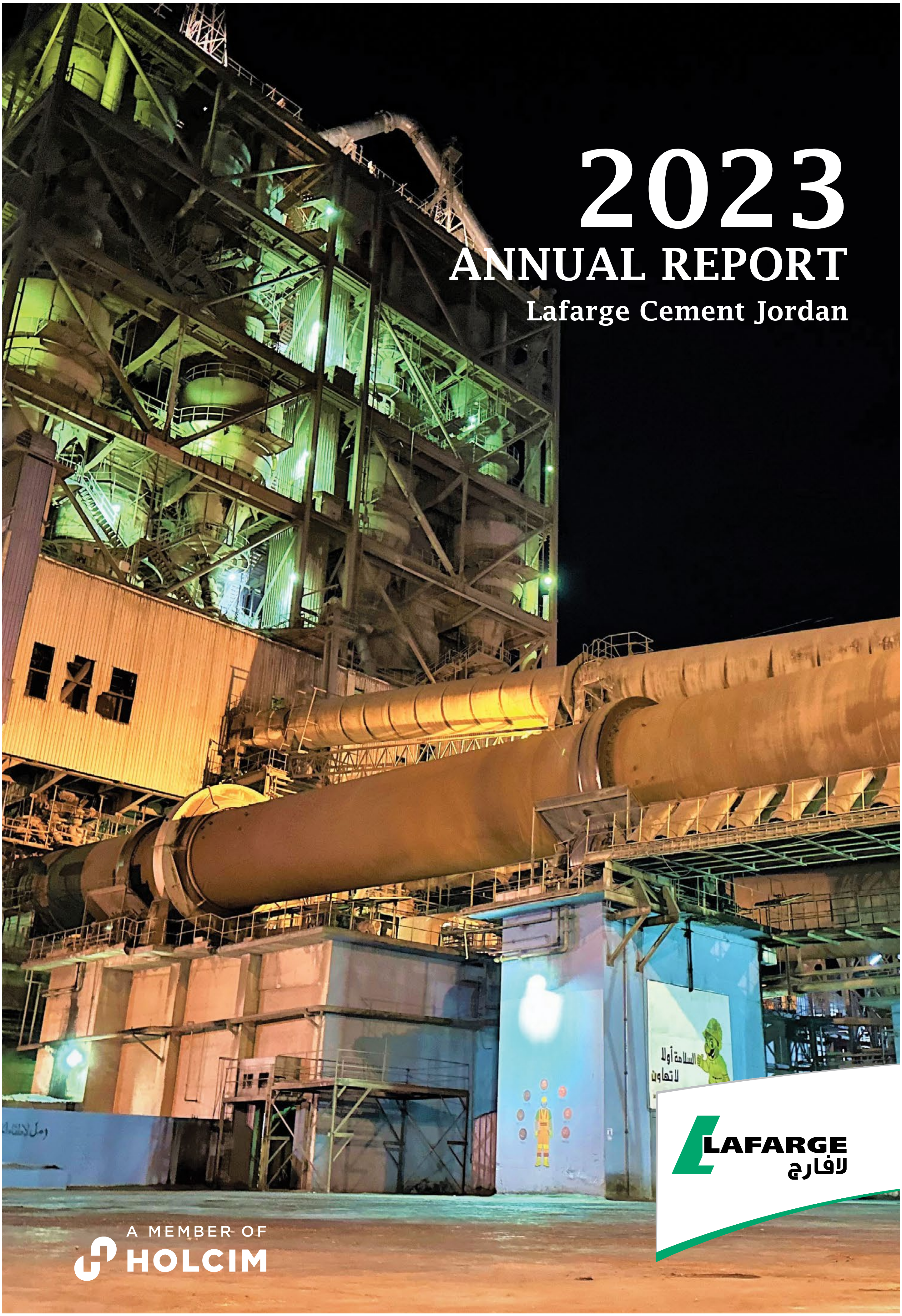
2023
ANNUAL REPORT
Lafarge Cement Jordan



LAFARGE
لافارج

A MEMBER OF
HOLCIM

Content

Company Brief

Lafarge Cement Jordan is one of the largest and oldest industrial companies in Jordan, founded in 1951 as a public shareholding company.

The company has two plants, one in Fuhais and one in Rashadeya.
Production capacity is (2) million tons.

In 1998, Lafarge Group entered the Jordanian market by acquiring shares in Jordan Cement Factories Company. The Group currently owns 50.3%.

Vision

To be the leader and provider of preferred building solutions in Jordan based on our values towards our customers and partners.

Mission

To be the preferred provider of building solutions in Jordan based on our excellence in serving our customers, based on our health and safety culture, committed to our sustainable leadership in the environment and to be the most attractive place for employees by developing a dynamic work environment that maximizes the return for all our partners.

Values

Customers

Customer centric
Easy to deal with
Keep promises
Provide solutions

Results

Timely Decision Making
Out of the Box Solutions
Optimization
Respecting Deadlines
Accuracy
Business Acumen

Integrity

Transparency
Confidentiality
Openness & Honesty
Fairness
Compliance
Diligence

Sustainability

Consistency
Creativity & Innovation
Preserve Environment for Future Generations

People

Health & Safety behavior
Engagement
Empowerment & Delegation
Lead by Example
Professionalism & Excellence
Uncompromising
Loyalty
Team Work
Trust
Considerate
Confidentiality
Ownership
Dedication
Proactive Communication
Courage
Constructive feedback
Diversity & Inclusion
People Development
Objectivity
Flexibility & Speed
Diligence
Performance Culture
Business Partnering
Openness & Transparency
Responsibility & Accountability
Care
Discipline & Commitment
Positive Attitude
Persistence & Perseverance

HIS MAJESTY KING ABDULLAH II BIN AL HUSSEIN

HIS ROYAL HIGHNESS CROWN PRINCE HUSSEIN BIN ABDULLAH II

Chairman of the Board of Directors Speech

Ladies and Gentlemen, Shareholders of Lafarge Cement Jordan / Member of Holcim Group

After nearly four years of perseverance, we can tell you that the company has overcome the difficult obstacles that affected the restructuring and organization journey, and that the insolvency experience it went through has paid off.This year the company presents to you its report on its activities and decisions for the year 2023 on time. This development opens the door for the company's shares to return to trading on the stock exchange market as a company that meets the full conditions required for this.

The company has been able to overcome tens of cases filed against it from various parties (whether creditors or suppliers), interact with the company's employees and workers, and start paying its Insolvency dues, which reassured the authority supervising the implementation of insolvency and the judicial body that monitors the company's decisions and ensures their compliance with the relevant laws in force, including major creditors. The company has proven its ability to control expenditures, improve production and reduce cost that has enabled us to reach an appropriate settlement with creditors and make debt repayment arrangements through the company owned plots of land, evaluated and determined by a three-members committee of appraisers known for their competence and integrity. The agreement was signed, the lands were determined, and the municipality of Fuheis cooperated with us in submitting the required documents for the evaluation purposes.

The company has also taken measures to reduce production costs to enhance the company's competitiveness with other companies, as well as by using less expensive energy sources to become more competitive. Relations between the company and the employees management and production lines' workers were strengthened, which raised production efficiency, and the company achieved operating profits.

The company's management implemented the agreements it had reached with the General Union of Mines, Mining and Cement Workers , and to reach settlements with non-major creditors. The company is working hard to pay off all its remaining debts as soon as possible.

In light of these efforts, the company has been able to improve its image and financial position, and set its feet on the beginning of a new future that gives fairness to the shareholders who maintained to the company's shares despite the company difficulties. We were able to strengthen the company's capital, driving up share prices by 130% versus three years ago. We promise you that shareholders' equity is moving towards regaining its glory, and achieving distributable profits and capital gains to raise the value of the company's share to a level above its value.

These achievements have been achieved in light of the decline in construction market, and despite the serious events taking place in our region, these positive developments would not have been possible without the understanding between the members of the Board of Directors, and the efforts of the executive senior management to improve performance and reduce costs.

Thanks should be extended to the official authorities that cooperated with us, especially the Ministry of Industry, Trade and Supply, appreciating the fair judiciary, the efficiency of the insolvency supervisor, the CEO and the directors of the various departments.

May God Bless our Homeland under the leadership of his Majesty, the Hashemite Custodian, King Abdullah II and his Royal Highness the Beloved Crown Prince AlHussein Bin Abdullah II

Chairman of the Board
Dr. Jawad Al Anani

CEO Speech

Dear Honorable Shareholders of Lafarge Cement Jordan,

The company's consolidated business results (cement and ready-mix concrete) showed a net profit of 1.5 million dinars in 2023 compared to a net loss of (1.6) million dinars in 2022. This remarkable achievement highlights the success of the company's strategy during the previous years to achieve its goals in a competitive market contributing to the sustainability of the business while benefiting its shareholders, employees, and the local communities. The company's investment in ready-mix concrete contributed to the company's consolidated results while the Cement company's business results recorded a net loss of (1.5) million dinars, compared to a net loss of (1) million dinars in 2022. These results were driven by the decline of the cement market during 2023 by 8% compared to 2022 in which a decrease of 4.5% was recorded compared to 2021. Despite the slight improvement in the market share and cement prices and the decrease in variable costs, the impact was clear through the decrease in the total gross profit in 2023, as the company achieved a total gross profit of 3.7 million dinars, compared to 4.4 million dinars in 2022.

Despite the allocation made for the restructuring provision of human resources to reach the targeted organizational structure, decrease in the provision for lawsuits and health insurance, the non-recurring items had a positive impact on the company's net results in 2023.

It is expected that the actions taken by the company to reduce the number of employees and beneficiaries of post-retirement health insurance along with efficient improvement of operational activities, reduction of variable and fixed costs will have a positive impact on the company's results in the coming year.

In addition, the completion of insolvency debts that have begun to be implemented according to the requirements of the reorganization plan and the completion of transferring part of Fuhais lands to major creditors will contribute to the stability of the company's future in preparation for closing the insolvency file.

The availability of liquidity in the company remains the biggest challenge in the next stage as cash will contribute to meeting the company's administrative, operational, sales and marketing requirements as well as and developing and rehabilitating the company's factory in Al Rashadiyah to be able to meet the requirements of the next stage. This will provide the requirements to deliver diversified portfolio of product development and green building solutions while meeting the needs of valued customers.

The following are the most important factors that will contribute to achieving progress in the company's journey during the coming year:

First: health and safety

The company will continue to promote the culture of health and safety in all its sites to maintain the health and safety of its employees and those dealing with it. Therefore, the company has developed future plans for this, contributing to the sustainability of its operation within the highest standards of health and safety.

Second: Environment and sustainable development

Preserve the environment and sustainable development is considered one of the company priorities. The company efforts will be directed to reduce carbon dioxide emissions and make optimal use of raw materials and water in the production process. In addition, it will seek to maximize the use of renewable energy sources and invest in providing green building solutions as well as recycle construction demolishing materials and use alternative fuels.

Third: Commercial transformation

The company will work to provide sustainable building solutions and provide the best services focusing on excellence in the use of technology to facilitate delivery of products in an effort to reach excellence in a market where supply exceeds demand. This will contribute to strengthening the company's competitive position.

Fourth: Reorganization Plan

The company will continue to implement all the requirements of the reorganization plan which began with the approval of the plan to ensure the implementation of all its outcomes

Fifth: Developing Human Resources

Developing human resources is essential to ensure an effective work environment. To achieve this goal, high performance culture in all departments to be ensured in managing various aspects of work. Building on employees' experience, development plans, gradual job replacement, succession planning, performance and accountability and responsibility.

Sixth: liquidity

The company will continue to secure the company's liquidity requirements so that it can achieve its set goals and implement the requirements of the reorganization plan. As a result, debts are paid through the optimal use of resources and sale of non-productive assets.

