INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITs SUBSIDIARIES
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY – HOLDING COMPANY)
AND ITs SUBSIDIARIES
AMMAN – JORDAN

FOR THE YEAR ENDED DECEMBER 31, 2020

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Independent Auditor's Report

To the Shareholders of Investments & Integrated Industries Company
(Public Shareholding Company – Holding Company)
Amman – Jordan

Opinion

We have audited the consolidated financial statements of Investments & Integrated Industries Company (Public Shareholding Company – Holding Company) and its subsidiaries ("the Company"), which comprise of the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of income, other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in accordance with International Ethics Standards Board for Accountants Code of Ethics, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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Key Audit Matters

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

Measurement of Fair Value of Financial Assets	***How the matter was addressed in our audit***
The book value of the Financial assets at fair value through other comprehensive income amounted to JOD 10,446,399 as of December 31, 2020, which represents 58% of the Company's total assets. The revaluation of these assets at fair value could have material effect on the value of the Company's assets and the components of other comprehensive income. The financial assets represent one of the main operating activities of the Company, and the selection of valuation technique used in measuring the fair value of these assets is highly depending on management estimates.	Our audit procedures included the assessment of the Company's procedures used in measuring the fair value of Financial assets at fair value through other comprehensive income and examining the trading prices of these assets in the related equity securities markets. The techniques used by the Company's management in measuring the fair value of these financial assets include: 1. Year-end closing prices for equity securities traded in the regular market. 2. Year-end closing prices for equity securities traded in the Over the Counter (OTC) Market. The Company's management believes that the OTC prices for these securities represent the most suitable base for measuring the fair values of these securities. Details and accounting policy of financial assets at fair value through other comprehensive income are disclosed in the accompanying consolidated financial statements under Notes (12) and (4) respectively.

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Other Information

Management is responsible for the other information, which consists of other information stated in the annual report. The other information does not include the consolidated financial statements and our auditors' report on the consolidated financial statements.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management considers is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the consolidated financial reporting preparation process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our audit report that includes our opinion on the consolidated financial statements.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error, and are considered material if, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of audit process in accordance with ISA, 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated 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 audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion on the consolidated financial statements.
- We communicate with those charged with governance regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore, the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records. The accompanying consolidated financial statements are, in all material aspects, in agreement with the Company's accounting records, and we recommend that the Company's General Assembly approves these consolidated financial statements.

This audit report on the consolidated financial statements is a translated version of the original audit report on the consolidated financial statements issued in Arabic, in case of a discrepancy, the Arabic original will prevail.

Matrix Consulting International

Raied Ramini
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MATRIX CONSULTING INTERNATIONAL
Audit & Financial Advisory Services

Amman - Jordan
March 11, 2021

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INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
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AMMAN – JORDAN

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Jordanian Dinar		As of 31 December,	
	Note	**2020**	**2019**
Assets			
Current Assets			
Cash on hand and at banks	5	221,239	19,143
Trade receivables and checks under collection-net	6	1,887,645	2,603,653
Inventory	7	2,534,995	2,853,156
Other debit balances	8	386,526	186,442
Total current assets		5,030,405	5,662,394
Property and equipment	9	1,562,265	1,590,918
Investment property	10	300,511	300,511
Investment in associate companies	11	620,610	674,060
Financial assets at fair value through other Comprehensive income	12	10,446,399	10,217,938
Total Assets		17,960,190	18,445,821
Liabilities and Shareholders' Equity			
Current Liabilities			
Due to banks	13	-	898,122
Short term portion of loans	14	3,541,372	4,536,335
Accounts payable		434,572	783,789
Other credit balances	15	2,601,353	1,869,208
Total Current Liabilities		6,577,297	8,087,454
Long term loans	14	8,383,219	7,373,600
Total Liabilities		14,960,516	15,461,054
Shareholders' equity			
Capital	16	14,500,000	14,500,000
Statutory reserve	17	111,641	111,641
Fair value reserve	12	(8,059,417)	(8,288,143)
Accumulated losses		(3,880,557)	(3,645,566)
Shareholders' equity		2,671,667	2,677,932
Non-controlling interest		328,007	306,835
Net Shareholders’ Equity		2,999,674	2,984,767
Total Liabilities and Shareholders' Equity		17,960,190	18,445,821

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
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CONSOLIDATED STATEMENT OF INCOME

		For the year ended December 31,	
Jordanian Dinar	**Note**	**2020**	**2019**
Sales	18	3,817,134	6,726,201
Less: Cost of sales	19	(2,993,404)	(5,733,430)
Gross Profit		823,730	992,771
Less: General, administrative, and marketing expenses	20	(657,081)	(966,497)
Add: Other income	21	273,686	1,285,367
Less: Interest expenses – net		(600,273)	(919,383)
Less: Share in loss of associate companies	11	(53,715)	(351,850)
Add: Change in provision for expected credit loss		-	1,333
Add: Company's share in amortized losses of subsidiaries		-	151,081
(Loss) Profit for the year before Income Tax and National Participation		(213,653)	192,822
Income tax national participation		(166)	-
(Loss) Profit for the year		(213,819)	192,822
Allocated as Follows:			
Company's shareholders		(234,991)	220,752
Non-controlling interest		21,172	(27,930)
		(213,819)	192,822
Basic and diluted (loss) profit per share	24	(1.6%)	1.5%

