

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT CERTIFIED PUBLIC
ACCOUNTANT'S REPORT
YEAR ENDED DECEMBER 31, 2023**

JORDAN POULTRY POCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED
PUBLIC ACCOUNTANT'S REPORT
YEAR ENDED DECEMBER 31, 2023**

INDEX	PAGE
Independent Certified Public Accountant's report	1 – 3
Consolidated Statement of financial postion	4
Consolidated Statement of comprehensive income	5
Consolidated Statement of owners' equity	6
Consolidated Statement of cash flows	7
Notes to the consolidated financial statements	8 – 25

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the shareholders

Poultry Processing and Marketing Company
(Public Shareholding Company)

Report on auditing the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Poultry Processing and Marketing Company P.L.C, which comprise of the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of comprehensive income, consolidated statement of owners' equity and consolidated statement of cash flows, for the year then ended, Notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position Poultry Processing and Marketing Company P.L.C as of December 31, 2023, and its financial performance and consolidated cash flows for the year then ended are in accordance with International Financial Reporting Standards.

Basis for Opinion

We conduct our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in Auditor's Responsibilities for the audit of the Consolidated Financial Statements. We are independent of the company in accordance with International Standard Board Code of Ethics for professional accountants ("the code") and we have fulfilled our other ethical responsibilities in accordance with the code.

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

Key audit matters

Key audit matters, according to our professional judgment are matters that had the significant importance in our auditing procedures that we performed to the consolidated financial statement. The Key Audit matters have been addressed in our auditing workflow to financial statement as we do not express separate opinions.

Basic auditing matters

Inventory

According to International Financial Reporting Standards, the Company must ascertain that the value of inventory is reported based on the lower of cost or net realizable value and determining the impairment of inventory (if any) and ascertaining that there is no slow moving inventory which influence the net realizable value.

The following is a description of our auditing procedures

Inventory

The auditing procedures included the procedures of inspecting and ascertaining the existence of inventory that has been recorded in the company's books in the warehouses, and ascertaining that the existing inventory in the warehouses which belongs to the company has been recorded up until the date of preparation of the financial statements, and that the company asserts that the recorded inventory is recorded based on the lower of cost or net reliable value considering that the cost of finished goods and good in process are determined based on the Weighted-average, which include the cost of materials, labors, and a percentage of indirect industrial expenses, in which the raw materials and spare parts are reported based on cost which is also determined based on the Weighted- average.

<p>Basic auditing matters</p> <p>Property and equipment In accordance with IFRS, the Company has to review the useful life and method of depreciation and perform a test of impairment for the value of the property and equipment in the financial position and when any events or changes in circumstances indicate that this value is not recoverable impairment losses are recognized because of the impairment policy. The management estimates impairment of property and equipment by using assumptions and estimates (if any), and due to its significance, it is considered an important audit risk.</p>	<p>The following is a description of our auditing procedures</p> <p>Property and equipment The audit procedures included examining the control procedures used in the verification of existence and completeness, reviewing the purchase of assets and selling them during the year and ensuring the calculation of depreciation expense, matching the inventory in terms of presence and ensuring that the property and equipment are productive and there is no decrease in the value they appear in. Management, taking into account the available external information about the risk of impairment of property and equipment, and we have also focused on the adequacy of the Company's disclosures about property and equipment.</p>
<p>Accounts receivable According to International Financial Reporting Standards, the Company should review the process of calculation of provision expected losses through assumptions and estimations, the company assesses the impairment of accounts receivable and considering its importance it's considered one of the significant audit risks and the impairment of accounts receivable provision has been recognized</p>	<p>Accounts receivable The auditing procedures included control procedures used by the company for collecting accounts receivables, ascertaining a sample of clients' accounts through direct confirmations, it has been asserted that the account receivable impairment provision is sufficient through evaluating the management assumptions, taking in consideration the available external information about account receivable risks, also we evaluated the sufficiency of the company disclosure about the important estimation in concluding the impairment provision of accounts receivable.</p>

Other information

The management is responsible for other information.

Which includes other information reported in the annual report, but not included in the consolidated financial statements and our audit report on it.

Our opinion on the consolidate financial statements does not include these other information, and we do not express any assertion over it.

Regarding our audit on consolidate financial statements for the year ended December 31, 2023 we are obliged to review these other information, and while that, we consider the compatibility of these information with their consolidated financial statements or with the knowledge that we gained through audit procedure or seems to contain significant errors. If we detected based on our audit, the existence of significant errors in the information, we are obliged to report this fact. Regarding this, we have nothing to report.

