SHEBA METAL CASTING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2022

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FOR THE YEAR ENDED DECEMBER 31, 2022

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CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the shareholders
Sheba Metal Casting Company
(Public Shareholding Company)

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Sheba Metal Casting Company P.L.C, which comprise of the statement of financial position as of December 31, 2022, and the related statements of Comprehensive income, Statement of owners equity and statement of cash flows and notes to the financial statements for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the statement of financial position of Sheba Metal Casting Company P.L.C as of December 31,2022, and its financial performance and 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 Financial Statements. We are independent of the company in accordance with International Standard Board Code of Ethics for professional accountants ("the code") that are relevant to our audit of these finanical statements 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 financial statement. The basic auditing matters have been addressed in our auditing workflow to financial statements as we do not express separate opinions.

Key auditing matters	Followed procedures within key audit matters
Accounts receivable According to International Standards on auditing, The Company should review the calculation process for the expected cridet losses, The Company assesses the impairment of accounts receivable through assumptions and estimations, and considering its importance it's considered one of the significant audit risks and the impairment of accounts receivable provision has been recognized.	**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.

Other information

The management is responsible for other information which includes other information reported in the final report, but not included in the financial statements and our audit report on it

Our opinion does not include these other information, and we do not express any assertion over it regarding our financial statement of Sheba Metal Casting Company for the year ended December 31, 2022 we are obliged to review these other information, and while that, we consider the compatibility of these information with their financial statement or with the knowledge we gained during the audit or other wise appears to contain fundamental 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 financial statements

Management is responsible for the preparation and fair presentation of these financial statements of Sheba Metal Casting Company for the year ended December 31, 2022 in accordance with International Financial Reporting Standards. And for such internal control, management is determined to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial statements.

Certified public accountant responsibility

Our objective is to obtain reasonable assurance about whether the Financial Statements are free from material misstatement whether due from error or fraud and to issue and 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 audit standards will always detect a material misstatement even when it exists. Misstatements can arise from fraud or error and or 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 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 initial 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 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 Financial Statements or, if such disclosures are inadequate, we will 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 initial Financial Statements, including the disclosures, and whether the initial Financial Statements represent the underlying transactions and events in a manner that achieves Fair Presentation.

We communicated with audit committee 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.

Legal requirements report

The Sheba Metal Casting Company maintains proper books of accounts and the accompanying financial statements contained as of December 31, 2022, we recommend to be approved by the Board of Directors.

Modern Accountants

Walid M Taha
License No.(703)

Amman-Jordan
March 28, 2023

Modern Accountants
A member of
Nexia
International
المحاسبون العصريون

SHEBA METAL CASTING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022
(EXPRESSED IN JORDANIAN DINARS)

	Note	**2022**	2021
ASSETS			
Non-current assets			
Property and equipment	4	**315,668**	328,217
Total non-current assets		**315,668**	328,217
Current assets			
Prepaid expenses and other receivables	6	**5,825**	11,037
Accounts receivable	7	**61,497**	28,588
Inventory	5	**19,862**	38,946
Cash and cash equivalents		**2,726**	651
Total current assets		**89,910**	79,222
TOTAL ASSETS		**405,578**	407,439
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share capital	1	**625,000**	625,000
Statutory reserve	10	**1,017**	1,017
Accumulated losses		**(307,836)**	(303,417)
Total Owners' equity		**318,181**	322,600
Current liabilities			
Accrued expenses and other payables	8	**61,897**	26,310
Accounts payable		**25,500**	52,826
Bank over draft	9	**-**	5,703
Total current liabilities		**87,397**	84,839
TOTAL LIABILITIES AND OWNERS' EQUITY		**405,578**	407,439

The accompanying notes are an integral part of thesefinancial statements

SHEBA METAL CASTING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN JORDANIAN DINAR)

	Note	2022	2021
Sales	11	**48,175**	133,063
Cost of sales	12	**(70,295)**	(141,327)
Gross loss		**(22,120)**	(8,264)
General and administrative expenses	13	**(27,454)**	(44,609)
Financial Charges		**(643)**	(857)
Other Revenues and expenses		**45,798**	1,090
Loss for the year		**(4,419)**	(52,640)
Other comprehensive income:			
TOTAL OTHER COMPREHENSIVE INCOME		**(4,419)**	(52,640)
Loss per Share:			
Loss per Share JD / Share		**(0,007)**	(0,046)
Weighted Average of Outstanding Shares		**625,000**	1,145,834