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Jordanian Dinar	For the year ended December 31,	
	2020	**2019**
(Loss) profit for the year	(213,819)	192,822
Add Other Comprehensive Income Items:		
Change in fair value of financial assets at fair value through other comprehensive income	228,461	(2,343,412)
Profit from sale of financial assets at fair value through other comprehensive income	-	2,756,143
Share from other comprehensive income of associate companies	265	882
Total profit and Other Comprehensive Income	14,907	606,435
Allocated as Follows:		
Company's shareholders	(6,265)	634,365
Non-controlling interest	21,172	(27,930)
	14,907	606,435

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
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CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

In* Jordanian *Dinar	**Capital**	**Statutory reserve**	**Fair value reserve**	**Accumulated losses**	**Total**	**Non- controlling interest**	**Total**
For the year ended 31 December 2020							
Beginning balance	14,500,000	111,641	(8,288,143)	(3,645,566)	2,677,932	306,835	2,984,767
Loss and other comprehensive income	-	-	228,726	(234,991)	(6,265)	21,172	14,907
Ending Balance	14,500,000	111,641	(8,059,417)	(3,880,557)	2,671,667	328,007	2,999,674
For the year ended 31 December 2019							
Beginning balance	14,500,000	92,359	(5,945,613)	(6,603,179)	2,043,567	302,928	2,346,495
Profit and other comprehensive income	-	-	(2,342,530)	220,752	(2,121,778)	(27,930)	(2,149,708)
Loss from sale of financial assets	-	-	-	2,756,143	2,756,143	-	2,756,143
Non – controlling interest share in amortized losses of subsidiaries	-	-	-	-	-	31,837	31,837
Statutory reserve	-	19,282	-	(19,282)	-	-	-
Ending Balance	14,500,000	111,641	(8,288,143)	(3,645,566)	2,677,932	306,835	2,984,767

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

INVESTMENTS & INTEGRATED INDUSTRIES COMPANY
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CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Year Ended December 31,	
Jordanian Dinar	**2020**	**2019**
Cash flows from Operating Activities:		
(Loss) Profit for the year before Income tax	(213,653)	192,822
Adjustments:		
Depreciation	46,216	66,882
Share in associate companies' operating results	53,715	351,850
Non – controlling interest share in amortized losses of subsidiaries	-	31,837
Interest expenses	600,273	919,383
Change in provision for expected credit loss	-	(1,333)
Changes in working capital items:		
Inventory	318,161	1,030,443
Trade receivables and checks under collection	716,008	1,191,866
Other debit balances	(188,852)	92,796
Accounts payable	(349,217)	(2,121,535)
Other credit balances	(146,199)	49,705
Net Cash Flows from Operating Activities before Income Tax	836,452	1,804,716
Income tax paid	(9,379)	(1,248)
Net Cash Flows from Operating Activities	827,073	1,803,468
Cash flows from Investing Activities:		
Purchase of property and equipment	(17,563)	(4,139)
Collection of related parties' loans	-	106,751
Proceeds from sale of financial assets	-	4,498,244
Net Cash Flows (used in) from Investing Activities	(17,563)	4,600,856
Cash Flows from Financing Activities:		
Due to related parties	876,325	(3,722,423)
Loans and due to banks	(883,466)	(1,760,668)
Interest paid	(600,273)	(919,383)
Net Cash Flows used in Financing Activities	(607,414)	(6,402,474)
Net change in cash and cash equivalents	202,096	1,850
Cash and cash equivalents at the beginning of the year	19,143	17,293
Cash and Cash Equivalents at the end of the year	221,239	19,143

Non-cash items:

The accumulated losses of Quality Printing Press Company (subsidiary) in the amount of JD. 182,008 have been amortized during the year ended December 31, 2019 through the current account of Elia Nuqul & Sons Company (partner).

The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

1) General

a. Establishment and objectives:

Investments & Integrated Industries Company (public shareholding company) “The Company” was established and registered in the ministry of industry and trade of Jordan under no. (281) on April 20, 1995.

The main objectives of the Company include managing its subsidiaries, participating in managing other entities in which the Company has ownership, investing in equity and debt securities, and granting finance for its subsidiaries.

b. Employees:

The Company’s number of employees as of December 31, 2020 was 68employees (71 employees as of December 31, 2019).

c. Approval of consolidated financial statements:

The consolidated financial statements have been approved by the Board of Directors in their meeting held on March 11, 2021. These financial statements require the approval of the Company’s General Assembly.

2) Basis of Preparation of the Consolidated Financial Statements

Statement of compliance

The consolidated financial statements have been prepared in accordance with international financial reporting standards.

Basis of financial statements consolidation

The consolidated financial statements comprise of the financial statements of Investments & Integrated Industries Company (the "Parent Company") and its subsidiaries which are subject to its control. Subsidiaries are entities controlled by the parent company .The parent company controls subsidiaries when it is exposed, or has rights, to variable returns from its involvement with these subsidiaries and has the ability to affect those returns through its power over these subsidiaries.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these consolidated financial statements.

Consolidated financial statements are prepared for the subsidiaries to the same financial year of the parent company and using the same accounting policies adopted by the parent company.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

Functional and presentation currency

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

Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the financial assets and liabilities which are measured at fair value.

Use of estimates

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements include the following:

- Management estimates the provision for income tax in accordance with the prevailing laws and regulations and International Financial Reporting Standards.
- A provision for expected credit loss is taken on the basis and periodic estimates approved by management.

- A provision for decrease in net realizable value of inventory is taken if the selling price of inventory fall below cost or any other factors that causes the recoverable amount to be lower than its carrying amount.
- Management periodically reassesses the economic useful lives of tangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management frequently reviews the lawsuits raised against the company based on a legal study prepared by the company's legal advisors. This study highlights potential risks that the company may incur in the future.