Management and individuals responsible of governance about the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements for the year ended December 31, 2023 in accordance with International Financial Reporting Standards. And for such internal control, management is determined 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, the 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 the management either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Individuals responsible of governance are responsible of supervising the preparation of consolidated financial statements.

Certified public accountant responsibility

Our objective is to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement whether arising from fraud or error, and to issue an auditor's 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 International Standards on Auditing 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 decision of users taken on the basis of these consolidated Financial Statements.

As part of an audit in accordance with The International Standards on Auditing, 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 expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the 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 auditor's 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 Auditor's 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.

We communicated with audit the audit committee, 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.

Legal requirements report

Jordan Poultry Processing and Marketing Company maintain well-organized accounting records, and the financial statements for the year ended December 31, 2023 align with those records. We recommend the General Assembly to approve them.

Modern Accountants

Sinan Ghosheh
License No.(580)

Modern Accountants



A member of
Nexia
International

المحاسبون العصريون

Amman -Jordan

March 30, 2024

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

	Note	2023	2022
ASSETS			
Non-current assets			
Property and equipments	4	73,538,644	74,211,582
Right of use assets	5	44,852	89,705
Financial assets designated at fair value through statement of other comprehensive income		20,000	20,000
Total non-current assets		73,603,496	74,321,287
Current assets			
Prepaid expenses and other receivables	6	2,672,780	3,953,863
Spare parts and supplies warehouse	7	3,412,505	3,243,802
Inventory	8	10,340,701	7,481,100
Account Receivables	9	4,966,553	4,841,829
Checks under collection		233,746	344,044
Cash and cash equivalents		484,543	540,542
Total current assets		22,110,828	20,405,180
TOTAL ASSETS		95,714,324	94,726,467
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share Capital	1	23,558,305	23,558,305
Statutory reserve	10	640,651	588,095
Accumulated losses		(3,715,256)	(4,188,256)
Total owners' equity		20,483,700	19,958,144
Non-current liabilities			
Due to related parties	11	11,922,825	33,605,862
Long term -note payables	16	9,518,143	9,860,674
Long term- loans	12	11,611,431	8,542,164
Long term - deferred checks		10,593,552	-
Long term lease obligation	5	-	38,853
Total non-current liabilities		43,645,951	52,047,553
Current liabilities			
Accrued expenses and other payables	13	638,362	872,008
Short term lease obligation	5	37,770	62,100
Short term -note payables	16	2,205,997	2,975,936
Account payables	14	5,931,312	4,509,517
Short term deferred checks		13,879,720	7,836,534
Current portion of long term loans	12	7,468,001	4,865,173
Banks overdraft	15	1,423,511	1,599,502
Total current liabilities		31,584,673	22,720,770
TOTAL LIABILITIES AND OWNERS' EQUITY		95,714,324	94,726,467

The accompanying notes are an integral part of these financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

	Note	2023	2022
sales		48,170,275	43,752,594
Cost of sales	18	(43,807,621)	(41,345,138)
Total profit of poultry		4,362,654	2,407,456
Protein section gross profit	19	10,097	251,182
Gross profit		4,372,751	2,658,638
Selling and marketing expenses	20	(2,247,151)	(2,755,857)
General and administrative expenses	21	(912,336)	(1,156,723)
Financial Charges	22	(620,437)	(215,349)
Expected credit losses		(12,000)	(12,000)
Other revenues and expenses	23	(55,271)	(116,763)
PROFIT / (LOSS) FOR THE YEAR		525,556	(1,598,054)
Other comprehensive income			
TOTAL PROFIT / (LOSS) COMPREHENSIVE INCOME FOR THE YEAR		525,556	(1,598,054)
Earning / (loss) per share:			
Earning / (loss) per share - JD/ share		0,02	(0,07)
Outstanding weighted average share		23,558,305	23,558,305

The accompanying notes are an integral part of these financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF OWNERS' EQUITY
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

	Share Capital	Statutory Reserve	Accumulated Losses	Total
Balance at January 1, 2022	23,558,305	588,095	(2,590,202)	21,556,198
Comprehensive income for the year	-	-	(1,598,054)	(1,598,054)
Balance at December 31, 2022	23,558,305	588,095	(4,188,256)	19,958,144
Comprehensive income for the year	-	-	525,556	525,556
Transferred to statutory reserve	-	52,556	(52,556)	-
Balance at December 31, 2023	23,558,305	640,651	(3,715,256)	20,483,700