Seventh: Costs Reduction

The company will continue to control and reduce fixed and variable costs to be able to achieve the required profitability through the optimal use of the company's various resources.

Dear ladies and gentlemen

During 2023, the company was able to move forward in achieving another step towards meeting the aspirations of the esteemed shareholders for the success of the company after the state of insolvency in previous years. This allowed us to overcome the insolvency phase aiming to regain the company's rank among the successful industrial companies. This will be ensured with the support of shareholders and their adoption of the company's management strategies.

Future priorities:

A. Enhancing cash liquidity to meet current and future requirements in all administrative and operational aspects and implementing the requirements of the reorganization plan.

B. Completing the requirements for implementing the reorganization plan in terms of paying off debts, reducing the number of employees and beneficiaries of health insurance after retirement.

C. Developing human resources in order to achieve a work environment that supports high performance culture to motivate and attract newcomers & retain current employees.

D. Support experienced and competent cadre with newcomers to initiate gradual job replacement & succession planning.

E. continues cost control and cost reduction measures

F. Invest in alternative fuels to meet sustainability requirements and reduce operational costs which improve company's competitive position.

G. Open new markets to improve revenues and increase sales volume.

H. Diversity of products and construction solutions to meet customer's requirements.

I. Digital transformation in fields that allow such transformation especially those related to interacting with the market, customers, and management of operations. The company has actually begun implementing new financial system, which would contribute to the existence of a database that paves the way to building other digital systems.

Last but not least, I would like to thank you for your continuous support, wishing God Almighty to grant us all success in sustaining and advancing this institution.
May God protect our homeland under the presence of His Majesty King Abdullah II, May God Protect Him

Wishing success and prosperity to this company along with continued support from our valued shareholders.

Chief Executive Officer
Samaan Kamel Samaan

Members of Board of Directors


Jawad Anani


Grant Earnshaw


Samaan Samaan


Omar Bdair


Ali Said


Hussein Al-Saoub


Duraid Mahasneh


Suleiman Shawabkeh


Youssef Al-Abdallat


Reem Abu Ghabash

Jawad Anani

- Chairman of the Board of Directors and Holcim representative as of 30/4/2019.
- Member of the Board as of 29/3/2018 until 30/4/2019.
- Appointed as State Minister for Prime Ministry Affairs, Minister of Communications and Information Technology, Deputy Prime Minister for Social Development Affairs, Foreign Minister, Deputy Prime Minister for Economic Affairs, State Minister for Investment Affairs, Minister of Labor, Minister of Industry, Trade and Supply and Minister of Tourism.
- Held high positions in the Government as General Manager of Social Security Corporation, President of the Royal Scientific Society.
- Started his career path working as a Head of Economic Research at the Central Bank of Jordan. He was also Chief of the Royal Hashemite Court, member of the Senate for more than one period. Appointed as Chairman of Jordan Economic and Social Council.
- He was a lecturer in a number of Jordanian, Arab and American Universities, and has more than seventy scientific researches and number of books and chaired the boards of many public institutions.

Grant Earnshow

- Deputy Chairman of the Board and Holcim representative as of 30/4/2019.
- Chairman of the Board of Directors and Holcim representative as of 23/1/2017 until 30/4/2019.
- Holder of Postgraduate Diploma in Business Administration and Building & Civil Engineering degree from UK.
- Appointed as Area Manager Middle East and North Africa in 2016.
- Appointed as Senior VP & Head of Integration for LafargeHolcim from 2014 until 2016.
- Chief Executive Officer - Lafarge Iraq from 2012 to 2014.
- Joined Lafarge Group in 1999 and held several senior positions.

Samaan Samaan

- Member of the Board as of 13/7/2017.
- Member/representative of Arab Concrete Supply Company until 4/7/2017.
- Appointed as Lafarge Cement Jordan and Country CEO as of 13/12/2018.
- General Manager for Lafarge Concrete Jordan until 5/1/2019.
- Country Finance, Control and IT VP until 1/9/2014.
- Joined Lafarge in 2005 and held several positions in Jordan.
- Holder of BA Degree in Accounting from University of Jordan.
- Certified Public Accountant (CPA) from USA.
- Member of Jordanian Association of Certified Accountants (JACPA).
- Chairman of the Board of Directors of the Arab Company for concrete supplies as of 5/1/2019.
- Chairman of the Board of Directors of the Arab Company for specialized transportation as of 5/1/2019.

Omar Bdair

- Member of the Board and representative of the private sector as of 8/2/2006.
- Holder of MA degree in Civil Engineering from USA.
- Worked as Chairman of Arabian Technical Construction Co. and Jordan Cement Company.
- Member of the Board of Directors at a number of Jordanian companies and organizations.

Ali Said

- Currently working as General Manager - RM Gulf UAE.
- Member of the Board and Holcim representative as of 18/04/2019.
- General Manager of Lafarge Concrete Jordan as of 05/01/2019 till 31/5/2023.
- Joined Lafarge North America in 2000, then he was appointed as General Manager of Lafarge Iraq in 2015 .
- Holder of BA Degree in Commerce (B. Com.) from Mcgill University, and a Masters Degree in Business Administration from the University of Montreal – Canada.
- Certified (CPA) & (CMA).

Hussein Al-Saoub

- Member of the Board of Directors since 30/10/2019 till 6/9/2023.
- Holds a PhD. in Transport Technology from the Arab Academy for Science, Technology and Maritime Transport - Egypt.
- Holds a Master Degree in Multimodal Transport Management, World Maritime University, Sweden.
- Higher Diploma in Maritime Port Management from Transport Academy, Netherlands.
- Minister of Transport from 2016 to 2017.
- Chairman of the Board of Directors of Arab Bridge Maritime Company between 2018 to 2019.
- General Manager of the Jordanian Company for Maritime Agencies between 2000 to 2004.
- General Manager of Arab Bridge Maritime Company between 2010 to 2016.
- Deputy General Manager of Arab Bridge Maritime Company between 2004-2010.
- Acting General Manager / Deputy General Manager of Jordan National Airlines between 1987 to 2000.
- Member of the Multimodal Transport Union in Geneva.
- Member of the Legal Association of Transport in UK.
- Member of the Jordanian Academy for Maritime Studies.
- Member of the International Affairs Association.
- Winner of the International Socrates Award, the award for the best Manager of a marine company in the Arab world, the platinum technology award for quality, the best brand name and other personal awards.
- Chairman of the Board of Directors of Yarmouk water.

Duraid Mahasneh

- Member of the Board of Directors as of 30/10/2019.
- PhD. in Hydrology and Marine Sciences.
- Assistant Professor at Yarmouk University: 1980-1984.
- Director General of the Marine Science Station in Aqaba: 1983-1984.
- Secretary General of Aqaba Region Authority: 1984-1991.
- Director General of Aqaba Ports Corporation: 1991-1996.
- Secretary general of the Jordan Valley Authority: 1996-1999.
- Consultant in Private Sector 2000-2005.
- CEO of Tawfiq Gargour Shipping Co.: 2005.
- GM of Tawfiq Gargour Company: 2010.
- Chirman of the Board of Directors of EDAMA Association for Energy, Water & Environment as of 2017.
- Chairman of the Board of Directors of Jordan Shipping Association as of 2019.
- Board Member of the following: National Insurance Company, National Maritime Authority.

Suleiman Shawabkeh

- Board Member / representative of Rama Investments Co. as since 17/02/2021 till 30/9/2023.
- Holding B.S.C in Civil Engineering
- Director of many directorates in Social Security Corporation
- Director in Projects Department in National Co. for Tourism Development (owned totally by Social Security Corp.)
- Director of supplies and procurements
- Director of buildings and projects
- Director of studies and tender s in Social Security Corporation.
- Board member in King Hussein Business Park (previously)
- Board member in Jordan Petroleum Refinery Company (previously)

Youssef Al-Abdallat

- Professor of Industrial Engineering.
- Board member – representative of Social Security Corporation as since 13/01/2021.
- Holding PhD in Engineering in 2002 from Kyoto University, Japan.
- Director of The National Program for Linking Industry to the Academy "Faculty for Factory" (FFF Program), and Vice Chair of the Jordan Enterprise Development Corporation JEDCO.
- Prof. and administrative consultant in research, development and innovation.
- Dean of students affairs – (German Jordanian University) and Section Head of Industrial Engineering – Jordan University.
- Former Manager in King Abdullah II Fund For Development KAFD for the purposes of professional guidance, and former director of communication unit with industry in University of Jordan.
- Member of economic studies and polices at Jordan Industry Chamber
- Member of Board of Trustees in Jordan University of Science and Technology.
- Member in the supreme directive commission for industrial development at Ministry of Industry and Trade
- Member in Jordan Engineers Association
- Member in national commissions to face Covid-19 in the field of supporting scientific research, development and manufacturing.
- Member of trustees board in Al Hussein Technical University
- Member in the Standing Advisory Committee before the European Patent Office (SACEPO)

Reem Abu Ghabash

- Member of the Board of Directors / representative of Rama Investment Company, as of 1/10/2023
- Holds a Bachelor's degree in Law from the University of Jordan
- Holds certificates and courses in:
  - Computer course (windows, Excel)
  - A course in preparing administrative leaders (leadership skills)
  - A course in information systems and project management
  - A course in performance evaluation (institutional performance evaluation)
  - A course in banking operations
  - A course in public relations (media skills)
  - Course in insurance (collection procedures guide)
  - Course in insurance (social security law)
  - A course in emotional intelligence
  - Professional certificate (EFQM Certified Assessor)

- Held several positions in Social Security Corporation:
  - Legal Department
  - Head of the Regulatory Issues, Checks and Bills of Exchange Department
  - Director of the Regular Cases, Checks, Cases and Collections Department
  - Director of the Administrative Custody Directorate, Case Management and Collection
  - Director of the Collection Directorate, Amman Central Branch
  - Director of the North Amman Branch Collection Directorate
  - Directorate of Administrative Custody, case management and collection
  - Director of the Department of Insured Rights Settlement Committees
  - Chairman of the Social Activities Committee
- Currently Director of the Digital Security Branch

Organizational Chart of the Company's Higher Management

- **Country Chief Executive Officer** – Samaan Samaan
  - Cement Human Resources Manager – Wasfi Qteishat
  - Rasheedeya Plant Manager from 8/1/2023 – Ayman Al-Lymoun
  - Country Chief Financial Officer – Vacant
  - GM Readymix Jordan till 31/5/2023 – Ali Said
  - Supply Chain Manager – Waseem Al-Daoud
  - National & Export Sales Manager – Tariq Harb
  - Country Head of Legal & Compliance from 24/9/2023 – Wael Laswi
  - Acting General Manager of Lafarge Concrete Jordan from 1/6/2023 – Raed Naffa

Organization Structure for the Subsidiary Company (Lafarge Concrete Jordan)

- **GM Readymix Jordan till 31/5/2023** – Ali Said
  - Director of Finance & Acting GM of Readymix Jordan from 1/6/2023 – Raed Naffa
  - Quality Manager – Ibrahim Khawaldeh
  - North & East Area Manager – Mahmoud Jaradat
  - Administrative Dep. & HR Manager – Tareq Khanji
  - Director of Commercial Department – Sameer Aloul
  - Health, Safety & Environment – Ghassan Qunash
  - Central & South Area Manager – Ayman Obaid
  - Maintenance Manager – Ahmad Qattan

Executive Committee

Samaan Samaan
- Member of the Board as of 13/7/2017.
- Member/representative of Arabian Concrete Supply Company until 4/7/2017.
- Appointed as Lafarge Cement Jordan GM and Country CEO for Lafarge Jordan as of 13/12/2018.
- General Manager for Lafarge Concrete Jordan until 5/1/2019.
- Country Finance, Control and IT VP until 1/9/2014.
- Joined Lafarge in 2005 and held several positions in Jordan.
- Holder of BA Degree in Accounting from University of Jordan.
- Certified Public Accountant (CPA) from USA.
- Member of Jordanian Association of Certified Accountants (JACPA).
- Chairman of the Board of Directors of the Arab Company for concrete supplies as of 5/1/2019.
- Chairman of the Board of Directors of the Arab Company for specialized transportation as of 5/1/2019.