Management believes that its estimates and judgment are reasonable and adequate.

3) Changes in Accounting Policies

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those adopted for the year ended 31 December 2019, except for the adoption of new standards and amendments effective as of 1 January 2020.

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 (Business Combinations) clarifies that to be considered a business, an integrated set of activities and acquired assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all the inputs and processes needed to create outputs. These amendments had no impact on the financial statements of the Company but may impact future periods should the Company enter any business combinations.

Amendments to IAS 1 and IAS 8: Definition of "Material"

The IASB issued amendments to IAS 1 (Presentation of Financial Statements) and IAS 8 (Accounting Policies, Changes in Accounting Estimates and Errors) to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating, or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to, the Company.

Amendments to IFRS 7 and IFRS 9 Interest Rate Benchmark Reform

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the financial statements of the Company.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. This relates to any reduction in lease payments which are originally due on or before 30 June 2021. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. The Company did not have any leases impacted by the amendment.

4) Significant Accounting Policies

Current and non-current classification of assets and liabilities

The Company presents current and non-current assets, and current and non-current liabilities, as separate classifications in its consolidated statement of financial position as follows:

The Company classifies an asset as current when:

- it expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realize the asset within twelve months after the reporting period; or
- the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

The Company classifies a liability as current when:

- it expects to settle the liability in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- the liability is due to be settled within twelve months after the reporting period; or
- it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and short-term deposits with a maturity of three months or less.

Financial assets

At initial recognition, financial assets are classified as subsequently measured at either amortized cost, or fair value through other comprehensive income, or fair value through profit or loss. At initial recognition, a financial asset shall be measured at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Subsequent measurement of financial assets depend on their classifications as follows:

Financial assets at amortized cost

After initial recognition, these assets are measured at amortized cost using the effective interest method and will be subject to impairment. Gain or loss on the financial assets that are measured at amortized cost shall be recognized in profit or loss when the financial asset is derecognized or impaired. Financial assets measured at amortized cost include cash and cash equivalent and trade receivables.

Financial assets at fair value through other comprehensive income

These assets represent investments in equity instruments with the intention to keep them as a long-term investment. When purchasing these assets they are recognized at fair value including acquisition expenses then to be re-evaluated later at fair value, where changes in the fair value appears in the consolidated statement of other comprehensive income and owners' equity including the change in fair value resulting from the differences in conversion of non-monetary assets items in foreign currencies, in case of selling such assets or part thereof, profits or losses to be recorded in the consolidated statement of other comprehensive income and owners' equity where the valuation reserve balance of the sold assets should be directly transferred to the retained earnings and not through the consolidated statement of income. These assets are not subject to impairment loss testing.

Financial Assets at fair value through profit or loss

These assets are presented in the consolidated statement of financial position at fair value. Changes in the fair value of these assets are recognized as profit or loss in the consolidated statement of income.

Derecognition of financial assets

The Company derecognizes financial assets when: (a) the contractual rights to the cash flows from the financial asset expire, or (b) it transfers the financial asset, and the transfer qualifies for derecognition.

Impairment of financial assets

The Company records the allowance for expected credit loss for all loans and other debt financial assets not held at FVTPL. When financial assets are first recognized, the Company recognizes an allowance based on 12 months expected credit losses (ECLs). If a financial asset has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs.

For trade receivables, the Company recognizes expected credit losses for trade receivables based on the simplified approach under IFRS 9. Based on the simplified approach, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable based on its historical experience of default rates adjusted for future variables related to the debtors and economic environment.

Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the first-in-first-out principle and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Property and Equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. An item of property and equipment is derecognized upon disposal. Any gains or losses arising from derecognizing of the asset are included in the consolidated statement of income when the asset is derecognized. Items of property and equipment are depreciated on a straight- line basis over the estimated useful lives of each part of an item of property and equipment, except land. The estimated useful lives of property and equipment are as follows:

Items of property and equipment	Depreciation rate
Machinery and equipment	%8
Vehicles	%15
Leasehold improvements	%15 - %4
Furniture and office equipment	%33 - %12

The Company reviews the useful lives and depreciation method for the property and equipment on a periodic basis to ensure that they are in line with the estimated economic benefits from these assets.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceeded the estimated recoverable amount, the assets are written down to their recoverable amount and recognized as loss in the consolidated statement of income.

Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists or when the International Financial Reporting Standards require annual testing of impairment, then the asset's recoverable amount is estimated. Recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. All impairment losses are recognized in the consolidated statement of income.

Investment in subsidiaries

Subsidiaries are those entities in which the Company has control over their financial and operating policies. Investee is considered a subsidiary if the parent Company holds over 50% of its voting rights.

Interests in subsidiaries are accounted for using the equity method in both separate and consolidated financial statements.

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Financial liabilities

At initial recognition, financial liabilities are classified as subsequently measured at either amortized cost using the effective interest method, or fair value through profit or loss, or as derivatives. At initial recognition, financial liabilities are measured at their fair value. Financial liabilities measured at amortized cost are measured at their fair value less transaction costs that are directly attributable to the financial liabilities. Subsequent measurement of financial assets depend on their classifications as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss, include financial liabilities held for trading and financial liabilities designated at initial recognition as financial liabilities at fair value through profit or loss, are subsequently measured at fair value.

Loans and due to banks

Loans and due to banks are recognized initially at fair value including their related direct costs, then recorded later at amortized cost using the effective interest method.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires.