The accompanying notes are an integral part of these financial statements
6

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

	2023	2022
OPERATING ACTIVITIES		
Profit / (loss) for the year	525,556	(1,598,054)
Adjustments on the profit / (loss) for the year:		
Depreciation	2,120,424	2,132,552
Amortization of the right to use an assets	44,853	44,853
Lease interest expenses	5,517	10,543
Gains on Sale of property and equipment	-	(2,010)
Expected credit loss	12,000	12,000
Financial Charges	620,437	215,349
Changes in operating assets and liabilities:		
Spare parts and supplies warehouse	(168,703)	(328,773)
Accounts receivable	(136,724)	(822,140)
Inventory	(2,859,601)	(3,962,780)
Prepaid expenses and other receivables	1,281,083	(698,607)
Checks under collection	110,298	505,580
Account payable	1,421,795	838,173
Deferred Checks	16,636,738	6,435,247
Due to related parties	(21,683,037)	(4,227,680)
Accrued expenses and other payables	(233,646)	364,449
Net cash used in operating activities	(2,303,010)	(1,081,298)
INVESTING ACTIVITIES		
Purchase in property and equipments	(1,447,486)	(1,905,128)
Proceeds from sale of property and equipments	-	6,103
Net cash used in investing activities	(1,447,486)	(1,899,025)
FINANCING ACTIVITIES		
Banks overdraft	(175,991)	(724,185)
Loans	5,672,095	6,919,390
Note payable	(1,112,470)	(2,578,324)
Financial charges paid	(620,437)	(215,349)
Rent payments	(68,700)	(69,600)
Net cash available from financing activities	3,694,497	3,331,932
Net change in cash and cash equivalents	(55,999)	351,609
Cash and cash equivalents, January 1	540,542	188,933
Cash and cash equivalents, December 31	484,543	540,542

The accompanying notes are an integral part of these financial statements

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITIES

Jordan Poultry Processing and Marketing Company is a Public Shareholding company ("the company") is registered under registration no. (201) on June 28, 1987. The Company's authorized capital is 23,558,305 JD shares each for of 1 JD and the paid and subscribed capital also is JD 23,558,305 JD divided into 23,558,305 shares / dinars .

The main current activity of the company is to own, construct and operate butcheries for the processing of broiler chickens and prepare them for marketing, rental and management of storage stores for keeping of poultry meat and table eggs and the establishment and management of plants for the manufacture of poultry waste and marketing its production at home and abroad by owning and renting the normal and refrigerated transport modes it needs to fulfill its objectives . As well as evaluate the industries and other projects related to poultry and its derivatives and breeding them to serve the goals and objectives of the company.

The Company's headquarter is in Zarqa in Dhleel City.

2. New and Amended International Financial Reporting Standards

The following new and amended standards and interpretations have not yet become effective.

It is valid for annual periods beginning on or after

Lease Obligations in Sale and Leaseback (Amendments to IFRS 16)

The amendment clarifies how the seller (lessee) subsequently measures sale and leaseback transactions that meet the requirements in IFRS 15 to be accounted for as a sale.

January 1, 2024

Non-Current Liabilities with Covenants (Amendments to IAS 1)

The amendment sets out how the conditions that an entity must comply with within twelve months after the reporting period affect the compliance classification.

January 1, 2024

International Tax Reform - Pillar 2 Model Rules (Amendments to IAS 12)

International Tax Reform - Pillar 2 Model Rules (Amendments to IAS 12)
The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to the second pillar of income taxes.

January 1, 2023, but it is not required in any interim financial statements for the year 2023.

Supplier financing arrangements (amendments to IAS 7 and IFRS 7)

The amendments add disclosure requirements and "indicative references" to existing disclosure requirements, which require entities to provide qualitative and quantitative information about supplier financing contracts.

January 1, 2024

Non-Fungibility of Exchange Rates (Amendments to IAS 21)

The amendments include guidelines for determining when a currency is exchangeable and how to determine the exchange rate when it is not.

January 1, 2025

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, interpretations 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 CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of the consolidated financial statements

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

Basis of preparation

The consolidated financial statements are presented (JD) as this is the currency in which the majority of the Company's transactions are denominated in Jordanian Dinar.

The consolidated financial statements have been prepared on historical cost principle, However financial assets and financial liabilities are stated at fair value. The following is a summary of significant accounting policies applied by the Company:

Basis of Consolidation Financial Statements

The Consolidated Financial Statements incorporate the financial statements of i Jordan Poultry Processing And Marketing Company (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 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.

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.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

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 Group's accounting policies.

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

The consolidated financial statements as of December 31, 2023 include the financial statements of the following subsidiaries:

<u>Affiliate name</u>	<u>Place of registration</u>	<u>Registration year</u>	<u>Ownership and voting percentage</u>	<u>The main activity of the company</u>
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) Loans 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.