The accompanying notes are an integral part of thesefinancial statements

SHEBA METAL CASTING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF OWNERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Share discount	Statutory reserve	Accumulated losses	Total
Balance at January 1, 2021	1,250,000	(120,704)	1,017	(755,073)	375,240
Comprehensive income for the year	-	-		(52,640)	(52,640)
Capital amortization	(625,000)	120,704		504,296	-
Balance at December 31, 2021	**625,000**	-	**1,017**	**(303,417)**	**322,600**
Comprehensive income for the year	-	-	-	**(4,419)**	**(4,419)**
Balance at December 31, 2022	**625,000**	-	**1,017**	**(307,836)**	**318,181**

The accompanying notes are an integral part of these financial statements

SHEBA METAL CASTING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(EXPRESSED IN JORDANIAN DINAR)

	2022	2021
Operating Activities		
Loss for the year	(4,419)	(52,640)
Adjustments on loss for the year :		
Depreciations	11,856	25,451
Financial Charges	643	857
Changes in operating assets and liabilities :		
Accounts receivable	(32,909)	12,597
Inventory	19,084	2,946
Prepaid expenses and other receivables	5,212	610
Accounts payable	(27,326)	6,873
Accrued expenses and other payables	35,587	(960)
Net available from / (used in) operating activities	7,728	(4,266)
Investing Activities		
Change in property and equipment	693	(1,503)
Net available from / (used in) investing activities	693	(1,503)
FINANCING ACTIVITIES		
Bank over draft	(5,703)	5,703
Financial Charges paid	(643)	(857)
Net cash (used in) / available from financing activities	(6,346)	4,846
The net change in cash and cash equivalents	2,075	(923)
Cash and cash equivalents, January1	651	1,574
Cash and cash equivalents December31	2,726	651

The accompanying notes are an integral part of thesefinancial statements

1. ORGANIZATION AND ACTIVITY

Sheba Metal Casting Company is a Jordanian public shareholding limited company ("the company"), registered on June 2, 1992, with the Companies Controller at the Ministry of Industry and Trade under the number (383), with an authorized capital of 1,250,000 JD and subscribed and paid value of 1,250,000 JD divided into 1,250,000 shares The value of each share is one JD.

Based on the decision of the General Assembly in its extraordinary meeting held on August 17, 2021 that the company's authorized and paid-up capital has been reduced from (1,250,000) JD/share to (625,000) JD /share, by amortizing an amount of (504,296) JD of the accumulated losses which amount is 755,073 JD and amortization of the balance of the issue discount account amounting to (120,704), as on December 31, 2020, and the procedures were completed with the Ministry of Industry and Trade on November 9, 2021.

The principal activity of the company is to construct, own and operate foundries, import and export raw materials, and machinery, sell their products to the local market, and export.

The Company headquarter is in Amman.

2. NEW AND AMENDED IFRS STANDARDS

The following new and revised Standards and Interpretations are not yet effective	**It is valid for annual periods beginning on or after**
Classification of liabilities as current or not- current (Amendments to IAS 1)	January 1, 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	January 1, 2023
Definition of Accounting Estimate (Amendments to IAS 8)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2)	January 1, 2023
Deferred Tax related to Assets and liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Basis of preparation
These financial statements, were presented in Jordanian Dinar as the majority of transactions recorded in Jordanian Dinar.

The financial statements have been prepared on the historical cost basis , However financial assets and financial liabilities are stated at fair value. The following is asummary of significant accounting policies applied by the company as follows :

Reclassifications
If the business model under which the Company holds financial assets changes. The financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in the business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made

Impairment
IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL
- Cash and bank balances:
- Trade and other receivables;
- Due to related party.

Except for purchased or originated credit-impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date(referred to as stage1); or

- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

A loss allowance for full lifetime ECLis required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company has elected to measure loss allowances of cash and bank balances. Trade and other receivables, and due from a related party at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of multiple future economic scenarios. Discounted at the asset's EIR.

Loss allowance for financial investments measured at amortized costs is deducted from the gross carrying amount of assets. For debt securities, an FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative information and analysis based on the previous company experience and on the available credit score including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are. in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade, and other receivables and due from a related party, are presented separately in the condensed statement of income and other comprehensive income.

The Company considers debtsecurity to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment

Measurement of ECL
The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the termstructure of the following variables.

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters will be derived from our internally developed statistical models and other historical data.They will be adjusted to reflect forward-looking information.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to as stage 3 assets. At each reporting date, the Company assesses Whether financial assets are carried at amortized costs and debt securities at FVTOCI at credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred.