Accounts payable and accruals

Accounts payable and accruals are obligations to pay for goods or services that have been acquired. These obligations are recorded whether billed by the supplier or not.

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Revenue recognition

Revenue from sale of goods is measured at the fair value of consideration received or receivable in the normal course business activities. Revenue is recognized in the consolidated statement of income when the control over the goods is transferred to the customer, or when the goods are delivered to the customer providing that there is no obligation liabilities that affects acceptance of the goods by the customer.

Income tax

The income tax provision is calculated in accordance with the prevailing Income Tax Law, and in accordance with International Accounting Standard No. 12, which requires that the Company recognizes deferred tax in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Company.

The Company measures the fair value of assets and liabilities based on the assumptions that market participants would use when pricing the asset or liability, assuming that the market participants are acting according to their economic benefit.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Fair values of assets and liabilities are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Offsetting

Financial liabilities are set off against financial assets, and the net amount is shown in the consolidated statement of financial position only when the obliging legal rights are available or when settled on net basis or the realization of assets or settlement of liabilities is done at the same time.

Foreign Currency Transactions

Transactions in foreign currencies during the year are translated at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jordanian Dinar at the exchange rate at that date.

Foreign currency differences arising on retranslation of foreign currencies to Jordanian Dinar are recognized in the consolidated statement of income.

Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

5) Cash on hand and at banks

This item represents cash balance on hand and at banks as of December 31, 2020.

6) Trade receivables and checks under collection

Jordanian Dinar	As of December, 31	
	2020	**2019**
Trade receivables	2,665,256	3,049,432
Checks under collection	198,254	528,007
Total	2,863,510	3,577,439
Less: Provision for expected credit loss*	(975,865)	(973,786)
Net receivables and checks under collections	1,887,645	2,603,653

*The movement on the provision for expected credit loss during the year was as follows:

Jordanian Dinar	As of December, 31	
	2020	**2019**
Balance at the beginning of the year	973,786	975,119
Add (Less): Change in provision	2,079	(1,333)
Balance at the end of the year	975,865	973,786

7) Inventory

Jordanian Dinar	As of December 31,	
	2020	**2019**
Finished goods	1,634,401	1,954,939
Raw materials	783,558	738,493
Work in progress	24,042	62,333
Spare parts	333,595	337,992
Total	2,775,596	3,093,757
Less: provision for inventory	(240,601)	(240,601)
Net	2,534,995	2,853,156

8) Other debit balances and Related parted

Jordanian Dinar	As of December 31,	
	2020	**2019**
Due from related parties (note 22)	246,497	62,370
Goods in transit	21,896	18,013
Income tax	56,198	44,966
Refundable deposits	21,742	21,817
Due from employees	4,934	7,865
Prepaid expenses	22,957	12,663
Advance payments to suppliers	8,699	17,624
Miscellaneous	3,603	1,124
Total	386,526	186,442

9) Property and equipment

Jordanian Dinar	Land	Machines & equipment	Vehicles	Leasehold improvements	Furniture	Projects under construction	Total
Cost							
Balance 1/1/ 2020	1,312,500	2,099,220	138,652	174,146	159,184	33,568	3,917,270
Additions	-	33,568	-	-	-	17,563	51,131
Transfer from projects under construction	-	-	-	-	-	(33,568)	(33,568)
Balance 31/12/ 2020	1,312,500	2,132,788	138,652	174,146	159,184	17,563	3,934,833
Accumulated Depreciation							
Balance 1/1/ 2020	-	1,932,486	116,849	118,263	158,754	-	2,326,352
Depreciation for the year	-	32,357	4,822	8,608	429	-	46,216
Balance 31/12/2020	-	1,964,843	121,671	126,871	159,183	-	2,372,568
Net Book value 31/12/2020	1,312,500	167,945	16,981	47,275	1	17,563	1,562,265
Net Book value 31/12/2019	1,312,500	166,734	21,803	55,883	430	33,568	1,590,918

10) Investment property

The details of this item as of December 31, 2020 are as follows:

Jordanian Dinar	Land	Machines & equipment	Total
Cost			
Beginning balance	34,726	1,852,758	1,887,484
Ending Balance	34,726	1,852,758	1,887,484
Accumulated Depreciation			
Beginning balance	-	1,055,675	1,055,675
Ending Balance	-	1,055,675	1,055,675
Provision for revaluation*	265,784	(797,082)	(531,298)
Net Book value 2020	300,510	1	300,511
Net Book value 2019	300,510	1	300,511

* This item represents the accumulated earnings (losses) resulted from the revaluation of the land and buildings of FQ company (subsidiary).

11) Investment in associate company

Company	Product	Ownership %	As of 31 December, 2020	2019
			Jordanian Dinar	
Packing industries	Flexible packaging materials	%44.11	620,610	674,060
Total			620,610	674,060

The movement on the investment in associate company balance during the year was as follows:

Jordanian Dinar	2020	2019
Beginning balance	674,060	1,025,028
Company's share in the associate loss	(53,715)	(351,850)
Company's share in the associate other comprehensive income	265	882
Ending Balance	620,610	674,060

12) Financial assets at fair value through other comprehensive income

Jordanian Dinar	As of December 31, 2020	2019
Shares listed in local principal market	9,696,671	9,644,264
Shares traded in local OTC market	528,268	352,214
Unlisted companies	221,460	221,460
Total	10,446,399	10,217,938

The movement on the fair value reserve during the year was as follows:

Jordanian Dinar	As of December 31, 2020	2019
Beginning balance	(8,288,143)	(5,945,613)
Change in fair value of financial assets	228,726	271,569
Cumulative change in fair value of derecognized financial assets	-	(2,614,099)
Net	(8,059,417)	(8,288,143)