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.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

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 debtors 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.

Leas contracts

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.

Rentals payable under operating leases are charged to the consolidated comprehensive income statement on a straight-line basis over the term of the operating lease.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated 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 the audited annual financial consolidated statements.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

Sales

Sales are recognized upon delivery of goods to customers and issuing invoice.

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.

Expected for credit losses

The management estimated possibility of collection from the receivables and the impairment for doubtful debts provision had been estimated according to the previous experience and the prevailing economic environment.

Inventory

Inventories are stated at cost, is calculated by weighted average cost basis. Inventory in progress are stated 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 equipments are stated at cost less accumulated depreciation. Expenditures on maintenance and repairs are expensed, while expenditures that increase the useful life and/or the assets productivity are capitalized. Depreciation is computed over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation are as follows:

	Annual depreciation rate
Buildings	1-5%
Butchery equipment	2.5 – 3.5%
Furniture, fixture and office furniture	6 - 20%
Pallets , clothes , boxes and cages	7.5-10%
Vehicles	7.5 – 12.5%
Tools and equipment ,other	5%

Useful lives and the depreciation method are reviewed periodically to make sure that the method 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 Statement of Financial Position, Gross Profit and loss.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

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 financial statements since it's immaterial.

Loan interests capitalization

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

biological assets

Biological assets are shown at cost after deducting their mortality, and all expenses spent on them until they are ready for production are capitalized on the basis of the number of deaths in the herd during the breeding period.

Foreign currency transactions

Foreign currency transactions are translated into JD at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the consolidated 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 consolidated statement of comprehensive income.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

The Geographical segment is associated in providing products in particular economic environment subject to risks and returns that are differed from those for sectors to work in economic environment.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

4. PROPERTY AND EQUIPMENT

<u>2023</u>	Lands and improvement *	Buildings	Butchery equipment	Furniture and fixture, Office Furniture	Pallets, Clothes, Boxes and Cages	Vehicles	Tools and equipment, other	total
Cost :								
Balance at January 1	667,558	53,905,899	36,337,957	1,817,762	1,283,517	2,905,249	192,742	97,110,684
Additions	-	1,228,510	95,347	56,552	25,239	27,273	14,565	1,447,486
Disposal	-	-	-	-	-	-	-	-
Balance at December 31	667,558	55,134,409	36,433,304	1,874,314	1,308,756	2,932,522	207,307	98,558,170
Depreciation:								
Balance at January 1	-	5,189,530	14,150,258	812,796	866,213	1,782,825	97,480	22,899,102
Additions	-	501,696	1,273,563	93,791	46,778	196,654	7,942	2,120,424
Depreciation	-	-	-	-	-	-	-	-
Balance at December 31	-	5,691,226	15,423,821	906,587	912,991	1,979,479	105,422	25,019,526
Net book value	667,558	49,443,183	21,009,483	967,727	395,765	953,043	101,885	73,538,644
31								

* Some portions of the factory's land, in addition to the ongoing expansion, totaling JD7,725,750 have been mortgaged to certain banks at both the first & second degree as collateral in exchange for the financial facilities extended to the company.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

<u>2022</u>	<u>Lands and</u>	<u>Buildings</u>	<u>Butchery</u>	<u>Furniture and</u>	<u>Pallets, Clothes,</u>	<u>Vehicles</u>	<u>Tools and</u>	<u>total</u>
<u>Cost :</u>	<u>improvement *</u>	<u>equipment</u>	<u>Furniture</u>	<u>Boxes and</u>	<u>equipment, other</u>			
Balance at January 1	629,668	52,467,780	36,095,289	1,710,856	1,241,962	2,883,247	187,429	95,216,231
Additions	37,890	1,438,119	242,668	107,181	41,555	32,402	5,313	1,905,128
Disposal	-	-	-	(275)	-	(10,400)	-	(10,675)
Balance at December 31	667,558	53,905,899	36,337,957	1,817,762	1,283,517	2,905,249	192,742	97,110,684
Depreciation:								
Balance at January 1	-	4,689,189	12,883,772	724,309	805,333	1,580,929	89,600	20,773,132
Additions	-	500,341	1,266,486	88,659	60,880	208,306	7,880	2,132,552
Depreciation	-	-	-	(172)	-	(6,410)	-	(6,582)
Balance at December 31	-	5,189,530	14,150,258	812,796	866,213	1,782,825	97,480	22,899,102
Net book value December 31	667,558	48,716,369	22,187,699	1,004,966	417,304	1,122,424	95,262	74,211,582