Ali Said
- Currently working as General Manager - RMX Gulf UAE.
- Member of the Board and Holcim representative as of 18/04/2019.
- General Manager of Lafarge Concrete Jordan as of 05/01/2019 till 31/5/2023.
- Joined Lafarge North America in 2000, then he was appointed as General Manager of Lafarge Iraq in 2015 .
- Holder of BA Degree in Commerce (B. Com.) from Mcgill University, and a Masters Degree in Business Administration from the University of Montreal – Canada.
- Certified (CPA) & (CMA).

Ayman Al-Lymoun
- Rashadiya Plant Manager since 8\1\2023.
- Holder of a bachelor's degree in mechanical engineering from Mutah University ,a member of the Jordan Engineers Association since 1997.
- Join the company in June 1997 and held several positions in the field of production, maintenance and project management at Lafarge Jordan.
- Mechanical maintenance manager at Rashadiya cement plant from 1/3/2006 to 14/5/2009.
- Join Lafarge Jordan head office and worked as a manager in the projects department as of 15\5\2009, held several positions in project department and worked in preparing many technical studies, designs, managing and implementing projects for the company.
- Designed and managed the solid fuel grinding system and alternative fuel projects for Rashadiya cement plant from 2012 to 2014.
- Projects and Fuhais cement plant manager as of 23/4/2019.
- Participated in many scientific, engineering, and administrative training courses in the field of maintenance, projects, management and cement industry, participated in the management and implementation of many tasks and projects at Lafarge Jordan level throughout his career.

Wasfi Qteishat
- Cement Human Resources Manager as of 01/07/2020.
- Holder of Bachelor degree in Industrial Engineering from the University of Jordan and a member of the Jordanian Engineers Association since 1994.
- Joined Lafarge Jordan in September 1994 and held several positions in the Human Resources field in Jordan.
- Held several positions in Learning & Development field at Lafarge Jordan during the period from 1995 to 2006.
- Held the position of Rashadeya Plant Human Resources Manager from 09/01/2006 to 10/14/2009.

- Held the position of Fuhais Plant Human Resources Manager and BU Training Manager from 10/15/2009 to 06/30/2015, then he continued holding the positions of: Fuhais Plant Human Resources Manager and Human Resources Development and Projects Manager until 30/6/2020.
- Participated in many practical training courses in Human Resources Development field, in addition to various ISO auditor certificates (ISO 9000 & 14000). He's also a Certified Human Resources Manager and participated in many projects and major tasks at Lafarge Jordan level throughout his career.

Tariq Harb

- National & Export Sales Manager.
- More than 25 years of experience in Cement Sales in Jordan.
- Diploma in Programming and Systems Analysis.
- Held several positions in sales.

Waseem Al-Daoud

- Head of Supply Chain Department since 1/04/2019
- Held the position of Commercial Performance & Projects Manager between 1/01/2018 & 1/01/2019
- Held the position of Country Head of Health & Safety between 1/06/2012 & 31/12/2017
- Joined Lafarge Cement Jordan in 2001 and held different positions in Production, Health & Safety Departments and Business Unit Environment Manager
- Holds a BCs Degree in Chemical Engineering – University of Technology – Iraq/ Baghdad in 2001
- Holds different International certificates in Health & Safety, Systems Audit, Training and Negotiations

Raed Naffa

- Appointed as acting General Manager of Lafarge Concrete Jordan since 1/06/2023 and continued to hold the position of Director of the Financial Department.
- Began his career with Lafarge Concrete Jordan and served as Director of the Finance Department since 10/05/2020.
- Holds a bachelor's degree in accounting from Philadelphia University in Jordan.
- Holds a certificate in ready-mix concrete business management from the University of Derby in the United Kingdom.
- Holds many professional certificates and training courses.
- 25 years of professional experience in the fields of financial management, business development and operations management, with advanced skills in commercial planning and business strategies..

Wael Laswi

- Country Head of Legal and Compliance for Lafarge Jordan as of 24/9/2023.
- Holds a bachelor's degree in law from 1995.
- A practicing lawyer registered with the Jordanian Bar Association since 1997.
- He worked at his self owned law firm.
- Lawyer and legal advisor at the Bank of Jordan during the period from 2000-2007.
- Legal advisor and Secretary of the Board of Directors of the Arab Future Investment Company during the period 2007-2011.
- Certified compliance officer with the Jordanian Securities Commission.
- Legal advisor to the Jordanian Logistics Association FIYATA Previously.
- Legal advisor to a large number of international and Jordanian companies.
- Head of the Legal and Compliance Department of Aljomaih Holding Company, Pepsi Saudi Arabia, during the period 2011-2023.
- He holds many local and international specialized professional courses.

Health & Safety 2023

Thanks to the distinguished work & efforts during the implementation of the strategic plan to improve health, safety and environment for the year 2023, no lost time work injuries were recorded at the company's work sites, despite the various operational activities at the sites, in which some of them were inherently high work risks.

The strategic action plan to improve health, safety and environment for the year 2023 focused on three main work axes:

1. **"Critical Control Management":** which focused on implementing the recommendations and work instructions provided by the group, while working to ensure their implementation and effectiveness at work sites. A program was created to evaluate the actual implementation of specific procedures and controls, especially for high-risk operations .A system for corrective measures to ensure the implemintation of these controls and procedures was followed up through a periodic and quarterly evaluation. Preventive measures where also applied when there are any deviations to ensure the safety and health of the workers.
2. **"Engagement":** By focusing on increasing the presence of supervisors and management through the continuing implemention of the "Boots on the Ground" program, which record the period of participation of supervisory groups in the work sites and recorded their observations during those periods. More than 30,000 hours of participation were recorded from the category of administrative levels with workers at their work sites in the field.
3. **"Continuous Improvement":** Monthly reviews were conducted of the sites' performance with regard to health, safety and environment. Procedures were established to ensure the achievement of the desired goals by the end of the year. Visits were also carried out by the group's experts, which were based on reviewing the application and effectiveness of work procedures and critical controls for activities and evaluating the implementation program and its outcomes.

- In Environment: An annual review of the requirements for the ISO 14001 Environmental Management Certification was carried out, no deviations were recorded during the audit process. A comprehensive review of the work procedures to reduce the waste of water used for industrial processes was also carried out, in addition to general maintenance of the internal water supply network, as well as monitoring consumption for different work areas. This resulted in a significant reduction in the amount of water consumed by approximately 50% compared to 2022.

  Work was done to prepare the coal warehouse at the company's site at the Al-Rashadiya plant, with the implementation of all government requirements, which resulted in obtaining the necessary permits to import coal after a review visit done by a team from the Ministry of Environment during which, they inspected the site and reviewed the implemented requirements.

  The Welfare & housekeeping program recommended by the Holcim Group was also started to be implemented.Work was carried out to remove accumulated materials in various sites, clean metal structures using sandblasting operations, replace worn out facade panels, and then carry out painting operations to improve the general appearance of the various sites, while implementing a a monthly assessment process to evaluate the level of cleanliness and general appearance of each site, noting that this process will continue during the years 2024 and 2025.

- In health, the procedures related to the program for assessing the level of health in the various sites continued to be implemented, and the guidelines and recommendations were applied, as well as the implementation of the annual evaluation of the level of procedures implemented in the sites “Health Maturity Assessment”, and impleminting specific procedures for continouce improvment. Workers Annual Health examinations were completed for all employees at the company’s sites.

- Cultural Survey was conducted in which the development of the behavior and culture of health and safety for workers was measured. Indicating the points that need to be developed and followed up, and the procedures that must continue to be sustained at the level achieved will be reflected as work procedures within the development plan for 2024.

- Summer of Safety Program was implemented, which aims to implement awareness campaigns on various topics in health and safety. This is to alert workers to the risks associated with work and remind them of it, especially with the tendency of many to take their vacations with their families, which reduces the chances of the presence of colleagues and supervisors in workplaces environment. This increases the risk of accidents during this period.

- Keep encouraging workers to report incidents & unsafe conditions to improve Health & Safety enviroment.

- At the year end, comprehensive & detailed analysis & review was done for Health & Safety results of 2023. A workshop for the Company Management Team, Health & Safety was done, resulted in the need to keep improving what was done in 2023 to complete what was lunched:
  - Completing the procedures for raising the level of welfare & housekeeping of the Al Rashadiya plant.
  - Continuing the review processes to develop the safety of operational processes.

New work priorities were also identified, such as:

- Comprehensive review of the energy isolation program and the implementation of the Group’s directions.
- Developing the application for the critical controls management program process according to the Group’s recommendations, focusing on the quality of the outputs.
- Comprehensive review of the environmental management program with improvement regarding water management and waste management programs.

Industrial Performance Summary for 2023:

1. Continue the operation for solar energy project and maximizing its use that covered 25% of plant needs from electrical power in 2023.
2. Rashadeya plant produced high quality cement and innovates new products contributing to the environmental sustainability obectives. Shamel product was produced starting from May 2023 instead of Rasekh product with clinker factor 81% which contributed to the reduction of carbon emission by 12%, in addition to Maamel, Mukawem and Thabit products with high quality to satisfy market and customers.
3. Kiln A at RAS Plant was operated at the beginning of November 2023 till the end of 2023 after 15 months stoppage by using Petcoke after completing the implementation of the Ministry of Environment's requirements for Petcoke storage and handling.
4. TSR% reached 5.6% during the year of 2023
5. Reduced Clinker factor for all cement products, as it reached 75% in the year of 2023 compared to 76.7% in the year of 2022.
6. Reduced specific electrical energy consumption (SEEC in Bin), as it reached 124.5 KWh/T in 2023 compared to127.4 KWh/T in 2022.
7. Installed new system in 2023 manufactured locally to add the old clinker in the plant, where 4916.5 Ton was added on Thabit product during the year 2023.
8. Dealing with water leakages from housing and plant water network, where the water consumption reached 153 L/t cem during 2023 compared to 273 L/t cem during 2022.
9. Designed chemical composition of grinding aids at the plant and started the production at the end of 2023, with specifications and results better than grinding aids available in the market and at a lower cost.
10. 6,600 Ton of dead stock cement in Silo A had been extracted and sold during the year 2023.
11. Achieved a score of 92.74% for Quality Product Index during 2023 compared with 76.3% during 2022.
12. New feeding system was erected to feed the recycled cement, where 126 Ton of cement was recycled during 2023.

Human Resources 2023

Headcount Reduction:

Within the framework of implementing the reorganization plan approved by the General Assembly of Creditors held on August 10, 2022, and approved by the Insolvency. The second phase of the headcount reduction of employees who have no positions on the target organizational structure was implemented, where (12) employees who meet the conditions of the program were terminated according to the terms of the agreement signed between the company's management and the General Union of Workers in Mines, Mining and Cement on 30/10/2022.

Employee Engagement

Holcim Group seeks to be the “Best Employer” worldwide, providing a positive work environment that enables its employees to grow and prosper, and to achieve their ambitions and company goals in a sustainable manner. In this context, the company conducted an Employee Engagement Survey, in cooperation with a leading global company in the field of workplace management, Gallup. All employees participated in the survey and shared their opinions about the extent of their satisfaction and engagement.

