 | 619,913 | 32,367 | (1,720,701) |
| Profit / (loss) per share: | | | | |
| Profit / (loss) per share - jd/ share | 0,015 | 0,026 | 0,001 | (0,073) |
| Outstanding weighted avevage share | 23,558,305 | 23,558,305 | 23,558,305 | 23,558,305 |

The accompanying notes are an integral part of these Interim Consolidated financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF OWNERS' EQUITY (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

| | Share Capital | Statutory Reserve | Accumulated Losses | Total |
|-------------------------------------|---------------|-------------------|--------------------|-------------|
| Balance at January 1, 2024 | 23,558,305 | 640,651 | (3,715,256) | 20,483,700 |
| Comprehensive income for the period | - | - | 32,367 | 32,367 |
| Balance at June 30, 2024 | 23,558,305 | 640,651 | (3,682,889) | 20,516,067 |
| Balance at January 1, 2023 | 23,558,305 | 588,095 | (4,188,256) | 19,958,144 |
| Comprehensive income for the period | - | - | (1,720,701) | (1,720,701) |
| Balance at June 30, 2023 | 23,558,305 | 588,095 | (5,908,957) | 18,237,443 |

The accompanying notes are an integral part of these Interim Consolidated financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

| | For the period ended June 30, 2024 | For the period ended June 30, 2023 |
|---|---------------------------------------|---------------------------------------|
| OPERATING ACTIVITIES | | |
| Profit /(loss) for the period | 32,367 | (1,720,701) |
| Adjustments on the profit/(loss) for the period: | | |
| Depreciation | 972,920 | 1,049,001 |
| Amortization of the right of use assets | 22,427 | 22,427 |
| Interest of the lease contract | 4,706 | 7,772 |
| Financial Charges | 576,252 | 731,425 |
| Change in operating assets and liabilities: | | |
| Accounts receivable | (1,270,381) | 687,216 |
| Inventory, Spare parts and Supplies Warehouse | (621,390) | 579,337 |
| Prepaid expenses and other receivables | (109,484) | 666,666 |
| Cheques under collection | (883,138) | 110,793 |
| Accounts payable and deferred checks | 1,730,304 | 14,281,472 |
| Accrued expenses and other payables | 236,502 | (220,642) |
| Net cash available from operating activities | 691,085 | 16,194,766 |
| INVESTING ACTIVITIES | | |
| Change in property and equipment | (1,332) | (779) |
| Net cash used in investing activities | (1,332) | (779) |
| FINANCING ACTIVITIES | | |
| Banks overdraft | 417,590 | 632,179 |
| Loans | 20,922 | 6,187,486 |
| Notes payable | - | (851,493) |
| Due to related parties | (697,057) | (20,571,308) |
| Rent payments | (42,476) | (35,914) |
| Financial charges paid | (576,252) | (731,425) |
| Net cash used in financing activities | (877,273) | (15,370,475) |
| Net change in cash and cash equivalents | (187,520) | 823,512 |
| Cash and cash equivalents, Januaray 1 | 484,543 | 540,542 |
| Cash and cash equivalents, June 30 | 297,023 | 1,364,054 |

The accompanying notes are an integral part of these Interim Consolidated financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITIES

Jordan Poultry Proceeding and Marketing Company is a Public Shareholding company ("the company") is registried under registration no. (201) on June 28, 1987. The company's authorized capital is 24,000,000 shares the value of each of them 1 JD, while the paid-up and subscribed capital is 23,558,305 JD divided into 23,558,305 shares with value of 1 JD each.

The current main activity of the company consists of owning, establishing and operating slaughterhouses for the processing of broiler poultry and preparing them for marketing, renting and managing cold stores for preserving poultry meat and table eggs, and establishing and managing factories for the manufacture of poultry waste and marketing its production at home and abroad by owning and renting the regular and refrigerated means of transport that it needs to implement its goals. It also evaluates industries and other projects related to poultry and its derivatives and raising them to serve the company's goals and objectives.

The Company's headquarters are in Zarqa in Dhleel City.