* Some portions of the factory's land, in addition to the ongoing expansion, totaling JD7,725,750 have been mortgaged to certain banks at both the first & second degree as collateral in exchange for the financial facilities extended to the company.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

5. RIGHT OF USE ASSETS / LEASE OBLIGATIONS

	2023	2022
Use Rights		
Balance as of January 1	89,705	134,558
Amortization expense	(44,853)	(44,853)
Balance as of December 31	44,852	89,705
 Commitment to lease contracts		
Balance as of January 1	100,953	160,010
Interest expense	5,517	10,543
Paid during the year	(68,700)	(69,600)
Balance as of December 31	37,770	100,953
 Which of them		
Current leases obligations	37,770	62,100
Non- Current lease obligations	-	38,853
	37,770	100,953

6. PREPAID EXPENSES AND OTHER RECEIVABLES

	2023	2022
Prepaid expenses	842,812	223,492
Income tax deposit	25,633	25,633
Refundable deposits	111,398	102,197
Sales tax deposit	1,506,267	3,415,859
Work injuries deposit	10,068	10,068
Letter of credit and gurantees deposit	98,602	98,614
Real state held for sale	78,000	78,000
	2,672,780	3,953,863

7. SPARE PARTS AND SUPPLIES WAREHOUSE

	2023	2022
Packaging and general materials	1,261,492	1,145,988
Spare parts	1,247,449	1,274,383
Fuels	52,021	85,227
Veterinary medicines and vaccine	238,612	125,273
Chicken cages	612,931	612,931
	3,412,505	3,243,802

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

8. INVENTORY

	2023	2022
Poultry warehouse	3,644,849	3,593,925
Goods in process- farms	6,695,852	3,887,175
	<u>10,340,701</u>	<u>7,481,100</u>

9. ACCOUNTS RECEIVABLE

	2023	2022
Trade receivables	5,835,767	5,769,306
Expected credit losses *	(1,441,062)	(1,429,062)
Net trade receivables	4,394,705	4,340,244
Due to promoters	243	5,926
Due to employees	569,037	493,091
Other	2,568	2,568
	<u>4,966,553</u>	<u>4,841,829</u>

* The movement in the Allowance for doubtful account, is as follows:

	2023	2022
Balance at January 1	1,429,062	1,417,062
Additions	12,000	12,000
Balance at December 31	<u>1,441,062</u>	<u>1,429,062</u>

10. STATUTORY RESERVES

In accordance with the Companies' Law in the Hashemite Kingdom of Jordan and the Company's Article of Association, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 25% of the capital. However, the Company may, with the approval of the General Assembly continue deducting this annual ratio until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividends distribution.

11. RELATED PARTIES TRANSACTIONS

During the year, the company conducted transactions with the following related parties: -

Name	Relationship
National Hatchery Company	Affiliate
Jordan Feed Company	Affiliate
Jordan Chemicals Company	Affiliate

The principal transaction represent company's purchases and sales from sister companies which is as follows:

	Purchases		Sales	
	2023	2022	2023	2022
National Hatchery Company	3,848,039	6,262,826	-	-
Jordan Feed Company	167,383	17,181,703	-	1,100,800
Jordan Chemicals Company	11,793	415,351	-	-

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

The due to related parties transactions as of December 31 is as follows:

	2023	2022
National Hatchery Company	1,413,475	3,569,873
Jordan Feed Company	10,080,868	29,609,907
Jordan Chemicals Company	428,482	426,082
	11,922,825	33,605,862

12. LOANS

The loans details as of December 31 are as follows :-

	2023	2022
Jordan Kuwait Bank Loans	374,218	-
Ahli Bank	6,077,433	-
Bank Al Etihad loans	12,627,781	13,407,337
Total loans	19,079,432	13,407,337
Less: current portion of long term loans	7,468,001	4,865,173
Long term loans	11,611,431	8,542,164

Jordan Kuwait Bank Loans

During the year 2021, a value of 1,750,000 JD was transferred from the debit current account with an interest rate of 9.25% and a commission of 0.5% annually. It is guaranteed by Mr. Muhammad Nabil Hamouda and first- and second-degree real estate mortgages in favor of the bank, provided that the loan is repaid in the form of monthly installments, the value of each installment. 100,000 dinars starting from June 1, 2021, and during the year 2023, the remainder of the debit current account was transferred to the loan balance, provided that the entire remaining balance is paid during the year 2024.