Valuation technique

a) Shares listed in local principal market:

Fair values of shares listed in local principal market have been determined by reference to year-end closing price. Details of these shares as of December 31, 2020 are as follows:

Company	No. Shares	Book Value before Valuation	Closing Price	Fair Value	Unrealized
Delta Insurance Co.	1,251,331	1,313,898	1/10	1,376,464	62,566
Pearl Sanitary Paper Co.	7,000	17,640	2/60	18,200	560
Al Rai	53,889	12,933	0/23	12,395	(538)
International Co.- vegetarian oil	1,609,666	2,961,786	1/90	3,058,365	96,579
Bank El Mal	5,338,007	5,338,007	0/98	5,231,247	(106,760)
Less: share in the associate OCI	-	-	-	-	265
		9,644,264		9,696,671	52,672

b) Shares traded in local OTC market:

During 2016, and according to the Regulating Directives for Trading in Unlisted Securities at the ASE issued dated 12/4/2016, the shares of Amwaj Real Estate Company and Amwal Invest Company became OTC traded. As a result, the Company's management has used their year- end closing prices in determining the fair value of investments in these shares. Management's believe that the quoted prices of these shares in OTC market are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs. Details of these investments are as follows:

Company	No. Shares	Book Value before Valuation	Closing Price	Fair Value	Unrealized (Loss)
Amwaj Real Estate	3,514,727	351,473	0/15	527,209	175,736
Amwal Invest	10,588	741	0/10	1,059	318
		352,214		528,268	176,054

c) Unlisted Companies:

Investment in equity securities of unlisted companies are evaluated at actual cost/book value. Details of investment in equity securities of unlisted companies are as follows:

Company	No. Shares	Book Value before Valuation	Fair Value	Unrealized (Loss)
Kuwaiti Jordanian Holding Co.	174,000	43,960	43,960	-
Dead Sea Company for Truism Investments	177,500	177,500	177,500	-
		221,460	221,460	-

Total number of shares blocked against membership in the board of directors of the following Investments is 101,500 shares:

Company	No. Shares
International Company - vegetarian oil	20,000
Delta Insurance Co.	500
Bank El Mal	25,000
Amwaj Real Estate Company	50,000
Pearl Sanitary Paper Co.	5,000
Al Rai	1,000
Total	101,500

13) Due to banks

This item represents the credit facilities granted to the Company from local banks in Jordanian Dinar and US Dollar, bearing interest rates of 8.375% and 7.0% respectively per annum. The outstanding balance of due to banks as of December 31, 2020 was JOD Zero (JOD 898,122 as of December 31, 2019). These facilities are granted against personal guarantees from shareholders.

14) Loans

This item represents the loans granted to the Company from local banks against personal guarantees from shareholders. Details of these loans are as follows:

	2020		2019	
Bank	**Short-term**	**Long-term**	**Short-term**	**Long-term**
Arab Bank (1)	1,529,615	8,383,219	3,011,127	7,373,600
Arab Bank (2)	1,417,615	-	695,678	-
Arab Bank (3)	594,142	-	829,530	-
Total	3,541,372	8,383,219	4,536,335	7,373,600

Arab Bank (1):

During 2013, The Company has signed a loan agreement with Arab Bank amounting to USD 28,000,000. The loan bears an interest rate similar to interest rate applicable on the LIBOR – 3 months plus a margin of 2.5% with a minimum interest rate of 4% per annum. The purpose of this loan is to settle the overdrafts ceilings granted to the Company in different currencies in the amount of USD 17,200,000, the declining loan in the amount of USD 6,300,000 and the temporary excess in amounts withdrawn from banks overdrafts.

The loan principal is repayable over 24 equal quarterly installments of USD 1,200,000 (except the last installment in the amount of USD 400,000) starting from March 30, 2014.

During 2015, an amount of USD 18,400,000 was paid into the loan by partners (Elia Nuqul and sons Co.).

On March 9, 2016, the Company has signed an addendum to increase the loan balance by USD 14,400,000 to replace the facilities granted by Etihad Bank, Bank of Jordan, Housing Bank and Kuwaiti Bank.

The total amount of the loan after increase is repayable over 28 equal quarterly installments of USD 850,000 (except the last installment in the amount of USD 1,050,000) starting one year after signing the addendum.

According to the aforementioned addendum, interest rate has been adjusted to LIBOR 3 – months plus a margin of 2.75% with a minimum interest rate of 3.5%.

The bank has the right to adjust the interest margin providing that a notice is issued to the Company before 30 from the date of adjustment.

Interest is calculated based on the loan daily outstanding balance and paid every three months.

On June 16, 2020, the loan outstanding balance of USD 13,824,004 was rescheduled as follows:

- USD 1,200,00 to be paid on May 30, 2021.
- USD 800,000 to be paid over four quarterly equal installments starting from March 30, 2021.
- USD 5,400,000 to be paid overt eighteen quarterly equal installments starting from March 30, 2021.
- USD 6,424,004 to be paid in full on September 30, 2026

According to the aforementioned addendum, interest rate has been adjusted to LIBOR 3 – months plus a margin of 3.5% with a minimum interest rate of 4.5%. Interest is calculated based on the loan daily outstanding balance and paid every three months.