DE-recognition of financial assets
The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts itmay have to pay. if the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On DE recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On DE recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss but Is reclassified to retained earnings.

Presentation of allowance for ECL is presented in the condensed financial information

Loss allowances for ECL are presented in the condensed financial information as follows:

- For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets.

- for debt instruments measured at FVTOCI, no loss allowance is recognized in the condensed statement of financial position as the carrying amount is at fair value. However, the less allowance is included as part of the revaluation amount in the re-evaluation reserve and recognized in other comprehensive income.

Revenue recognition
IFRS 15 "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several standards and Interpretations within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step1: identify the contract with the customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: performance obligation in a contract is a promise to transfer a good or service to the customer

Step 3:Determine the transaction price Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the goods and services to a customer excluding the amount collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenues as and when the entity satisfies the performance obligation
The Company recognizes revenue over time if any one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as The Company performs.

- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.

- The Company performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance obligation completed to date.

- the Company allocates the transaction price to the performance obligations in a contract based on the input method which requires the revenue recognition based onthe Company's efforts or inputs to the satisfaction of the performance obligations. The Company estimates the total costs to complete the projects to determine the amount of revenue to be recognized.

- When the Company satisfies A performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. where the amount of considèration received from the customer exceeds the amount of revenue recognized this gives rise to a contract liability.

- Revenue is measured at the fair value of the consideration received or receivable, taking into account the contractually agreed terms of payment. the Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent and has concluded that it is acting as a principal all of its revenue arrangements.

- Revenue is recognized in the condensed financial statements to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if and when applicable, can be measured reliably.

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

In preparing these financial statements, the significant Judgmentsmade by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements.

Critical judgments in applying the Company's accounting policies in respect of IFRS 9

- **Business model assessment**

Classification and measurement of financial assets depend on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how the Companys of financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed, and how the managers ofthe assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

- **Significant increase of credit risk**

ECLs are measured as an allowance equal to 12-month ECL for stage1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

- **Establishing a Company s of assets with similar credit risk characteristics**

When ECLs are measured on a collective basis, the financial instruments are Company collectedbased on shared risk characteristics (eg, instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. this is required to ensure that should credit risk characteristics change there is an appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

- **Models and assumptions used**

The Company uses various models and assumptions in measuring the fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key sources of estimation uncertainty in respect of IFRS 9

The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in condensed financial statements.

Establishing the number and relative weightings of forward-looking scenarios for each type of product /market determining the forward-looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward-looking information, which s based on assumptions for the future movement of different economic drivers and how these drivers will affect each other

- **Probability of Default**

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions, and expectations of future conditions.

- **Loss Given to Default**

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Cash and cash equivalents

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

Accounts receivable

Trade receivables are shown at their net recoverable value and a provision for impairment of receivables is made based on a complete review of all balances at the end of the year, and the disbursed debts are written off in the period in which they are identified.

Accounts payable and accruals

Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

Inventory

Inventories are valued at cost or net realizable value, whichever is lower and the cost of goods is determained according to fifo.

Expenses

General and administrative expenses include both direct and indirect costs not specifically part of costs of sales 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.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events for which the costs to settle the obligation are both probable and can be reliably estimated.

Provisions are measured according to the best expectations of the consideration required to meet the obligation as at the statement of financial position date, after taking into consideration the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, the receivable is recognized as an asset if it is certain that the amount will be received and replaced and the amount can be measured reliably.

Property and Equipment

Property and equipment are shown at cost after deducting the accumulated depreciation. Repair and maintenance expenses are considered revenue expenses, while improvements expenses are considered capital expenses, and depreciation is calculated on them based on their estimated working life using the straight-line method. The depreciation ratio for the main items of these assets is:-

	Annual depreciation rate
Buildings and hangars	%2
Machines and tools	%20 - %10
Vehicles	%15
Furniture and decorations	%15
Extensions, generators and others	%10 - %5
Computer and printers	%35

Useful lives and the depreciation method are reviewed periodically to make sure that the method and depreciation period are appropriate with the expected economic benefits of property and equipment.

An impairment test is performed to the value of the property and equipment that appears in the Statement of Financial Position when any events or changes in circumstances show 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 any subsequent exclusion of property and equipment, the value of gains or losses resulting are recognized, Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Statement of Financial Position, Gross Profit and loss.

The sector report
The business sector represents a collection of assets and operation engaged together in providing product or services subject to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision-makers in the Company.

A geographical segment is associated with providing products in aparticular economic environment subject to risks and returns that are differed from those for sectors to work in an economic environment.