Bank Al Etihad

The company has obtained a diminishing loan by JD 2,000,000 with an interest of %8.75 and with an annual less margin of %1.25 without commission and is paid within 48 monthly payments each for JD 42,000 and it doesn't include interest. It commences on September 30, 2017 except for the last payment which represent the remaining annual of the loan due on August 30, 2021.

The company has obtained a diminishing loan of 267,000 JD, at an annual interest of 4% and no commission, for the purpose of financing the installation of solar cells at the company's headquarters. It is paid according to 40 monthly installments, the value of each installments is 6,700 JD, except for the last installments, which is 5,700 JD Begins on November 30, 2019 until full payment on February 28, 2023. Based on the decision of the Central Bank and its directives to the banks, the installments owed by the company have been postponed for a period of approximately 6 months due to the consequences of the Covid-19 pandemic.

During the year 2021, the company obtained a diminishing loan from Bank Al-Etihad in the amount of 4,831,000 JD, due to the first installment on December 1, 2022, under the guarantee of Mr. Mohamed Nabil Hammouda and mortgages of the first and second degrees

During the year 2022, the company obtained a loan from Bank Al-Etihad in the amount of 3,340,000 Jordanian dinars, at 11% interest annually and without commission, provided that it is paid in monthly installments. The value of each installment is 92,777 JD, starting from the date of June 30, 2023 and ending on March 31, 2026. It is a first and second class mortgage.

During the year 2022, the company obtained a short-term loan from Bank Al-Etihad in the amount of 2,499,000 JD, at 9.5% interest and without commission, provided that it is paid in 6 monthly installments, the value of each installment is 416,500 JD, ending on April 30, 2023.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

Ahli Bank loan

During the year 2023, the company obtained a loan from the National Bank in the amount of 5,930,000 JD, with an interest rate of 3.75% and without commission, to be repaid in 72 monthly installments, excluding interest, with the value of each installment being 82,000 JD, the first installment due on March 31, 2024, until full payment, which is under the guarantee of Messrs. Muhammad Nabil, Samir and Maher, sons of Abdel Hadi Hamouda.

13 . ACCRUED EXPENSES AND OTHER PAYABLES

	2023	2022
Accrued expenses	63,372	376,191
Social security deposit	-	71,005
Other payable	574,990	424,812
	638,362	872,008

14. ACCOUNTS PAYABLE

	2023	2022
Suppliers	4,263,028	2,922,297
Fund provision	1,438,116	1,407,623
Due to employees and Promoters	230,168	179,597
	5,931,312	4,509,517

15. BANK OVERDRAFTS

The company has credit facilities granted by the Jordan Kuwait Bank with a first and second class mortgage guarantee on part of the lands and buildings of the factory in addition to the expansion projects, with a value of two million two hundred fifty thousand JD, at an interest rate of 9.75% annually and at a commission of 0.5% .

During 2021 , the current debited limit was reduced to 500,000 JD at an interest rate of 9.25% and commission of 0.5% by transferring an amount of 1,750,000 JD to the loan account , under the guarantee of Mr.Mohamed Nabil Hammouda and mortgages of the first and second degrees.

The company also has credit facilities granted by Bank Al Etihad, guaranteed by a real estate balance with a value of one million Jordanian dinars, at an interest rate of 8.25%, and a commission at a rate of 0.5%.

The company also has credit facilities granted by the Arab Jordan Investment Bank to guarantee the company's pledge that the liquidity ratio is not less than 1: 1 and its pledge that the ownership percentage of the Jordanian Hammouda Brothers Company for Processing and Marketing Poultry and its products is not less than 90%, with a value of 400,000 JD and an interest of 7.5% and 1% commission annually.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

16. NOTES PAYABLE

The company acquired a finished lease from Safwa Islamic Bank with a value of JD 15,000,000 at an annual interest rate of 9% with a margin of 2.11% and a grace period of two years from the start of the lease. The first installment starts on January 10, 2020 and the final installment ends on 10 March 2027.

The loans details as of December 31 are as follows :-

	2023	2022
Note payable	11,724,140	12,836,610
Less: short term- note payable	2,205,997	2,975,936
Long term- note payable	9,518,143	9,860,674

17. TRANSACTION WITH MAIN CUSTOMERS

The Company sales to main customer total 18,851,406 JD during the year in which around 39% present the sales to companies (2022: 10,348,440 JD presents 24% of total sales) .