The aggregate amounts (in JOD) and maturities of the loans are as follows:

Year	Amount
2022	850,800
2023	850,800
2024	850,800
2025	850,800
2026	4,980,019
Total	8,383,219

Arab Bank (2):

During 2006, Quality Printing Press Company (subsidiary) has signed a revolving loan agreement with Arab Bank amounting to USD 2,000,000 to finance letters of credit. The loan bears an interest rate similar to interest rate the LIBOR plus a margin of 2% with a minimum interest rate of 3.25% per annum. The loan is repayable after six months from the date of withdrawal.

Arab Bank (3)

During 2019, Quality Printing Press Company (subsidiary) has signed a declining loan agreement with Arab Bank amounting to USD 2,000,000. The loan bears an interest rate similar to interest rate applicable on the LIBOR plus a margin of 2.75% payable on a monthly basis. The loan is repayable over 12 months at an equal monthly installment of USD 166,000 for the first 11 installments and USD 174,000 for the last installment. The first installment is payable on August 30, 2019.

The above loans are granted against personal guarantees from shareholders

15) Other credit balances

	As of December 31,	
Jordanian Dinar	**2020**	**2019**
Due to related parties (note 22)	2,439,051	1,562,726
Accrued expenses	103,814	138,486
Sales tax	10,456	117,286
Sales commissions	18,369	15,617
Unearned revenue	2,307	9,003
Social security	79	8,761
Other deposits	24,665	16,736
Income tax	2,612	593
Total	2,601,353	1,869,208

16) Capital

Upon the approval of the Board of Security and Exchange Commission (No. 204/2012) dated May 22, 2012, the authorized paid up capital increased from JOD 500,000 (1 JOD /share) to JOD 14,500,000 (1 JOD /share) through offering the incremental shares for subscription by the Company's existing shareholders. Use of these shares are restricted for two years from the date of subscription.

17) Statutory reserve

This item represents total amounts deducted from annual pre-tax net profit (10%) for the account of the statutory reserve according to the Companies Law of Jordan. Amounts accumulated in this account are not subject to distribution to the shareholders. The company`s general assembly has the right to decide in an extra ordinary meeting, to amortize accumulated losses through this reserve.

18) Sales

	For the year ended December 31,	
Jordanian Dinar	**2020**	**2019**
Local sales - net	3,817,134	6,726,201
Total	3,817,134	6,726,201

19) Cost of sales

Jordanian Dinar	For the year ended December 31, 2020	2019
Raw material used in production	2,009,086	3,373,715
Cost of finished goods	313,177	694,734
Add: Manufacturing overheads:		
Employees’ salaries, wages and benefits	168,000	312,777
Social security contributions	15,651	32,671
Labor transportation	18,104	24,260
Depreciation	36,178	52,767
Maintenance	13,417	32,092
Utilities	21,037	36,622
Temporary labor	4,038	5,051
Insurance	6,307	7,794
Medical insurance and treatments	17,843	19,767
Consumables	5,615	4,954
Miscellaneous	4,813	17,745
Uniforms	1,309	598
Total manufacturing overheads	312,312	547,098
Add: Work in progress – beginning balance	62,333	104,905
Less: Work in progress – ending balance	(24,042)	(62,333)
Cost of manufactured and ready goods	2,672,866	4,658,119
Add: Finished goods – beginning balance	1,954,939	3,030,250
Less: Finished goods – ending balance	(1,634,401)	(1,954,939)
Cost of Sales	2,993,404	5,733,430

20) General, administrative and marketing expenses

	For the year ended December 31,	
Jordanian Dinar	**2020**	**2019**
Employees' salaries, wages, and benefits	330,923	400,149
Governmental fees and expenses	50,872	71,776
Professional expenses	58,712	112,283
Depreciation	10,038	14,115
Social security contributions	26,638	52,774
General maintenance	10,633	10,863
Miscellaneous	11,906	16,550
Communication	2,905	4,465
Travel and transportation	7,852	10,359
Cleaning and entertainment	8,982	5,755
Stationery and computer expenses	2,039	3,822
Security and guarding	20,817	27,775
Medical insurance and treatments	16,679	17,833
Vehicles expenses	38,259	76,844
Tenders expenses	9,018	20,952
Insurance	10,106	12,098
Sales commission	14,023	28,700
Advertisement and exhibitions	13,483	61,034
Samples and gifts	5,313	4,064
Rent – Aqaba office	3,557	2,289
Uniforms	1,260	260
Website design	3,066	4,420
Shipping and export expenses	-	4,702
Temporary labor	-	2,615
Total	657,081	966,497

21) Other income

	For the year ended December 31,	
Jordanian Dinar	**2020**	**2019**
Dividends received	226,553	1,218,356
Sale of spare parts and defect items	10,270	32,208
Rental revenue	36,676	26,789
Other gains (losses)	187	8,014
Total	273,686	1,285,367

22) Related parties' transactions:

Parties are considered related parties when one party has control or significant influence over the other party. Following is a summary of related party transactions and balance

- Salaries and other benefits for key management personnel of the Company (General Manager and Financial Manager) for the year ended December 31, 2020 amounted to JOD 100,520 (JOD 80,509 for the year ended December 31, 2019).
- Quality Printing Press Company (subsidiary) has granted facilities to the following related parties:

Related Party	Amount	Interest Rate	Year End Balance
Al Ahfad	200,000	7.5%	205,423
Elia Nuqul Sons Co	142,000	7.5%	-
Nuqul Automotive Co	142,000	7.5%	-

- On March 12, 2019. an amount of JD 286,006 of the accumulated losses of Quality Printing Press Company (subsidiary) was amortized as follows:
  - An amount of JD 182,918 from the Partner's current account (Elia Nuqul & Sons Company). This amount covers the shares of both Elia Nuqul & Sons Company (minority interest) and Investments & Integrated Industries Company in the accumulated losses of Quality Printing Press Company (subsidiary), therefore, the share of the Compan in the subsidiary's amortized losses was accounted for consolidated statement of income.
  - An amount of JD 103,090 from the statutory reserve of Quality Printing Press Company (subsidiary).