Detailed survey reports were shared with all employees at the different levels of the hierarchy, and improvement action plans were developed through:

- Involve all managers, department heads, and supervisors in the program to improve employee engagement and set a common annual goal in 2024 to improve the level of engagement of their teams so that the overall score in the following questionnaire is ≥ 4.0 for each team. Moreover, to hold meetings with the work teams that achieved the lowest results to identify the causes and address them.
- Assigning Engagement Champions for each department.
- Holding town hall meetings in all company locations to inform employees of the company’s strategy and business developments
- Dedicating a “Human Resources day”, with the participation of all company employees and Human Resources managers in all locations, so that the various procedures are clarified, employees’ inquiries are answered, and all individual cases are recorded to be addressed.
- Launching a well-being questionnaire to determine priorities for improving the work environment
- Preparing a comprehensive study to verify internal equity in wages, and allocate budget to adjust discrepancies - if any - during the year 2024
- Allocating budget for training within the 2024 based on strategic priorities.

With the collective cooperation and efforts from everyone implementing these actions, we will be able to improve the work environment and enable everyone to grow, prosper, and to achieve ambitions in a sustainable manner.

Training & Development

Training is an essential pillar in enhancing performance, developing employees’ skills, and utilizing their potentials. In 2023, Lafarge Cement Jordan was keen to include many diverse training programs within its training plan, such as health and safety and leadership programs, in addition to many specialized industrial programs targeting a large and diverse segment of employees.

Training Programs during 2023:

	Training Type	Man Days
1	Health & Safety	101
2	Health & Safety for Contractors	93
3	Specialized Technical	291
4	General Awareness	34
5	Leadership	44
	Total	**563**

Health and Safety Training Programs:

- Health & Safety remains a fundamental and core value, and considered a priority in training & development. Hence, several specialized Health and Safety training programs were carried out for employees and contractors at all company sites (environmental impact assessment, working in confined spaces and hot work, energy isolation, ergonomics, forklift safety, MERP - medical emergency response plan and others).
- A group of employees have been enrolled in the OSHA & NEBOSH Industry Safety & Health training programs to obtain accredited certificates. These programs aim to train and educate workers in the occupational health and safety.

Leadership & Specialized Technical Training Programs:

- The year 2023 was marked by the launch of many leadership programs for managers in different managerial levels aiming to develop their administrative and leadership skills and competencies, such as Business School for Advanced Leaders, Business School for Emerging Leaders & Early Career Development Program in which managers from different departments were enrolled.
- The Lab Operators Certification Program has been launched to train and qualify laboratory operators and develop their technical skills and competencies and enables them to obtain accredited certificates. In addition to continuing the CRO Certification Program and the Inspectors and Planners Certification programs for the second year in a row.

Compliance & Engagement Training:

- As every year, and in line with the strategic directions of the company and the group, different training programs related to compliance have been delivered to enable and familiarize employees with policies, regulations and compliance with laws, including Conflict of Interest, Gifts & Donations policies and directives, in addition to the tailored compliance training that was targeting all employees including blue collars.

- In line with the company's belief of the importance and the necessity of enhancing engagement at the work place, the Engagement training program was launched and delivered to managers and champion employees at all sites, to help them develop and implement action plans with their teams to improve results, morale and engagement.

goFLUENT Program:

- The goFLUENT language learning program was launched in 2023 on Percipio platform providing the opportunity to improve the English language in the first place - among other 12 languages - as it is the official communication language within the Group and can impact employees' development. It provides various learning options including the audio and visual content, in addition to conversation classes.

Project Olympus:

Holcim has adopted SuccessFactors (SF) as its global HR Information System, making it the single source of truth for its people and organizational data across the globe. Under the ultimate aim of having complete, accurate and consistent employee data in SuccessFactor, for the purpose of improving the strategic workforce planning and business decisions across all regions and countries, "Project Olympus" was kicked off.

Shortly before the project, global data management guidelines had been established including revised key global definitions for nine major fields. Lafarge Cement Jordan HR Team ensured (in July 2023) having the overall company's people data compliant with the global data management standards, and currently are ensuring proper deployment of the new guidelines in any new updates, during what is so called the Stabilization Phase.

It is expected during 2024 to proceed to the Sustainability Phase, by responding to the requirements of a global auditing protocol that will confirm adherence to the Guidelines globally. Each country will be certified as a result of adherence to the Guidelines, and then the re-certification process will continue on an annual basis.

Implementing a New ERP System

In line with the new technologies and digital transformation and in order to reduce the cost of the old systems, the company has launched the Dynamics project to implement Microsoft Dynamics 365 Finance & Operations as the new ERP covering company operations in finance, supply chain, logistics and maintenance management system.

This project has contributed to the development of the business performance and resulted in significant savings in time and cost. It also provided the opportunity to review the business processes in all streams within the scope of implementation and provided a set of digital services for the customers and vendors complying with the digital transformation.

Improvement on the scope of reporting and the financial statements that are aligned with the local regulations and the group standards is considered a major milestone that has been achieved. In this context business intelligence is utilized to provide more insight and to visualize the company key performance indicators in different dimensions.

The project provides the foundation for the digital transformation and business development; it also provides the opportunity for benefiting from the artificial intelligence and data science used in better utilization of plant machines and cement dispatching.

The company realizes that human resources and their development are one of the essential pillars at this stage. Therefore, the next step would be to implement the different human resources functions under Microsoft Dynamics 365, which will contribute to better managing and developing these resources.

Sales 2023:

The company's total consolidated sales amounted to 73.8 MJD, with increase of approximately 15% compared to the year 2022, despite the many difficulties and challenges facing the cement sector, the most important is the decrease in the volume of demand in the local market in addition to the entry of new company, which increased the volume of quantities offered compared to the volume of demand for the Jordanian market, with a slight improvement in selling price and the higher production costs.

The distinguished results of Lafarge Concrete Jordan have contributed significantly to the improvement of the company's financial results, as its sales increased by approximately 31% compared to 2022.

As for export markets, the West Bank is still the possible export destination for exports with an estimated volume of about 1.5 million tons annually from various cement factories in Jordan.

The company has been able to launch a number of new products that were designed to serve specific sectors and to achieve the company's vision and Holcim Group, to shift to sustainability in its business, and to confirm its position as a distinguished provider of building materials.

Environment & Sustainable Development 2023:

The company takes into account, during the implementation of its operations, the social and environmental dimensions, as well as the economic dimensions, to make good use of the available resources to ensure sustainable development during its operations.

The company's main work dimensions is to maintain sustainable development for the year 2023 focused on the following:

- Social dimensions: Despite the financial challenges that the company faced during the year 2023, it kept the efforts, which focused on helping the communities surrounding the various sites of its operations, as the company continued to participate in implementing emergency plans in difficult weather situations and in coordination with the administrative governors and local authorities, The company also supported the surrounding municipalities by providing them with some of their needs of cement and raw materials needed for road maintenance (limestone), as well as consumables used for general purposes. The company covers the electricity costs for the schools that were allowed to be used by the Ministry of Education in the company’s housings in the Al-Qadisiyah and Tafila areas. The number of beneficiaries of these initiatives exceeded 4,000 beneficiaries.

- Environmental dimensions: During its operations, the company maintained a level of dust emission and gases that conforms to local standards and the most stringent international standards, and no deviation or environmental violation of this kind were recorded.

  The company also implemented several measures to reduce the amount of water consumption used in its production operations, as the amount of water used to produce one ton of cement was 153 liters, compared to 273 liters for the year 2022.

  As for carbon dioxide emissions, the company has taken operational measures that have had a significant impact in reducing the amounts of carbon dioxide emissions per ton of cement, mainly represented by increasing additives for grinding by working to develop its products through the use of raw materials with zero emissions replacing additive materials with high emissions, the new product (Shamil) represented a 12% reduction in carbon dioxide emissions compared to the previous product. increasing the effectiveness of optimal exploitation of alternative electrical energy sources - the solar energy project -.

- Economic Dimensions: The company has taken several measures within its operational activities and in conjunction with its goal of maintaining sustainable development in its operations, taking into account that these measures ensure a positive economic impact for the company, from increasing the grinding of additives for grinding and using raw materials with zero emissions, and increasing the effectiveness of Optimal exploitation of alternative electrical energy sources - the solar energy project - all of this had a positive impact on the costs of operational activities.

Article 17: Governance Report

A. Information and details related to implementing instructions and corporate governance rules in the company:

Jordan Cement Factories and Subsidiary Companies; are members in Holcim Group.
Jordan Cement Factories Company implements a set of policies that takes into account corporate governance, such as:

1. Procurement Policy.
2. Compensation and Payroll Policy.
3. Code of Business Conduct.
4. Financial Authorization policy.
5. Credit Granting policy.
6. Internal Control Procedures.
7. Audit and Internal Control dep.
8. Audit and Compliance Committee.

The Company has a global financial system (JDE) and prepares data, financial statements that comply with International Financial Reporting Standards (IFRS).
The Company disclose with the Securities Commissions any information that affects the Company's results and financial position.

The Company applies Health and Safety standards with a clear health and safety policy.

The Company produces high quality of cement and concrete products, according to the international standards and the quality Standards of Holcim Group.

The Company has a lean organizational structure, which takes into account the separation of roles and responsibilities to ensure internal controls in all operations and procedures. It is also undertaking a complete revision of the future organizational structure to meet the needs of the development in the local market.

B. Names of current and resigned board members:

Name	Representative	Executive	Non-Executive	Independent	not Independent
Jawad Anani	Lafarge SA	No	Yes	No	Yes
Grant Earnshaw	Lafarge SA	No	Yes	No	Yes
Suleiman Shawabkeh till 30/9/203	Rama Investment & Saving Company	No	Yes	No	Yes
Omar Bdeir	Himself	No	Yes	Yes	No
Samaan Samaan	Himself	Yes	No	No	Yes
Youssef Al Abdallat	Social Security Corporation	No	Yes	No	Yes
Ali Said	Lafarge SA	Yes	No	No	Yes
Hussein Al-Saoub till 6/9/2023	Himself	No	Yes	Yes	No
Duried Mahasneh	Himself	No	Yes	Yes	No
Reem Abu Ghabash till 1/10/2023	Rama Investment & Saving Company	No	Yes	No	Yes

C. Names of the legal representatives for the Board of Directors:

1. Lafarge SA
2. Social Security Corporation
3. Rama for Investment & Saving Company

D. Higher Management in the Company, held by the following employees:

1. Country Chief Executive Officer / Samaan Samaan
2. Cement Human Resources Manager / Wasfi Qteishat
3. Rashadeya plant manager / Ayman AL-Ymoun as 8/1/2023
4. GM Readymix Jordan / Ali Said till 31/5/2023
5. Supply Chain / Waseem AL-Daoud
6. National & Export Sales Manager / Tariq Harb
7. Country Head of Legal & Compliance / Wael Laswi as 24/9/2023
8. Acting General Manager of Lafarge Concrete Jordan / Raed Naffa as 1/6/2023
9. In the abscence of Country Chief Financial Officer position (Accounting Manager / Ronza Al-Marafi, Control Manager / Loai Hijazin)

E. Other Memberships held by Borad Of Directors in other Public shareholding Companies:

1. Grant Earnshaw : NO
2. Samaan Samaan: NO
3. Omar Bdeir : Yes
    - Jordan Pipes Manufacturing
    - General Mining Company
4. Suleiman Shawabkeh: Member of committees in Social Security Corporation
5. Jawad Al-Anani: Member of many public institutions and companies
6. Youssef Al-Abdallat: Member of many societies, institutions and public bodies
7. Hussein Al-Saoub: Member of many societies, institutions and public bodies
8. Dureid Mahasneh: Member of many societies, institutions and public bodies
9. Ali Said: No
10. Reem Abu Ghabash: No

F. Country Internal Audit & Control Manager: Issa Rabieh

G. Names of the Committees:

1. Audit Committee
2. Compensation & Benefits Committee
3. Governance Committee
4. Risk Assessment Committee

H. Chairman and members of the Audit Committee qualifications and financial, accounting experience:

1. Omar Bdair (Chairman)

- Member of the Board and representative of the private sector.
- Holder of M.A degree in Civil Engineering- USA.
- Worked as Chairman of Arabian Technical Construction Co. and Jordan Cement Company.
- Member of the Board of Directors at a number of Jordanian companies and societies.