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

Income tax
The Company is subject to the Income Tax Law for the year and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on an accrual basis, Income Tax is computed based on adjusted net income. According to International accounting standard no.(12), the company may have deferred tax assets resulting from thetemporary 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.

Foreign currency translation
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 financial position are translated into Jordanin dirar at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are be included in the comprehensive income statement.

4. PROPERTY AND EQUIPMENT

2022	Lands	Buildings and caravans	Machines and tools	Vehicles	Furniture and decorations	Extension generators and other	Computer and printers	Total
Cost :								
Balance at January 1	78,235	201,850	567,572	15,675	19,812	9,632	6,903	899,679
Additions	-	-	-	-	-	-	-	-
Disposal	-	-	(233,987)	(15,675)	(80)	-	-	(249,742)
Transfers	-	45,812	(45,812)	-	-	-	-	-
Balance at December 31	78,235	247,662	287,773	-	19,732	9,632	6,903	649,937
Depreciation:								
Balance at January 1	-	69,783	462,112	15,675	13,229	6,325	4,338	571,462
Depreciation	-	4,037	6,534	-	600	128	557	11,856
Disposal	-	-	(233,294)	(15,675)	(80)	-	-	(249,049)
Transfers		45,812	(45,812)		-	-	-	-
Balance at December 31	-	119,632	189,540	-	13,749	6,453	4,895	334,269
Net book value December 31	78,235	128,030	98,233	-	5,983	3,179	2,008	315,668

2021	Lands	Buildings and caravans	Machines and tools	Vehicles	Furniture and decorations	Extension generators and other	Computer and printers	Total
Cost :								
Balance at January 1	78,235	201,850	567,572	15,675	19,812	9,632	5,400	898,176
Additions	-	-	-	-	-	-	1,503	1,503
Disposal	-	-	-	-	-	-	-	-
Balance at December 31	78,235	201,850	567,572	15,675	19,812	9,632	6,903	899,679
Depreciation:								
Balance at January 1	-	65,746	443,686	15,675	12,367	6,177	2,360	546,011
depreciation	-	4,037	18,426	-	862	148	1,978	25,451
Disposal	-	-	-	-	-	-	-	-
Balance at December 31	-	69,783	462,112	15,675	13,229	6,325	4,338	571,462
Net book value December 31	78,235	132,067	105,460	-	6,583	3,307	2,565	328,217

5. INVENTORY

	2022	2021
Raw materials warehouse	**14,257**	22,256
Warehouse of tools and consumables	**2,804**	2,804
Ending inventory	**2,801**	13,886
	19,862	38,946

6. PREPAID EXPENSES AND OTHER RECEIVABLES

	2022	2021
Prepaid expenses	**1,530**	1,500
Refundable deposits	**2,431**	2,431
Employees receivables	-	1,902
Prepaid income tax	**1,864**	5,204
	5,825	11,037

7. ACCOUNTS RECEIVABLE

	2022	2021
Account receivable	**79,201**	46,292
Deducted : provision for credit losses	**(17,704)**	(17,704)
	61,497	28,588

***movement in provision for credit losses**

	2022	2021
Balance at January 1	**17,704**	17,704
Increase	-	-
Return	-	-
Balance at December 31	**17,704**	17,704

8. ACCRUED EXPENSES AND OTHER PAYABLES

	2022	2021
Accrued expenses	**23,812**	10,281
Deferred checks	**3,624**	-
Sanctions fund safeguards	**4,504**	2,926
Social security deposits	**18,155**	9,402
National contribution provision	**102**	102
Income tax deposit	**816**	492
Sale tax deposit	**10,884**	3,107
	61,897	26,310

9. BANK OVER DRAFT

The company obtained bank facilities from the Jordan Commercial Bank, amounting to 20,000 JD, at an rate of 8%, without commission, and it is under the sponsorship of Mr. Khalaf Ali Saeed Al-Nawaisah.

10. STATUTORY RESERVE

In accordance with the Companies' Law in the Hashemite Kingdome 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.The General Assembly has the right, after exhausting the other reserves, to decide in an extraordinary meeting to extinguish its losses from the sums collected in the obligatory reserve account, provided that it is rebuilt in accordance with the provisions of the aforementioned law.