18. COST OF SALES

	2023	2022
Cost of raw materials	34,863,375	34,010,822
Direct salaries and wages	3,587,399	3,026,048
Social security contribution	483,918	366,219
The company's contribution to the provident fund	67,441	52,700
Industrial expenses		
Depreciation	1,832,484	1,887,966
Water and electricity	845,096	822,223
Oil and fuels	522,143	344,141
Maintenance and consumed materials	214,676	101,502
Vehicle expenses	38,408	137,038
Labor transportation fees	168,854	138,847
Medical fees	54,771	54,743
Shipping and carriage	401,725	11,765
Insurance	51,225	40,718
withdrawal fees	187,177	177,330
Work permit expense	99,923	36,581
Licenses and subscription fees	94,982	12,548
Rents	176,686	71,735
Other expenses	117,338	52,212
Cost of production	43,807,621	41,345,138

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

19. PROTIEN SECTION'S GROSS PROFIT

	2023	2022
Protién sales	522,316	905,732
Cost of the production of the protein section:		
Purchase of materials	32,468	138,409
Salaries and wages	90,266	88,623
Social security contribution	10,147	9,159
Fund contribution	1,237	1,263
Water and electricity	45,307	33,928
Oil and fuel	195,365	280,536
Maintenance and consumed materials	19,345	27,809
Depreciation	80,519	52,553
Other expenses	37,565	22,270
Cost of production	512,219	654,550
Protién section gross profit	10,097	251,182

20. SELLING AND MARKETING EXPENSES

	2023	2022
Salaries and wages	599,567	813,155
Social security contribution	95,970	124,496
The company's contribution to the provident fund	19,382	45,372
Vehicle expenses	212,634	217,119
Samples examination fees	140,204	191,713
Water and electricity	89,192	83,438
Telephone and Internet	42,929	48,919
Financial lease interest expenses	5,517	10,543
Amortization of the right to use an assets	44,853	44,853
Maintenance	8,241	98,338
Rents	112,282	108,188
Medical fees	9,652	28,633
Hospitality	1,402	1,887
Promoters commission	209,838	198,557
Transportation	-	15,908
Oil and fuel	387,688	378,744
Stationery and IT	6,218	5,365
Licenses and subscription	34,768	103,982
Insurance	9,183	3,099
Shipping and carriage	39,112	44,994
Depreciation	167,344	160,473
Cleaning expenses	6,903	9,936
Miscellaneous	4,272	18,145
	2,247,151	2,755,857

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022
Salaries and wages	598,446	721,912
Social security contribution	52,684	75,716
The company's contribution to the provident fund	26,335	29,807
Post mail, telephone and fax	7,037	11,052
Hospitality	4,341	6,298
Water and electricity	3,896	4,876
Professional fees	18,393	17,363
Stationery and posters	18,713	7,680
Licenses and subscription	28,760	60,366
Oil and fuel	39,121	33,467
Insurance	2,928	2,572
Board of directors transportation	20,000	24,028
Medical fees	9,569	13,334
Vehicle expenses	11,249	54,541
Depreciation	40,077	31,944
Rent	2,515	16,817
Others	28,272	44,950
	<u>912,336</u>	<u>1,156,723</u>

22. FINANCIAL CHARGES

	2023	2022
Financial charges Paid	1,615,320	860,741
Capitalized on the expansion during the year	(994,883)	(645,392)
	<u>620,437</u>	<u>215,349</u>

23. OTHER REVENUES AND EXPENSES

	2023	2022
Loss sales of Fixed assets	-	2,010
Butchre revenues	-	2,421
Other	(55,271)	(121,194)
	<u>(55,271)</u>	<u>(116,763)</u>

24. INCOME TAX

The company ended its relationship with the Income and Sales Tax Department until the end of 2018. As for the years 2020, 2021, and 2022, the company submitted a self-assessment statement to the department, and the department did not review the company's accounting records until the date of the consolidated financial statements. As for the year 2019, the records were reviewed. Accounting and no final decision was issued by the department until the consolidated financial statements were prepared.

The subsidiary, Qasr Al Hallabat Poultry Breeding and Marketing Company, submitted a self-assessment statement to the Income and Sales Tax Department for the years 2020, 2021, and 2022, and the accounting records were not reviewed until the consolidated financial statements were prepared. As for the year 2019, the accounting records were reviewed, and no final decision was issued by the department until Preparing consolidated financial statements.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

25. CONTINGENT LIABILITIES

Contingencies as of December:

	2023	2022
Bank guarantee	399,000	399,000

26. THE LEGAL STATUS OF THE COMPANY

Summary of cases filed by the company against third parties:

The value of cases in which the plaintiff company filed by the company against others amounted to JD 1,515,152 (2022: 1,623,248).

Summary of cases filed against the company by third parties:

The value of cases which the company defendant filed by third parties against the company amounted to JD 69,005 (2022: 38,477).