- On December 1, 2019 the Company sold JOD 4,735,000 shares of its investment in Bank El Mal (financial assets at fair value through other comprehensive income) to Elia Nuqul & Sons Company (partner) in the amount of JOD 4,498,250 (JOD 0.95 per share). This realized income from this transaction in the amount of JOD 2,756,143 was recordrd in the consolidated statement of other comprehensive income. The market value per shares as of the transaction date was JOD 4,782,350 (JOD 1.01 per share) which is higher than the actual sale price by JOD 284,100 (JOD 0.06 per share).

- The following transactions have been conducted with related parties during 2020:
  - Sales to sister companies in the amount of JOD 116,576.
  - Purchases from sister companies in the amount of JOD 16,958.
  - Rental of offices and warehouses in the amount of JOD 19,043.

a. Due from related parties:

	Nature of relationship	As of December 31,	
		2020	**2019**
Jordanian Dinar			
Saueressig Jordan	Sister	39,663	59,663
Nuqul Engineering and Contracting	Sister	801	659
Nuqul Automotive	Sister	610	300
Al ahfad	Sister	205,423	-
Al Sanouber Hygienic paper	Sister	-	1,748
Total		246,497	62,370

b. Due to related parties:

	Nature of relationship	As of December 31,	
		2020	**2019**
Jordanian Dinar			
Elia Nuqul & Sons	Owner	2,259,008	1,384,967
Al Naseem Trading	Sister	109,751	119,242
Fine Hygienic Paper-HO	Sister	36,823	30,460
Packing Industries	Associate	1,164	1,476
Masader Investments	Sister	1,418	2,098
Fine Hygienic Paper-Sahab	Sister	29,156	23,922
Fine Hygienic Paper-Dubai	Sister	561	561
Al Sanouber Hygienic Paper	Sister	1,170	-
Total		2,439,051	1,562,726

The above balances are not subject to interest.

23) Income and sales tax

We set out here below the Group’s income and sales tax status as of December 31, 2020:

Investments & Integrated Industries Company:

Income tax:

- Income tax up to December 31, 2018 is finalized and settled.
- Tax returns until the year 2019 are submitted
- No definite amounts due to Tax Department.
- Tax return for the year 2020 will be submitted within the legal deadline.

Sales tax:

- Sales tax returns up to December 31, 2016 are audited by the Tax Department.
- Sales tax returns up to December 31, 2020 are reviewed by the Company’s Tax Advisor.
- No definite amounts are due to Tax Department.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Quality Printing Press Company:

Income tax - Amman:

- Income tax up to December 31, 2016 is finalized and settled.
- Income taxes For the years 2017-2019 are not audited.
- Tax return for the year 2020 will be submitted within the legal deadline.
- No definite amounts are due to Tax Department.

Income tax - Aqaba:

- Income tax for the year ended Dccember 31,2019 is finalized and settled.
- Income tax for the years 2015-2017 is in the dispute stage.
- Tax return for the year 2020 will be submitted within the legal deadline.
- No definite amounts are due to Tax Department.

Sales tax - Amman:

- Sales tax returns up to December 31, 2016 are audited by the Tax Department.
- Sales tax returns up to December 31, 2020 are reviewed by the Company's Tax Advisor.
- No definite amounts are due to Tax Department.

Fa Kaf Company:

Income tax:

- Income tax up to December 31, 2018 is finalized and settled.
- No definite amounts are due to Tax Department.
- Tax return for the year 2020 will be submitted within the legal deadline.

Sales tax:

- Starting from June 30, 2015, the Company's sales tax registration has been canceled, therefore, a final adjusted sales tax return has been submitted and the outstanding amount settled.

Oran Company:

Income tax:

- Income tax up to December 31, 2019 is finalized and settled.
- Tax return for the year 2020 will be submitted within the legal deadline.
- No definite amounts are due to Tax Department.

24) Basic and diluted (loss) profit per share

Jordanian Dinar	As of December 31, 2020	2019
(Loss) Profit for the year	(234,991)	220,752
Weighted average number of shares	14,500,000	14,500,000
Basic and diluted (loss) profit per share for the year	(1.6%)	1.5%

25) Subsidiaries

The Company owns the following subsidiaries as of December 31, 2019 and 2020:

Company Name	Paid up Capital 2020	Paid up Capital 2019	Ownership % 2020	Ownership % 2019	Nature of Operation
Fa Kaf Consulting Company	3,000,000	3,000,000	%98,2	%98.20	Management, industrial and trading consulting, and RE rental
Quality Printing Press	3,160,000	3,160,000	%82,59	%82.59	Stationery and library accessories
Oran for Investments	10,000	10,000	%100	%100	Investment

26) Operating Segment

The Company operates its activities in major operating segments, which represents investment, consulting, real estate leasing, and Printing. The following table presents information on the operating segments for the year ended December 31, 2020:

Jordanian Dinar	Investment	Fa Kaf Consulting	Printing	Elimination	Total
Revenues	-	-	3,817,134	-	3,817,134
Net financing expenses	(495,605)	(20)	(104,648)	-	(600,273)
Loss for the year	(341,161)	6,558	120,950	-	(213,653)
Company's share in associate (Loss)	(53,715)	-	-	-	(53,715)
Segment total assets	17,020,512	3,311,283	6,514,184	(8,885,789)	17,960,190
Segment total liabilities	15,936,105	35,922	4,974,624	(5,986,135)	14,960,516
Investment in associate	620,610	-	-	-	620,610