2. New and Amended International Financial Reporting Standards

| The following new and amended standards and inter pretations have not yet become effective | It is valid for annual periods beginning on or after |
|---|---|
| Non-Fungibility o Exchange Rates (Amendments to IAS (21)) | January 1, 2025 |
| Presentation and Disclosure in Financial Statements (Amendments to IFRS (18)) | January 1, 2027 |
| Investments in Associates and Joint ventures (Ammendments to IAS (28) and IFRS (10)) | The implementation has been postponed indefinitely. |

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpolations and amendments, may have no material impact on the financial statement of the Company in the period of initial application.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Interim Consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Consolidated Financial Reporting".

The Interim Consolidated financial statement is presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The Interim Consolidated financial statements have been prepared on historical cost basis.

The Interim Consolidated statement do not include all the information and notes needed in the annual financial statement and must be reviewed with the ended financial statement at December 31, 2023, in addition to that the result for the six months ended in June 30, 2024 is not necessarily to be the expected results for the financial year ended December 31, 2024.

Significant accounting policies

The accounting policies used in the preparation of the Interim Consolidated financial information are consistent with those used in the audited financial statements for the period ended December 31, 2023.

Basis of consolidating interim financial statements

The interim Consolidated Financial Statements incorporate the financial statements of JORDAN POULTRY PROCESSING AND MARKETING COMPANY for Investment and Export (Public Shareholding Company) and the subsidiaries controlled by the Company.

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

When The Company reassesses whether or not it controls an investee, it consider all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and Other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholders meetings.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary). In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary company.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the parent's accounting policies.

All intergroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are element acted in full on consolidation.

The interim consolidated financial statements as of June 30, 2024 include the financial statements of the following subsidiaries:

| Affiliate name | Place of registration | Registration year | Ownership and voting percentage | The main activity of the company |
|---|-----------------------------|-------------------|---------------------------------|---|
| Qasr Al-Hallabat for breeding and marketing poultry Company | Hashemite Kingdom of Jordan | 2019 | %100 | Poultry farm and establishment of poultry farms |

Financial assets

Classifications

The Company classifies its financial assets into the following categories: financial assets at fair value through income statement, and receivables. Such classifications are determined based on the purpose for which these financial assets were acquired.

The management determines its classifications of the financial assets at initial recognition.

(A) Financial assets at fair value through income statement

Financial assets at fair value through income statement are financial assets held for trading. A financial asset is classified under this category if it is purchased primarily to be sold in a short period of time. Such assets are classified in this category under current assets, if the Company expects to sell them within 12 months from the date of the statement of financial position, otherwise they are classified as non-current assets.

(B) Loan and Receivables

Receivables are financial assets (other than financial derivatives) with fixed or determinable payments that are not included in the financial market. These assets are classified as current assets unless they have maturities over 12 months after the statement of financial position date, as these are classified as non-current assets.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

Recognition and measurement

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchases or sell the asset. Investments are recognised at fair value while costs associated with purchases and sales are recognised in income statement.

Impairment of financial assets

The Company reviews stated values on financial assets at the date of the statement of financial position to determine whether objective indications of their impairment exist, individually or in the aggregate. If such indications exist, recoverable amount is estimated to determine impairment.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss includes:

- Significant financial difficulty of the debtor.
- A breach of contract, such as a default or delinquency in interest or principal payments.
- The Company, for economic or legal reasons relating to the debtor's financial difficulty, granting the debtor a concession that the lender would not otherwise consider.
- It becomes probable that the debtor will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for that financial asset because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, including:

(1) Adverse changes in the payment status of debtors in the portfolio.

(2) National or local economic conditions that correlate with defaults on the assets in the portfolio.

The Company first assesses whether objective evidence of impairment exists.

For receivables category, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in income statement.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in income statement.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

Leasing

Leases are classified as capital lease whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee, all other leases are classified as operating leases.

Leases are recognized as a right to use asset and a corresponding liability on the date that the leased asset is available for company use. Each lease payment is distributed between the obligation and the cost of the financing. The finance charge is charged to the profit or loss over the term of the lease in order to obtain a fixed periodic rate for the outstanding Interest on the remaining balance of the liabilities for each period. Amortization is calculated on the right to use assets over the useful life of the asset or the lease term, whichever is shorter, by the straight-line method.