2. Youssef Al-Abdallat

- Board Member - representative of Social Security Corporation as since 13/01/2021.
- Holding PhD in Engineering in 2002 from Kyoto University, Japan
- Director of the National program for Linking Industry to the Academia, "Faculty for Factory" (FFF Program), and Vice Chair of the Jordan Enterprise Development Corporation JEDCO.
- Prof. and administrative consultant in research, development and innovation.
- Dean of students affairs - (German Jordanian University) and Section Head of Industrial Engineering - Jordan University.
- Former Manager in King Abdullah II Fund For Development KAFD for the purposes of professional guidance, and former director of communication unit with industry in University of Jordan.
- Member of economic studies and polices at Jordan Industry Chamber
- Member of Board of Trustees in Jordan University of Science and Technology.
- Member in the supreme dircctive commission for industrial development at Ministry of Industry and Trade.
- Member in Jordan Engineers Association
- Member in national commissions to face Covid- 19 inthe fiels of supporting scientific research, deve;opment and manufacturing.
- Member of trustees borad in Al Hussein Technical University
- Member in the Sanding Advisory Committee before the European Patent Office (SACEPO).

3. Duried Muhasneh

- Member of the Board of Directors as of 30/10/2019.
- PhD. in Hydrology and Marine Sciences.
- Assistant Professor at Yarmouk University: 1980-1984.
- Director General of the Marine Science Station in Aqaba: 1983-1984.
- Secretary General of Aqaba Region Authority: 1984-1991.
- Director General of Aqaba Ports Corporation: 1991-1996.
- Secretary general of the Jordan Valley Authority: 1996-1999.
- Consultant in Private Sector 2000-2005.
- CEO of Tawfiq Gargour Shipping Co.: 2005.
- GM of Tawfiq Gargour Company: 2010.
- Chirman of the Board of Directors of EDAMA Association for Energy, Water & Environment as of 2017.
- Chairman of the Board of Directors of Jordan Shipping Association as of 2019.
- Board Member of the following: National Insurance Company, National Maritime Authority.

4. Ali Said

- Currently working as General Manager - RMX UAE.
- Member of the Board and Holcim representative 18/04/2019.
- General Manager of Lafarge Concrete Jordan as of 05/01/2019 till 31/5/2023.
- Joined Lafarge North America in 2000, then he was appointed as General Manager of Lafarge Iraq in 2015 .
- Holder of BA Degree in Commerce (B. Com.) from Mcgill University, and a Masters Degree in Business Administration from the University of Montreal – Canada.
- Certified (CPA) & (CMA).

I. Chairman and Members for Other Committees:

Compensation & Benefits Committee
1. Hussein Al-Saoub (Chairman / Independent)
2. Omar Bdair (Member / Independent)
3. Suleiman Shawabkeh (Member / Non-Executive)
4. Grant Earnshaw (Member / Non-Executive)
5. Reem Abu Ghabash (Member / Non-Executive)
6. Duried Mahasneh (Member / Independent)

Governance Committee
1. Duried Mahasneh (Chairman / Independent)
2. Suleiman Shawabkeh (Member / Non-Executive)
3. Hussein Al-Saoub (Member / Independent)
4. Jawad Anani (Member / Non-Executive)
5. Oamr Bider (Member / Independent)
6. Reem Abu Ghabash (Member / Non-Executive)

Risk Assessment Committee
1. Duried Mahasneh (Chairman / Independent)
2. Youssef Al-Abdallat (Member / Non-Executive)
3. Samaan Samaan (Member / CCEO / Executive)

Number of meetings for the Audit Committee with the External Auditor:
Two meetings was held for Audit Committee during 2023.

L. Number of Board OF Directors meetings during the year and attendees:
No meeting were held for the Board of Directors met 6 times, and the members were:

1. Jawad Anani	6 meetings
2. Grant Earnshaw	6 meetings
3. Omar Bdeir	6 meetings
4. Samaan Samaan	6 meetings
5. Suleiman Shawabkeh	5 meetings
6. Ali Saeed	6 meetings
7. Hussein Al-Saoub	4 meetings
8. Dureid Mahasneh	6 meetings
9. Youssef Al-Abdullat	6 meetings
10. Reem Abu Ghabash	1 meeting

Chairman of Board Directors
Jawad Anani

2023 Jordan securities commission requirements

A. Letter from chairman: Please refer to page (6)

B. Board of Directors Report:

6 meetings were held by the Boards of Directors during 2023.

1. Company's Main Activities:

a. The company's main activity is to produce, sale of cement and to provide innovative building solutions to the local market.

b. Geographical distribution of the company is as follows:

No.	Location	Headcount
1	Head office- Amman	75
2	Fuhais Plant- Fuhais	35
3	Rashadeya Plant- Tafila	176
4	Aqaba sales office- Aqaba	1
	Total	**287**

C. The total capital investment for the company and its subsidiaries reached (246) MJD in 2023.

2. Associate Companies & Subsidiaries:

1. Sudan Company CTS- Sudan

The subsidiary (CTS Company -SUDAN) operation was stopped. Lafarge cement Jordan owned 99% from the capital of this company which amounted 27,191 JD.

2. Arabian Concrete Supply Company (Lafarge Concrete Jordan)

- Type of subsidiary: limited liability
- Main activity: Ready Mix production & transportation
- Subsidiary capital: 1,915,000 JD
- Ownership percentage: 51%
- Address:
  King Abdullah 11 ST –Al Rawabi –Bayader Wadi Al- Seer
  P.O.Box 930490
  Amman-Jordan
  Tel:06-5507250
  Fax:06-5507260

Headcount: 369 employees (distributed as per below schedule over the different plants & locations):

Head Office	33
Abu Alanda plant	55
Alazarq plant	11
Irbid plant	43
Dleil plant	36
Sweileh plant	59
Jerash plant	18
Dead Sea	1
Madaba Plant	13
Aqaba	20
Beren Plant	30
Tafila Plant	8
Shweir	5
Maintenance	29
Main laboratory	5
Safety ,Healthy & environment dept.	3

* In March 2011 Arab Concrete Supply Company (the subsidiary) had established Arabian Specialized Transportation.

Type of subsidiary: limited liability
Main activity: Transportation
100% owned by the Arabian Concrete Supply Company

3. A. Members of Board of Directors: Please refer to page (9)

B. Higher/ Top Management: Please refer to page (13)

4. The Main Shareholders:

Shareholder Name	Nationality	Number of shares 2022	Percentage	Number of shares 2023	Percentage
Financicere Lafarge SA	French	30,388,664	50.275%	30,388,664	50.275%
Social Security Corporation	Jordanian	13,197,226	21.83%	13,197,226	21.83%
Mayloud Shoaiby	Moroccan	6,232,125	10.31%	6,232,125	10.31%

5. Competitive Position:

The company's total consolidated sales amounted to 73.8 MJD, an increase of approximately 15% compared to the year 2022, despite the many difficulties and challenges facing the cement sector, the most important and is the decrease in the volume of demand in the local market in addition to the entry of new companies, thus increasing the volume of quantities offered compared to the volume of demand for the Jordanian market, with slight improvement in selling prices and the high production costs.

The distinguished results of Lafarge Concrete Jordan have contributed significantly to the improvement of the company's financial results, as its sales increased by approximately 31% compared to 2022.

As for export markets, the West Bank continud to be the possible destination for exports with an estimated volume of about 1.5 million tons annually from various cement factories in Jordan.

The company has been able to launch a number of new products that were designed to serve specific sectors and to achieve the company's and the global Holcim Group vision, to shift to sustainability in its business, and to confirm its position as a distinguished provider of building materials.

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6.Main Suppliers & Customers:

a	Suppliers:	Supply % of total company purchases
	1- Al-Jouf Cement Company	34%
	2- Holcim Tradind AG	8%
b	**Main Customers:**	**Sales % of total company sales**
	1. Arabian Concrete Supply Company	40%
	2. Mohamed Ahmed	11%

7. Franchise, Collateral & Invention Rights:

No any type of protection is provided for Lafarge Jordan Cement Company by the government, also the franchise agreement with the government was ended at the end of 2008.

8. International Quality Standards:

a) International Quality Standards:

The company applies the International Quality Standards and has obtained the following certificates:

1. ISO 9001
2. ISO 14001

9. A.Organizational Hierarchy: Please refer to page (13)

B. Headcount by Qualifications

Qualification / certification	Headcount as of 31/12/2023
Master's Degree	4
Bachelors Degree	98
Community College Diploma	39
Tawjihi (Secondary Education Certificate)	36
Below Tawjihi	56
Illiterate	0
Applied Secondary Education Certificate	40
Training Certificate	14
Total	**287**

Subsidiary's Headcount by Qualifications

Company	Headcount	PHD & Master Deg.	Bachelor Deg.	Diploma	Tawjihi
Plants	336	7	34	33	262
Head Office	33	1	29	1	2
Total	**369**	**8**	**63**	**34**	**264**

C. Employee development & training programs: Please refer to page (19)

10. Risks:

1- The continuous rise in energy prices, mining fees, and electricity prices.

2- No growth in the local market in the presence of six companies that produce cement in excess of the needs of the local market, in addition to the weak growth in the size of the export cement market

3- Availability of cash and getting bank facilities needed for operation

4- No protection umbrella for the local cement industry and allowing the import of cement from neighboring countries, which increases competitive pressure.

5- Number of employees compared to operational needs.

6- Price cap of cement products.

7- No agreement to rezone the lands of the Fuheis plant, which was stopped since 2013.

8- Inefficiency of operational processes as a result of stopping one of the two production lines at the Rashadiya plant in 2010 and the operation of the second line with an efficiency of 12% during 2023, which is reflected negatively on the company's financial results.

9- The distance of Rashadya Plant from the main cement market is increasing transportation cost.

11. Main activities & achievements: Please refer to page (16)

12. Evolution of profit, dividends, shareholders equity, securities prices:

Year	Net profit before tax & fees (JD million)	Dividends (JD million)	Distribution Rate	Net shareholders equity (JD Million)	Price per share (JD)
2017	(32.433)	-	-	43.913	1.210
2018	(27.883)	-	-	2.660	0.620
2019	(48.682)	-	-	(70.218)	0.320
2020	3.433	-	-	(64.308)	0.290
2021	(10.071)	-	-	(68.056)	0.540
2022	(1.379)	-	-	(70.550)	0.590
2023	2,609	-	-	(67.329)	0.670

13. Financial position Analysis & Results:

The company's consolidated results for the year 2023 showed a net profit of 1.5 MJD, compared to a net loss of 1.6 MJD in 2022, and we point out here some of the main points that affected the company's results for the year 2023:

- Sales in 2023 witnessed an increase of approximately 15%, and the main reason for this was the significant increase in RMX company's sales in 2023, which had a positive impact on the company's results.
- In year 2023 a head count reduction by 12 employees, and this resulted in recognizing a restructuring provision 765 KJD, based on the collective labor contract agreement, which was followed by the signing of an appendix to this agreement at the end of the year 2023.
- The health insurance provision was reduced by 3MJD as a result of retires waiving health insurance service after retirement in exchange for paying specific amounts.
- The provision for Litigation was recalculated based on court decisions issued in 2023, which had a positive impact on the company's results.