11. SALES

	2022	2021
Export sales	-	14,561
Domestic sales	**48,175**	118,502
	48,175	133,063

12. COST OF SALES

	2022	2021
Raw materials used in production	**459**	25,661
Add industrial costs:		
Salaries,wages and other benefits	**32,652**	71,482
Industrial consumption	**10,698**	22,612
Electricity and water	**3,890**	12,238
Others	**3,511**	6,388
Cost of manufactured goods	**51,210**	138,381
Ready goods at the beginning of the year	**13,886**	16,832
Reconciliation of inventory differences	**8,000**	-
Ready goods at the end of the year	**(2,801)**	(13,886)
Cost of sale	**70,295**	141,327

13. GENERAL AND ADMINISTRATIVE EXPENSES

	2022	2021
Salaries and wages	**15,108**	23,034
Stationery and prints	**129**	232
Depreciation	**1,158**	2,839
Professional fees	**6,660**	7,875
Hardware and software maintenance	**500**	-
Post,telegraph and telephone	**945**	1,095
Advertising expenses	**835**	-
Fees and subscriptions	**1,202**	4,053
Government fines fees	**250**	2,065
Others	**667**	3,416
	27,454	44,609

14. INCOME TAX

The company has finalized its tax status with the Income and Sales Tax Department until 2020. As for the years 2021, a self-assessment statement was submitted to the Department, and the company's accounting records were not reviewed until the date of the financial statements.

15. THE LEGAL STATUS OF THE COMPANY

Summary of cases filed by the company:
There is no cases filed by the company against third parties as on December 31, 2022.

Summary of cases filed against the company:
There are cases filed by third parties against the company as of December 31, 2022.

16. FINANCIAL INSTRUMENTS

Management of share capital risks
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 shareholders equity balances. The Company's strategy doesn't change from 2021.

Structuring of the Company's capital includes, and the owners' equity in the Company which includes share capital, Share discount, statutory reserve, and accumulated losses as listed in the changes in owners' equity statement.

The management of the financial risks
The Company's activities might be exposed mainly to the followed financial risks:-

The debt rate
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 capital structure dose not includes debts from borrowing. The Company's doesn't determine the highest limit of the debt rateand the company dose not expect an increase in the debt rate through new debt issues during 2023.

The management of the financial risks
The Company's activities might be exposing mainly to the followed financial and market risks.

Management of the foreign currencies risks
The company is not exposed to significant risks related to foreign currency price changes, so there is no need for effective management for this exposure.

Interest rate risk
It is defined as the risk of fluctuation of the fair value or future cash flows of the financial instrument as a result of the change in the market interest rate, and that the financial instruments appearing in the statement of financial position are not subject to interest rate risks, with the exception of creditor banks and loans that are subject to interest rates circulating in the market. The risk is managed by maintaining an appropriate combination of floating and fixed interest rate balances during the financial year.

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.

The following table demonstrates the sensitivity of the statement of comprehensive income to reasonably possible changes in interest rates as at 31 December, with all other variables held constant:

Currency	Interest rate increase	The impact on profit for the year	
JD	(Percentage points)	**2022**	2021
	25	**- 14**	-14

Currency	Interest rate decrease	The impact on profit for the year	
JD	(Percentage points)	**2022**	2021
	25	**+ 14**	+14

Other price risks
The Company is exposed to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other company's owner's equity for strategic purposes and not for trading purposes, and the Company has no trading activity in those investments.

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.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 highest 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.

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 require from the Company to pay or receive.

The table below contains cash flows for major amounts and interests.

	Year or less	More than one year	Total
December 31, 2022			
Tools without interest	**87,397**	-	**87,397**
Tools with interest	-	-	-
Total	**87,397**	-	**87,397**
December 31, 2021			
Tools without interest	79,136	-	79,136
Tools with interest	5,703	-	5,703
Total	84,839	-	84,839

Foreign exchange risk management

It is the risk of changing the value of financial instruments as a result of the change in foreign currency rates. The Jordanian dinar is considered the company's base currency. The Board of Directors sets limits for the financial position of each currency with the company. The foreign currency position is reviewed on a daily basis and strategies are followed to ensure that the foreign currency position is maintained within the approved limits.

All the group's operations are carried out mainly in Jordanian dinars, and there is no risk as a result of the company's dealings with those currencies, as the prices of those currencies are fixed and do not change because they are pegged to the US dollar.

Interest rates risk

Interest rate risk arises mainly from floating rate borrowings (floating rate) and short-term fixed-rate deposits. Interest rate risk for borrowed funds is managed effectively.

The sensitivity of the statement of income is the effect of the assumed changes in interest rates on the Company's profit for one year and is calculated based on financial liabilities bearing a variable interest rate at the end of the year.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issuance on March 28, 2023.

18. COMPARATIVE FIGURES

Certain figures for 2021 have been reclassified to confirm the presentation with year of 2022.