Operating lease obligations are measured at the present value of the remaining lease payments, as lease payments are discounted using the interest rate included in the lease. If this rate cannot be determined, the additional borrowing rate of the lessor is used, which is the rate the tenant has to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Rentals due under short-term operating leases and low-value assets are charged to the statement of comprehensive income during the period of the operating lease using the straight-line method. Short-term operating lease contracts are leases of 12 months or less.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of interim financial statements requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated financial statements, the significant Judgments made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to interim conslitate financial statment.

Sales

Sales are recognized when the goods are delivered to customers and the invoice is issued, and shown net after trade or volume discount.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the distribution and sale of the Company's products, all other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts receivable

Account receivable are stated at invoice amount less any provision for doubtful collections.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

Inventorty

Inventories in progress are shown at cost. The finished goods are transferred from poultry farms to the production department at fair value based on market prices, and the auxiliary materials, operating materials and packaging are valued at cost (according to the moving weighted average method) or the net realizable value, whichever is lower, and the finished goods are valued at cost (according to the moving weighted average method)) or net realizable value, whichever is lower.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. The estimated rates of depreciation of the principal assets using the straight line method. The estimated rates of depreciation of the principal classes of assets are as follows:

| | Annual depreciation rate |
|-----------------------------|--------------------------|
| Buildings and constructions | 1% |
| Office device | 6 – 7.5% |
| Butchery equipment | 2.5 – 3.5% |
| Boxes and Cages | 7.5% |
| Resturant equipments | 5% |
| Tools and equipment | 5% |
| Clothes | 7.5% |
| Lab equipment | 5% |
| Water well | 5% |
| Pallets | 10% |
| Vehicles and machines | 7.5 – 12.5% |
| Furniture and fixture | 10 - 20% |

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment. Impairment test is performed to the value of the property and equipment that appears in the Interim Consolidated Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets.

At the exclusion of any subsequent property and equipment, recognize the value of gains or losses resulting, Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Interim Consolidated Statement of Financial Position, Gross Profit and loss.

Income tax

The company is subject to Income Tax Law and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom Of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income, According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the Interim Consolidated financial statements since they are immaterial.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

Loan interests capitalization

Interest loans that are related to expansion projects to be available to produce are capitalized.

Foreign currency transactions

Foreign currency transactions are translated into Jordanian Dinars at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the statement of financial position are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of interim consolidated comprehensive income.

4. RIGHT of USE ASSETS / LEASE OBLIGATIONS

| | 2024 | 2023 |
|--|---------------|---------------|
| Use Rights | | |
| The balance as of January 1 | 44,852 | 89,705 |
| Amortization expense | (22,427) | (44,853) |
| Net Balance as of June 30 | <u>22,425</u> | <u>44,852</u> |
| Commitment to lease contracts | | |
| Balance as of January 1 | 37,770 | 100,953 |
| Interest expense | 4,706 | 5,517 |
| Paid during the period / year | (42,476) | (68,700) |
| Net Balance as oh June 30 | <u>-</u> | <u>37,770</u> |
| Which of them | | |
| Short term leases obligations | - | 37,770 |
| Long term lease obligations | - | - |
| | <u>-</u> | <u>37,770</u> |

5. FINANCIAL INSTRUMENTS

Capital Risk Management

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and owners' equity balances. The Company's strategy hasn't changed from 2023.

The Debt Ratio

The board of directors is reviewing the share capital structure periodically. As a part of this review, the board of directors consider the cost of share capital and the risks that is related in each faction from capital and debt factions. The company's capital structure includes debts from the borrowing. The Company doesn't determine the highest limit of the debt ratio and it doesn't expect increase in the debt ratio during 2024.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED JUNE 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

The management of the financial risks

The Company's activities might be exposed mainly to the following financial risks:

Interest rate risk

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, interest bearing loans and borrowings).

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

Credit risk management

The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses, However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks, The significant credit exposed for any parts or group of parts that have a similar specification have been disclosed in note No.6. The Company classified the parts which have similar specifications as a related parties. Except the amounts which are related in the cash money. The credits risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks have good reputations and have been controlled from control parties.

The amounts included in these financial statements represent the company's higher exposure to credit risk for trade and other receivables, and cash and cash equivalents.

Liquidity risk

Are the risks of inability to pay the financial obligations that were settled by receiving cash or another financial assets.

Liquidity risk management by control on cash flows and comparing them with maturities of assets and financial liabilities.

6. APPROVAL OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on July 30, 2024 This financial statement requires General Assembly approval.