27) Financial risk management

Overview

The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk
- Capital management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The management has overall responsibility for the establishment and oversight of Company's risk management framework.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Board of Directors oversees how management monitors compliance with the Company’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's trade receivables, due from related parties, and other debt balances, cash and cash equivalent and investments in debt securities.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Account	**Carrying value as at**	
Jordanian Dinar	**2020**	**2019**
Cash and cash equivalents	221,239	19,143
Accounts receivable and other debit balances	1,829,420	2,199,718
Checks under collection	198,254	528,007
Due from related parties	246,497	62,370
	2,495,410	2,809,238

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations when they become due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The following are the contracted maturities of financial liabilities (quantitative analysis of liquidity risk as of December 31, 2020):

Account	Book value	Contractual cash flow	Less than one year	More than one year
Jordanian Dinar				
Accounts payables and other credit balances	596,874	596,874	596,874	-
Due to related parties	2,439,051	2,439,051	2,439,051	-
Bank loans	11,924,591	11,812,976	3,541,372	8,383,219
Total	14,960,516	14,848,901	6,577,297	8,383,219

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company's profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The following is a quantitative analysis of market risk as of December 31, 2020 (amounts are translated to Jordanian Dinar at the exchange rates prevailing on December 31, 2020):

Account	JOD	USD	Total
Cash and cash equivalent	221,239	-	221,239
Accounts receivable and other debit balances	1,829,420	-	1,829,420
Due to related parties – net	(2,192,554)	-	(2,192,554)
Financial assets at fair value through other comprehensive income	10,446,399	-	10,446,399
Accounts payable and other credit balances	(596,874)	-	(596,874)
Bank loans	-	(11,924,591)	(11,924,591)
Total	9,707,630	(11,924,591)	(2,216,961)

Currency Risk

The Company's exposure to foreign currency risk is resulted from sales, purchasing and financing in USD (exchange rate of USD to JOD is 0.71 as of December 31, 2019). Currency risk has not been hedged by the Company. The following analysis demonstrate the sensitivity of the consolidated statement of income to change in JOD exchange rate against USD by 10%, with all other variables constant:

Jordanian Dinar	**2020**	**2019**
Increase in JOD exchange rate against USD by 10%	1,192,459	(1,190,994)
Decrease in JOD exchange rate against USD by 10%	1,192,459	(1,190,994)

Interest rate risk

Interest rate risk represents the risk of changes in interest rates in the market. In this regard loans and other bank facilities bear fixed and variable interest rates.

Capital management

The Company's policy is to maintain a strong capital base to maintain investor, creditor, and market confidence and to sustain future development of the business. The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There have been no changes in the Company's approach to capital management during the year.

Items included in the capital structure consisted of paid up capital, statutory reserve, accumulated losses and fair value reserve in the amount of 2,671,667 JOD as of December 31,2020 (2,677,932 as of December 31,2019).

28) Contingent liabilities

This item consists of Bank guarantees in the amount of JOD 496,842.

29) Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Company financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach. The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: - what is meant by a right to defer settlement, - the right to defer must exist at the end of the reporting period, - that classification is unaffected by the likelihood, - that an entity will exercise its deferral right, - and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the Company.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.
The Company will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The amendments are not expected to have a material impact on the Company.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for de recognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Company will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Company.

IBOR reform Phase 2

IBOR reform Phase 2, (Inter-Bank Offered Rate) which will be effective on 1 January 2021, includes a number of reliefs and additional disclosures. The reliefs apply upon the transition of a financial instrument from an IBOR to a risk-free-rate (RFR).

Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that, for the financial instrument, the transition from the IBOR benchmark rate to RFR takes place on an economically equivalent basis.

IBOR reform Phase 2 provides temporary reliefs that allow the Company hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Company to amend hedge designations and hedge documentation.

This includes redefining the hedged risk to reference an RFR, redefining the description of the hedging instrument and / or the hedged item to reference the RFR and amending the method for assessing hedge effectiveness. Updates to the hedging documentation must be made by the end of the reporting period in which a replacement takes place. For the retrospective assessment of hedge effectiveness, the Company may elect on a hedge by hedge basis to reset the cumulative fair value change to zero.

The Company may designate an interest rate as a non-contractually specified, hedged risk component of changes in the fair value or cash flows of a hedged item, provided the interest rate risk component is separately identifiable, e.g., it is an established benchmark that is widely used in the market to price loans and derivatives. For new RFRs that are not yet an established benchmark, relief is provided from this requirement provided the Company reasonably expects the RFR to become separately identifiable within 24 months.

For hedges of groups of items, the Company is required to transfer to subgroups those instruments that reference RFRs. Any hedging relationships that prior to application of IBOR reform Phase 2, have been discontinued solely due to IBOR reform and meet the qualifying criteria for hedge accounting when IBOR reform Phase 2 is applied, must be reinstated upon initial application.

30) Impacts of (COVID 19)

The outbreak of Novel Coronavirus (COVID 19) continues to progress and evolve. Therefore, it is challenging now, to predict the full extent and duration of its business and economic impact. The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus mainly caused by continuous new strains development and the extent and effectiveness of containment actions taken. In the opinion of management, other than above, no other events have occurred after the reporting date and before the issuance of these financial statements which requires adjustment to, or disclosure, in these financial statements.