Below is a list of key financial indicators for the company in 2022 compared to 2023:

No	Financial indicator	2022	2023
1	Return per share	(0.03%)	0.03%
2	ROI (return on investment)	(1%)	1%
3	Return on shareholders' equity	(2%)	2%
4	Return on capital	(3%)	3%
5	Gross profit	11%	14%
6	Net working capital	(60,740,828)	(103,424,114)
7	Liquidity Ratio	(40)%	(32)%

Government Income:

Lafarge Cement Jordan contributed to government treasury and thus to the Jordanian economy by 5.964 MJD during 2023 compared to 5.664 MJD in 2022.

The list below is the government returns for the years 2015-2023:

Year	VAT MJD	Income tax & other fees MJD	Total MJD
2015	10.305	0.536	10.841
2016	10.157	0.573	10.730
2017	8.250	0.557	8.807
2018	5.719	0.553	6.272
2019	6.003	0.683	6.686
2020	3.897	0.297	4.194
2021	3.804	0.249	4.053
2022	5.315	0.348	5.664
2023	5.627	0.337	5.964
Total	**59.077**	**4.133**	**63.211**

14. Future priorities: Please refer to page (8)

15. Audit Fees:

The total amount paid to the external auditors EY - Ernst & Young for work as:

Company	Audit fee
Lafarge Cement Jordan	50,130
Lafarge Concrete Jordan	13,000
Arabian Specialized Transportation Company	5,000
TOTAL	**68,130**

16. A. Securities owned by Board of Directors members:

	Name	Title	Nationality	No. of shares 2020	No. of shares 2021
A	**Lafarge Company Represented by:** Jawad Anani	Chairman from 30/4/2019	Jordanian	30,388,664 250	30,388,664 250
	Grant Earnshaw	Vice chairman from 30/4/2019	England	None	None
	Ali Said	Member till 31/5/2023	Canadian	None	None
B	Social Security Corporation Represented by: Youssef Al-Abdalat	Member from 13/1/2021	Jordanian	13,197,226 None	13,197,226 None
C	Rama investment & Saving Company Represented by: Suleiman Shawabkeh Reem Abu Ghabash	 Member till 30/9/2023 Member from 1/10/2023	 Jordanian Jordanian	10,000 None None	10,000 None None
D	Private Sector: Omar Bdeir	Member from 8/2/2006	Jordanian	56,356	56,356
	Samaan Samaan	Member from 13/7/2017	Jordanian	250	250
	Duraid Mahasneh	Member from 30/10/2019	Jordanian	250	250
	Hussein Al-Saoub	Member till 6/9/2023	Jordanian	250	250

No other companies' shares are controlled by members of the board.

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16. B. Securities owned by Board of Directors' relatives:

No.	Name	Nationality	No. of shares 2022	No. of shares 2023
1.	Ghada Ahmad Mukhtar / Wife of Member of the board Omar Bdeir	Jordanian	115	115

- No shares owned by other members of the board relatives.
- No other companies' shares are controlled by members of the board.

16. C. Number of shares owned by Executive Management:

Description	Title	Nationality	No. of shares 2022	No. of shares 2023
Samman Samman	Country CEO	Jordanian	250	250
Ali Said	Lafarge RMX GM till 31/5/2023	Canadian	None	None

No other companies' shares are controlled by Executive committee.

17. A. Board of Directors remuneration & benefits:

	Description	Title	Transportation allowance paid in 2023after tax	Allowance for attending sessions due for 2022 and paid during 2023 after tax	Other	Total Yearly benefits (JD) After tax
1	Jawad Anani	Chairman From 30/4/2019	-	-	-	-
2	Grant Earnshaw	Vice Chairman from 30/4/2019	-	-	-	-
3	Ali Said	Member from 18/4/2019	-	-	-	-
4	Samaan Samaan	Member from 13/7/2017	-	-	-	-
5	Youssef Al-Abdalat	Member from 13/1/2021	1,853	133	-	1,986
6	Suleiman Shawabkeh	Member till 30/9/2023	1,544	114	-	1,658
7	Reem abu ghabash	Member from 1/10/2023	309	-	-	309
8	Duraid Mahasneh	Member from 30/10/2019	1,853	133	-	1, 986
9	Hussein Al-Saoub	Member till 6/9/2023	1,235	95	-	1,330
10	Omar Bdeir	Member from 8/2/2006	1,853	133	-	1,986

17. B. Executive Management Remuneration & Benefits:

	Description	Title	Monthly salary (JD)	Other yearly remuneration & allowance (JD)	Yearly Travel expenses (JD)	Tax paid locally & Externally (JD)	Other benefits
1	Samman Samman	Country CEO	11,000	-	6,989	-	Status Car
2	Ali Said	Lafarge RMX GM till 31/5/2023	8,505	93,663	1,217	-	Status Car

18. Donations Paid in 2023:

No.	Description	JD
1	Local community donation	21,749

19. Contracts, projects, engagements with the subsidiary, sister or associated company, the chairman , members of the board, or the general manager, or any employee of the company or their relatives

- Lafarge Cement Jordan Company's relations with the Subsidiary (Lafarge Concrete Jordan) during 2023 amounted to 13.9 MJD, which represents the net purchases of cement.
- The company in 2023 did not make any commitments, contracts & projects with Chairman of the Board or Board of Directors or General Manager or with any employee in the company or their relatives.

20. A- Company's environmental contribution:
Please refer to page (22)

B- Company contribution in serving the local community:
Please refer to page (22)

C-
1. The Board of Directors confirms that there are no significant issues that may affect company's continuity over the coming year.
2. Confirms its responsibility for preparing the financial statements and providing an efficient control system within the enterprise.

Chairman of the Board **Jawad Anani**	Vice chairman **Grant Earnshaw**	Member **Samaan Samaan**	Member **Ali Said**	Member **Omar Bdeir**

Member **Suleiman Shawabkeh**	Member **Youssef Al-Abdalat**	Member **Duraid Mahasneh**	Member **Hussein Al-Saoub**	Member **Reem Abu Ghabash**

3. We sign here below to confirm the correctness, accuracy, and completeness of the information in this report.

Chairman of the Board **Jawad Anani**	General Manager **Samaan Samaan**	On behalf of the Country Chief Financial Officer / Accounting Manager **Ronza Al-Marafi**

Insolvency and Reorganization Plan

Where the insolvency law contributed to the creation and development of a new system to deal with cases of corporate default, and upgrading them from the liquidation system that requires the liquidation of the funds of the defaulting debtor and distributing them to creditors and ending the existence of the economic project to go through the stage of saving economic activity and helping it to address the challenges facing it and promote it again as an effective project within the economic system by providing an effective legal framework to address the financial and administrative hardship that economic activity is going through before moving and proceeding with procedures Liquidating it, taking into account the importance of maintaining a balance between the need to address this distress by the fastest and best means, while preserving the interests of creditors, persons affected by the failure of the project, workers and employees of the company.

The insolvency system is the gateway through which insolvent enterprises enter to emerge healthy and able to sustain their work, and the main criterion for determining this is the project's viability to continue practicing work, and this has been achieved through the following:

- The Board of Directors of Jordan Cement Factories Company decided to submit an application to declare the company's insolvency in accordance with the Jordanian Insolvency Law No. 21 of 2018 in order to maintain the continuity and sustainability of the company's work.

- The decision of the Salt Court of First Instance approving the declaration of insolvency of the Jordan Cement Factories Company was issued on July 26, 2020.

- The meeting of the General Assembly of Creditors was held on August 10, 2022 to discuss and vote on the reorganization plan.

- The meeting was attended by creditors representing (91.68%) of the total debts included in the list of creditors.

- The reorganization plan and the approved proposals were approved and voted upon by the majority of the creditors' representatives present at the meeting, where (97.81%) of the total creditors' debts were approved.

The following are the main results of the plan: -

With regard to debt repayment:

- Repayment of the debts of major creditors (banks and Lafarge Group companies) through the ownership of land for them in the Fuheis area equal to the value of their debt after writing off 5% of their total unsecured debts, where the amount of discount amounted to approximately 2 MJD.
- Repayment of preferred debts and the rest of the unsecured debts in cash after deducting 15% of the total value of debts and within 3-5 years, where the amount of discount on these debts amounted to approximately 1.6 MJD.
- Writing off all debts classified as lower priority debts of approximately 42.6 MJD.

As a result, the total debts written off plus the discounts referred to above amounted to 46.3 MJD.

With regard to human resources:

- Increasing the rates of health insurance contributions for employees and retirees, in a way that contributes to reducing the burden of health insurance on the company.
- Restructuring human resources by agreeing to pay certain amounts as a reward to employees whose services the company wishes to dispense with and who have met the conditions of early retirement in accordance with the provisions of the Social Security Law.

The company has begun implementing the outcomes of the reorganization plan since the end of 2022.

During the year 2023, the company continued to implement the outcomes of the reorganization plan through the relevant departments in the company and under the supervision of the committee that was formed by the Board of Directors and the reorganization Plan supervisor, and as follows:

- Cash payment for insolvency debt: three payments were made during the year 2023, with around 1.7 MJD .

- In-kind payment to the major creditors: the procedures were Initiated as follow: the evaluation procedures for several plots of land owned by the company in Fuheis area were completed in accordance with the procedures stipulated in the reorganization plan and agreed upon with the major creditors. Subsequently, the company provided the relevant authorities with all the necessary requirements for this, as The President of the Salt Court of First Instance issued a decision approving the transfer of ownership of the plots of land agreed to be owned, and currently the banks are awaiting the necessary approvals from the relevant authorities to complete the ownership procedures.

- Head count reduction by 36 employees: based on a collective labor contract agreement organized based on the provisions of Labor Law No. (8) of 1996 and its amendments, and then an annex to this contract was signed on December 31, 2023.

- Health insurance contributions were increased by 1% for active employees and 0.5% for retired employees.

- Procedures for waiving post-retirement health insurance cards in exchange for a sum of money were implemented, resulting in a reduction in the number of post-retirement health insurance beneficiaries by 191 beneficiaries as of the end of December 31, 2023.

- Periodic reports were issued to the reorganization plan supervisor, which included the main axes on which the reorganization plan was based.

The company is working to complete the implementation of the outcomes of the reorganization plan in all its aspects, to maintain its continuity, and advance the company to return to the ranks of major and pioneering companies in the industrial sector, Which contributes positively to the prosperity of the national economy.

Independent Auditors' Report

To the Shareholders of the Jordan Cement Factories Company
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Jordan Cement Factories (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without qualifying our opinion, as disclosed in note (29) to the consolidated financial statements, the Group's accumulated losses of JD 134,348,764 exceeded the Group's capital as of 31 December 2023. Also, the Group's current liabilities exceeded its current assets by an amount of JD 103,424,114 as of 31 December 2023. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the entity's ability to continue as a going concern. According to Article (266) of the Jordanian Company's Law No. (22) for the year 1997 and its amendments, if the accumulated losses of the Public Shareholding Company exceeded 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses. As stated in note (32), the Company's Board of Directors resolved to submit a request to declare the Company's insolvency in accordance with the Jordanian Insolvency Law No. (21) of 2018, in order to restructure the Company's capital, as the court's decision was issued approving the declaration of insolvency on 26 July 2020, and the restructuring plan was approved on 28 August 2022.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2023. In addition to the matter described in the Material Uncertainty Related to Going Concern section, these matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue Recognition
Refer to note (25) to the consolidated financial statements

Key audit matter	How the key audit matter was addressed in the audit
The Group focuses on revenues as one of its key performance measures, and given the importance of amounts and the geographical diversity of the Group’s operations and the exposure of these revenues to the risks of overstatement and fraud, we consider revenue recognition to be a critical audit matter. Revenue is recognized when the Group fulfills performance obligations in accordance with the contract concluded with customers, when the goods are delivered to customers and the invoice is issued, which usually occurs at a certain point in time.	The audit procedures included evaluating the accounting policies followed by the Group to recognize revenues in accordance with International Financial Reporting Standards (IFRSs). We also studied the Group's internal control system regarding revenue recognition, including the main internal control elements within the revenue recognition cycle. We tested the accuracy of revenue recognition by selecting a sample of invoices and matching them with the announced and agreed upon contracts and prices. We tested a representative sample of revenue-related accounting entries recorded during the year based on criteria specified by us. In addition, we selected a sample before and after the end of the current year to evaluate whether revenue was recognized in the correct period. We also performed detailed revenue analysis using financial and non-financial information.