27. FAIR VALUE

Fair value of financial assets and liabilities are approximately equal their carrying values since they are due within one year of the date of these financial statements, except for long-term loans which its fair value is the present value of the future cash payments that is paid using common interest rate for such loans.

28. FINANCIAL INSTRUMENTS

Capital Risk Management

The Company's objectives when managing capital are safeguarding the company's ability to continue as a going concern in order to provide returns for shareholders (partners/owners) and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's strategy doesn't change from 2022.

Structuring of Company's capital includes the owners equity in the Company which includes share capital, statutory reserve, as note (12 and 15) and retained earnings as it listed in the changes in owners equity statement.

The Debt Ratio

The board of directors is reviewing the share capital structure periodically. As a part of this reviewing, 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.

The debt ratio at the end of the year as follows :-

	2023	2022
Debts	32,227,083	27,843,449
Owners equity	20,483,700	19,958,144
Debts/ owners equity	157%	139%

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

The management of the financial risks

Market risks

The Company's activities might be exposing mainly to the followed financial risks:

Management of the interest price risks

Risk related to interest rate result mainly from borrowing money at varying interest rates and short term deposits at fixed interest rates.

Sensitivity of the consolidated statement of comprehensive income is the impact of the assumed changes possible prices of interest on the profit of the Company for one year and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

The following table shows sensitivity of the statement of comprehensive income for possible changes and reasonable interest rates as of December 31 with all other effective variables constant:

Currency JD	<u>Interest rate increase</u> <u>Percentage points</u>	<u>The impact on profit for the year</u>	
		2023	2022
	1	- 322,271	- 277,434

Currency JD	<u>Interest rate decrease</u> <u>Percentage points</u>	<u>The impact on profit for the year</u>	
		2023	2022
	1	+ 322,271	+ 277,434

Credit risk management

Credit risk is the failure of one of the parties to financial instrument contracts to fulfill his contractual obligations, which leads to the company incurring financial losses. Given the absence of any contracts with any other parties, there is no exposure to credit risks of various types for the company. Significant credit exposure to any entity or group of entities that has similar characteristics is disclosed in Note No. (11). The company classifies entities that have similar characteristics if they are related. Except for amounts related to cash. The credit risk resulting from cash is specific, as the entities dealt with are local banks that have good reputations and are monitored by regulatory authorities.

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

Management of liquidity risks

Board of directors is responsible for management of liquidity risks to manage the cash requirements, short, medium and long term liquidity. The Company managed the liquidity risks .

through controlling the future cash flow that evaluated permanently and correspond the due dates of assets and liabilities.

JORDAN POULTRY PROCESSING AND MARKETING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
YEAR ENDED DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

The following table represents the contractual eligibilities to non-derivative financial liabilities. The table has prepared on the non-deducted cash flows to the financial liabilities basis according to the early due dates that may required from the Company to pay or receive. The table below contains, cash flows for major amounts and interests.

2023	Interest rate	Year or less	More than year	Total
Instruments without interest	-	20,487,164	22,516,377	43,003,541
Instruments with interest	3.75%-9.25%	11,097,509	21,129,574	32,227,083
Total		31,584,673	43,645,951	75,230,624

2022				
Instruments without interest	-	13,280,159	33,644,715	46,924,874
Instruments with interest	3.75%-9.25%	9,440,611	18,402,838	27,843,449
Total		22,720,770	52,047,553	74,768,323

29. SEGMENT REPORTING

The Company works in the following sectors of the business operating with in the geographic sector is the Hashemite Kingdom of Jordan.

The details of revenue and profit of the companies operating sector are as follows :-

	Segment sales		Segment profit / (losses)	
	2023	2022	2023	2022
Slaughterhouse sector	45,338,406	40,429,481	(2,197,772)	(1,350,397)
Farms segment	2,831,869	3,323,113	2,713,231	(498,839)
Protien segment	522,316	905,732	10,097	251,182
Total	48,692,591	44,658,326	525,556	(1,598,054)

The total assets and liabilities of the Company are as follows :-

	Segment assets		Segment liabilities	
	2023	2022	2023	2022
Slaughterhouse sector	48,193,543	44,938,281	50,094,751	37,937,733
Farms segment	46,562,112	48,677,542	24,700,617	36,331,517
Protien segment	958,669	1,110,644	435,256	499,073
Total	95,714,324	94,726,467	75,230,624	74,768,323

30 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors of the company on March 30, 2024 and approved for publication. These financial statements require the approval of the General Assembly of Shareholders.

31. COMPORTIVE FIGURES

Certain figures for 2022 have been reclassified to confirm presentation in for the year 2023.