Other information included in the Group’s 2023 annual report

Other information consists of the information included in the Group’s 2023 Annual Report other than the consolidated financial statements and our auditor’s report thereon. Management is responsible for the other information. The Group’s 2023 Annual Report is expected to be made available to us after the date of this auditor’s report. Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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 IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor’s 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 reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements, taking into consideration the matters described in the Material Uncertainty Related to Going Concern paragraph.

The partner in charge of the audit resulting in this auditor’s report was Ali Hasan Samara; license number 503.

Amman - Jordan
31 March 2024

JORDAN CEMENT FACTORIES C-OMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY

Consolidated Statement of Financial Position

	Notes	2023	2022
		JD	JD
Assets			
Non-current assets -			
Property, plant and equipment	4	41,643,698	43,163,215
Investment properties	5	10,468,320	10,962,472
Right-of-use assets	6	633,648	376,423
Financial assets at fair value through other comprehensive income	7	266,819	256,536
Employees' housing and car loans	8	247,223	321,276
Accounts receivable and checks under collection	10	-	168,000
Deferred tax assets	19	9,268,292	9,180,382
Goodwill	3	2,495,945	2,495,945
Intangible assets		37,002	43,859
		65,060,947	66,968,108
Current assets -			
Inventory and spare parts	9	17,738,500	14,058,812
Accounts receivable and checks under collection	10	15,063,428	13,842,374
Other current assets	11	9,723,299	11,019,781
Assets held for sale	12	-	-
Cash on hand and at banks	13	5,546,217	2,356,562
		48,071,444	41,277,529
Total Assets		113,132,391	108,245,637
Equity and Liabilities			
Shareholders' equity			
Paid-in capital	1&14	60,444,460	60,444,460
Treasury shares		(323)	(323)
Statutory reserve	14	239,094	239,094
Fair value reserve	7	2,069	(8,214)
Accumulated losses	14	(134,348,764)	(136,078,477)
		(73,663,464)	(75,403,460)
Non-controlling interests		6,334,027	4,853,256
Deficit in shareholders' equity		(67,329,437)	(70,550,204)
Liabilities -			
Non-current liabilities -			
Long-term lease obligations	6	421,655	-
Deferred revenues	32	993,237	46,290,830
Provisions for employees' post-retirement health insurance benefits	18	27,551,378	30,486,654
		28,966,270	76,777,484
Current liabilities -			
Deferred revenues	32	45,001,011	-
Accounts payable	15	32,360,330	24,580,378
Other current liabilities	16	15,176,283	17,902,027
Provision for income tax	19	826,733	104,398
Short-term lease obligations	6	229,763	336,289
Restructuring provision	22	765,000	90,000
Deferred bank guarantees	17	2,187,653	2,187,653
Insolvency debts:			
Due to banks	32	12,786,916	12,786,916
Accounts payable	32	20,049,820	21,913,083
Other current liabilities	32	5,442,457	5,448,021
Banks loans	32	16,669,592	16,669,592
Related party loan	32	-	-
		151,495,558	102,018,357
Total liabilities		180,461,828	178,795,841
Total Equity and Liabilities		113,132,391	108,245,637

The accompanying notes from 1 to 34 form part of these consolidated financial statements

JORDAN CEMENT FACTORIES COMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY

Consolidated Statement of Profit or Loss

	Notes	2023	2022
		JD	JD
Sales	25	73,755,244	63,499,689
Cost of sales		(63,382,360)	(56,692,123)
Gross profit		10,372,884	6,807,566
Selling and marketing expenses	20	(1,543,435)	(1,474,845)
Administrative expenses	21	(4,360,172)	(4,603,432)
Operating income		4,469,277	729,289
Recovered from employees' housing and car loans provision		71,169	68,604
Interest income		26,796	110,097
Depreciation of investment properties	5	(494,152)	(491,501)
Finance costs		(573,751)	(814,105)
Lease finance costs	6	(185,185)	(176,050)
Provision for employees' post-retirement health insurance benefits	18	(615,832)	(1,113,102)
Provision for restructuring	22	(765,000)	(1,491,269)
Recovered from provision for slow moving items and spare parts	9	425,000	303,754
Provision for lawsuits	16	1,548,167	-
Provision for rehabilitation of quarries and environment protection	16	(22,351)	(23,940)
Recovered from impairment provision for assets held for sale	12	-	1,292,483
(Provision for) recovered from expected credit losses	10	(50,023)	629,068
(Provision for) recovered from employees' vacations		(10,454)	200,809
Provision for impairment project under construction	4	(600,000)	-
Amortization of intangible assets		(6,857)	(6,715)
(Loss) gain from foreign currency revaluation		(1,004,753)	524,620
(Loss) gain from sale of property, plant and equipment, net		(7,677)	13,757
Other revenues (expenses), net	23	404,506	(1,135,251)
Profit (Loss) for the year before income tax		2,608,880	(1,379,452)
Income tax expense	19	(1,070,767)	(227,623)
Profit (Loss) for the year		1,538,113	(1,607,075)
Attributable to:			
Shareholders of the Company		57,342	(1,833,190)
Non-controlling-interests		1,480,771	226,115
		1,538,113	(1,607,075)
		Fils / JD	Fils / JD
Basic and diluted profit (loss) per share for the year attributable to the shareholders of the Company	24	0,001	(0,030)

The accompanying notes from 1 to 34 form part of these consolidated financial statements

JORDAN CEMENT FACTORIES C-OMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY

Consolidated Statement of Comprehensive Income

	Notes	2023	2022
		JD	JD
Profit (loss) for the year		1,538,113	(1,607,075)
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair value resulted from financial assets at fair value through other comprehensive income	7	10,283	62,933
Actuarial gains resulted from revaluation of post-retirement health insurance benefits	18	1,672,371	30,224
		1,682,654	93,157
Total comprehensive income for the year		3,220,767	(1,513,918)
Attributable to:			
Shareholders of the Company		1,739,996	(1,740,033)
Non-controlling interests		1,480,771	226,115
		3,220,767	(1,513,918)

The accompanying notes from 1 to 34 form part of these consolidated financial statements

JORDAN CEMENT FACTORIES C-OMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY

Consolidated Statement of Changes In Shareholders' Equity

2023 -	Paid-in capital	Treasury shares	Statutory reserve	Fair value reserve	Accumulated losses	Total	Non-controlling interests	Deficit in shareholders' equity
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January	60,444,460	(323)	239,094	(8,214)	(136,078,477)	(75,403,460)	4,853,256	(70,550,204)
Profit for the year	-	-	-	-	57,342	57,342	1,480,771	1,538,113
Other comprehensive income items	-	-	-	10,283	1,672,371	1,682,654	-	1,682,654
Total comprehensive income for the year	-	-	-	10,283	1,729,713	1,739,996	1,480,771	3,220,767
Balance at 31 December	60,444,460	(323)	239,094	2,069	(134,348,764)	(73,663,464)	6,334,027	(67,329,437)
2022 -								
Balance at 1 January	60,444,460	(323)	239,094	(71,147)	(134,275,511)	(73,663,427)	5,607,141	(68,056,286)
Loss for the year	-	-	-	-	(1,833,190)	(1,833,190)	226,115	(1,607,075)
Other comprehensive income items	-	-	-	62,933	30,224	93,157	-	93,157
Total comprehensive income for the year	-	-	-	62,933	(1,802,966)	(1,740,033)	226,115	(1,513,918)
Dividend payment for non-controlling interests	-	-	-	-	-	-	(980,000)	(980,000)
Balance at 31 December	60,444,460	(323)	239,094	(8,214)	(136,078,477)	(75,403,460)	4,853,256	(70,550,204)

The accompanying notes from 1 to 34 form part of these consolidated financial statements

JORDAN CEMENT FACTORIES COMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY

Consolidated Statement of Cash Flows

	Notes	2023	2022
		JD	JD
Operating Activities			
Profit (Loss) for the year before income tax		2,608,880	(1,379,452)
Adjustments:			
Depreciation	4&5	2,877,792	2,889,605
Amortization of intangible assets		6,857	6,715
Depreciation of right-of-use-assets	6	516,611	1,211,129
(Provision for) recovered from expected credit losses	10	50,023	(629,068)
Loss (gain) from sale of property, plant and equipment		7,677	(13,757)
Released from impairment provision for assets held for sale	12	-	(1,292,483)
Provision for lawsuits	16	(1,548,167)	-
Provision for employees' post-retirement health insurance benefits		615,832	1,113,102
Provision for rehabilitation of quarries and environment protection		22,351	23,940
Released from provision for slow moving items and spare parts		(425,000)	(303,754)
Recovered from employees' housing and car loans provision		(71,169)	(68,604)
Finance costs		573,751	814,105
Finance costs on lease liabilities		185,185	176,050
Provision for restructuring		765,000	1,491,269
Interest income		(26,796)	(110,097)
Other provisions		870,295	358,822
Provision for impairment of projects under construction		600,000	-
Changes in working capital:			
Accounts receivable, other current assets, checks under collection, and employees' housing and car loans		(290,555)	(6,113,265)
Inventory and spare parts		(3,254,688)	(2,145,110)
Accounts payable and other current liabilities		5,077,545	7,236,916
Paid from post-retirement health insurance benefits	18	(1,878,737)	(1,581,224)
Paid from lawsuits provision	16	(36,920)	(37,898)
Paid from other provisions		(259,450)	(242,449)
Income tax paid	19	(280,841)	(212,231)
Paid from restructuring provision		(67,459)	-
Net cash flows from operating activities		**6,638,017**	**1,192,261**
Investing Activities			
Purchase of property, plant and equipment and projects in progress	4	(1,905,577)	(999,681)
Proceeds from sale of property, plant and equipment		66,893	33,909
Purchase of intangible assets		-	(6,520)
Proceeds from employees' housing and car loans		71,169	68,604
Net cash flows used in investing activities		**(1,767,515)**	**(903,688)**
Financing Activities			
Dividends paid		(490,000)	(490,000)
Due to banks		-	(4,294,946)
Paid finance costs		(573,751)	(814,105)
Payments of lease obligations		(643,892)	(1,454,487)
Proceeds from interest income		26,796	110,097
Net cash flows used in financing activities		**(1,680,847)**	**(6,943,441)**
Net increase (decrease) in cash and cash equivalents		**3,189,655**	**(6,654,868)**
Cash and cash equivalents at the beginning of the year		2,356,562	9,011,430
Cash and cash equivalents at the end of the year	13	**5,546,217**	**2,356,562**

The accompanying notes from 1 to 34 form part of these consolidated financial statements

1. General

The Jordan Cement Factories Company "the Company" was established in 1951 as a Jordanian Public Shareholding Company and was registered at the Ministry of Industry and Trade during the year 1964. The Company's paid-in capital is JD 60,444,460 consisting of 60,444,460 shares of JD 1 par value each as of 31 December 2023.

The Company's main objectives are the production and manufacturing of Portland cement.

The Company is 50.275% owned by Financiere Lafarge S.A.S – France ("Parent Company").

In light of the current financial conditions of the Company, the Company's Board of Directors resolved to submit an application in order for insolvency declaration in accordance with the Jordanian Insolvency Law No. (21) of 2018 in order to restructure the Company's capital and operations to maintain its business continuity. Accordingly, a decision was issued by Salt Court of First Instance approving the declaration of insolvency of the Company on 26 July 2020. The General Assembly of Creditors meeting was held on 10 August 2023 to discuss the reorganization plan, where the plan and the approved proposals were approved and voted on by the majority of the creditors' representatives present at the meeting, and the court's decision was issued on 28 August 2022 which included the adoption of the reorganization plan and the end of the insolvency procedures (note 32).

The consolidated financial statements were approved for issuance by the Board of Directors in its meeting held on 28 March 2024, and it is subject to the approval of the General Assembly of the shareholders.

2. Basis of Preparation and Accounting Policies

2-1 Basis of Preparation of Consolidated Financial Statements

The accompanying consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB).

The consolidated financial statements are prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income which have been measured at fair value as of the date of the consolidated financial statements.

The consolidated financial statements have been presented in Jordanian Dinar which represents the functional currency of the company.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Jordan Cement Factories (the "Company") and its following subsidiaries (collectively referred to as the "Group") as of 31 December 2023 and 2022.

Company's Name	Ownership Interest	Country
Arabian Concrete Supply Company Limited	51%	Jordan
Al Fuheis Green Heights Real Estate Development Company *	100%	Jordan

* Jordan Cement Factories Company established Al Fuheis Green Heights Real Estate Development Company on 30 July 2018 with an authorized capital of JD 30,000 and a paid-in capital of JD 15,000 as of 31 December 2023. The Company has not conducted any operational activity since its inception date until the date of these consolidated financial statements.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- Contractual arrangement with other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, equity, revenues, expenses and profit or loss relating to transactions between members of the Group are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non-controlling interests.
- Derecognizes the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes any surplus or deficit in profit or loss.
- Reclassifies the Company's share of components previously recognized in OCI to profit or loss.

2-2 Changes in Accounting Policies

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 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. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on Group Consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on Group Consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on Group Consolidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/ year.

2-3 Significant Accounting Judgments, Estimates And Assumptions

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

Useful lives of property, plant, and equipment

The Group management determines the estimated useful lives of its property, plant and equipment for calculating depreciation based on expected usage of the assets. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted prospectively where the management believes the useful lives differ from previous estimates.

Provision for expected credit losses

The Group uses a matrix to calculate the provision for expected credit losses for receivables. Provision ratios are calculated based on the ages of outstanding debt for customer segments groups that have common characteristics of loss patterns, considering the adjustment of these matrices to suit historical default rates and future expectations of these ratios.

The matrix of provisions for expected credit losses is initially based on the Group historical default rates. The company assesses the rate at which historical default rates are correlated with future economic conditions as if it turns out that future economic indicators (e.g. GDP coefficient) are expected to be bad in the coming years and thus an increase in future default rates, the company will adjust historical default ratios to suit these conditions.

Assessing the correlation rate of historical default rates with economic conditions and the value of provision for expected credit losses is a material estimate. The value of the provision for expected credit losses is affected by changing economic conditions and expected factors. The group experience in estimating expected credit losses and future economic conditions may not represent the actual state of debtors defaulting in the future.

Income tax

The income tax provision is calculated in accordance with IAS (12).

Deferred tax

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) at the date of the consolidated financial statements that arose from a past event and costs to settle the obligation are probable and can be measured reliably.

Estimates related to the application of International Financial Reporting Standard (16)

The application of International Financial Reporting Standard (16) requires the group management to make estimates and assumptions that affect the measurement of the right-of-use assets and related liabilities. The Group management considers all factors related to the option of extending or renewing lease contracts. Determining whether a contract is considered a lease requires testing. Management also uses estimates to determine the appropriate discount rate for measuring lease obligations.

Post-retirement health insurance obligations

The cost of the benefits determined for post-retirement health insurance as well as the present value of the liability are measured based on actuarial valuation. Actuarial valuation includes estimates regarding the discount rate, future salary increases, and mortality rates. These estimates are reviewed annually.

Quarry rehabilitation and environmental protection

The Group recognizes a provision for the cost of quarrying rehabilitation and therefore estimates are made regarding the discount price, the expected cost of rehabilitation and the expected timing of it.

2-4 Summary of Significant Accounting Policies

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. The Group has the option to measure the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition costs incurred are expensed and included in the consolidated statement of profit or loss.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Impairment of goodwill

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash generating unit (or group of cash generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than their carrying amount an impairment loss is recognized.

Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for construction projects if the recognition criteria are met. Repair and maintenance expenses are recognized in the consolidated statement of profit or loss.

Property, plant and equipment (except for land) is depreciated using the straight-line method over their estimated useful lives using the following annual depreciation rates:

Description	Years
Buildings	6 - 50
Plant and equipment	5 - 30
Vehicles	5 - 15
Tools and devices	5 - 15
Furniture and fixture	5 - 11
Computers	2 - 15
Others	5 - 20

The cost of quarries is depreciated using the depletion method where the depreciation expense is calculated based on the estimated raw material quantities adjusted to the quantities extracted.

When property and equipment are sold or retired, any gain or loss resulting from their disposal is included in the consolidated statement of profit or loss.

When the recoverable amount of any property, plant and equipment is less than its net book value, its value is reduced to the recoverable value and the impairment value is recorded in the consolidated statement of profit or loss.

The useful life and depreciation method are periodically reviewed to ensure that the depreciation method and period are consistent with the expected economic benefits of property, plant and equipment.

Investment properties

Investment properties are investments in land or buildings held to earn rentals or for capital appreciation, rather than land or buildings used for production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties appear at cost after deducting accumulated depreciation and any provision against the decrease, and real estate investments (excluding land) are depreciated when they are ready for use in a straight-line manner over their expected useful life.

The book value of investment properties is reviewed for impairment when events or changes in circumstances indicate that the book value may not be recoverable. When such indicators exist and when the book value exceeds the recoverable value, the value of real estate investments is reduced to their recoverable value and the impairment provision is recorded in the consolidated statement of profit or loss.

Gains or losses resulting from the exclusion of investment properties (calculated on the basis of the difference between cash receipts and the book value of the excluded asset) are recognized in the consolidated statement of profit or loss when excluding investment properties.

The useful life and method of depreciation are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected economic benefits of investment properties.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets are classified as finite or infinite. Intangible assets with finite lives are amortized over the useful economic life and the amortization expense is recognized in the consolidated statement of profit or loss. While intangible assets with indefinite useful lives are assessed for impairment at each reporting date or when there is an indication that the intangible asset may be impaired. The impairment loss is recorded in the consolidated statement of profit or loss.

Any indications of impairment of the intangible asset are reviewed at the date of the financial audit. The existing chronological age is also reviewed as new adjustments are made for subsequent periods.

The intangibles are not capitalized and begin to be recorded in the consolidated statement of comprehensive income in the same year.

The intangible assets include the cost sharing in the central connection for energy and the Group's management estimates its useful life and is amortized using straight line method on a 15% annual rate.

Projects in progress

Projects under implementation are recorded at cost and when the project is ready for use, it is transferred to its item within the property, plant and equipment.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are recorded at fair value plus acquisition costs at the date of acquisition and subsequently measured at fair value. Changes in fair value are reported as a consolidated component in the consolidated statement of comprehensive income and in the consolidated statement of changes in equity, including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded in the consolidated statement of comprehensive income and in the consolidated statement of changes in equity, and the valuation reserve balance for sold assets is transferred directly to retained earnings.

These assets are not subject to impairment testing. Dividends are recognised in the consolidated statement of income when declared.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease obligations.

The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Inventory and spare parts

Inventories are valued at the lower of cost or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials	- Purchase cost using the weighted average cost method.
Finished goods and work in process	- Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity, using the weighted average cost method.
Spare parts	- Cost using the weighted average cost method.

Accounts receivable
Accounts receivables are stated at original invoice amount less any provision for any uncollectible amounts related to expected credit losses (ECL). The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward–looking factors specific to the debtors and the economic environment.

Cash and cash equivalents
Cash and bank balance in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with original maturity of three months or less, net of outstanding bank overdrafts.

Loans
Loans are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest method.

Amortized cost is calculated by taking into consideration any discount or acquisition premium, fees and costs are an integral part of the effective interest rate. Finance costs are recognised in the consolidated statement of profit and loss.

Accounts payable and accruals
Accounts payables are obligations to pay for goods and services that have been acquired from suppliers, whether or not such obligations have been claimed.

Lease contracts
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Lease liabilities
At the commencement date of the lease, the Group recognizes lease obligations measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest

and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of property and equipment due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

Impairment of financial assets

IFRS 9 requires the Company to record an allowance for ECL for all debt instruments measured at amortized cost.

For all debt instruments, the Group has applied the standard's simplified approach and has calculated ECL based on lifetime expected credit losses. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the assets or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Revenue and expense recognition

Revenue is recorded according to the five-step model of the IFRS (15), which includes determining the contract and the price and determining the performance obligation in the contract and recognizing revenue based on the performance of the performance obligation.

Revenue is recognized when providing service which is usually done at a specific point of time.

Other revenues are recognized using the accrual basis of accounting.

Expenses are recognized using the accrual basis of accounting.

Finance costs

Finance costs are recognised as an expense when incurred. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized.

Employees' housing and car loans

Employees' housing and car loans are recognized at fair value and subsequently recorded at amortized cost using the effective interest method.

Gains or losses are recognized in the consolidated statement of profit and loss when there is a decrease in the value of loans and through the amortization of those loans.

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 by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/ non-current classification.

An asset is current when it is:
Expected to be realized or intended to sell or consumed in normal operating cycle
Held primarily for the purpose of trading
Expected to be realized within twelve months after the reporting period; or
Cash or cash equivalents unless restricted from being exchanged or used to settle liability for at least twelve months after the reporting period

All other assets are classified as non-current assets.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

Post-retirement health insurance obligations

The Group provides specific post-retirement health insurance benefits to eligible employees and their families.

The cost of defined benefits is measured using the actuarial valuation method and actuarial gains and losses are recognized among other comprehensive income items during the period in which they occur. The cost of the previous service is recognized as an expense using the straight-line method over the average period until the benefits become due.

Provisions

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provision for the rehabilitation of quarries and environment protection

A provision is made for quarry rehabilitation based on projected future costs deducted from their current values.

Termination provision and grants to support social projects

Employee termination allowance is recognized when the Group is committed to providing termination benefits. The Group is only liable when it has a detailed formal plan for termination and there is no actual possibility of withdrawing such plan. The termination allowance is measured based on the number of employees who will be affected by the severance.

A grant allocation has been made to support social projects to assist employees who have been terminated after meeting the conditions and criteria of the program.

Income tax

Taxes are calculated according to the tax rates established in accordance with the tax laws in force in the Hashemite Kingdom of Jordan.

Tax expense represents the amount of tax owed and deferred tax.

The due tax expenses are calculated on the basis of the taxable profits, and the taxable profits differ from the profits declared in the consolidated financial statements because the declared profits include non-taxable revenues or expenses that are not deductible in the fiscal year but rather in subsequent years or the accumulated losses that are taxable or items that are not subject to or acceptable for tax purposes.

Deferred taxes are taxes that are expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the consolidated financial statements and the value on which the tax profit is calculated. Deferred taxes are calculated using the statement of financial position liability method. Deferred taxes are calculated according to the tax rates that are expected to be applied when settling the tax liability or realizing the deferred tax assets.

The balance of deferred tax assets is reviewed at the date of the consolidated financial statements and is reduced in the event that it is expected that it is not possible to benefit from those tax assets in part or in full.

Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Foreign currency

Transactions in foreign currencies during the year were recorded at the prevailing exchange rates on the date of the transactions, and balances of financial assets and financial liabilities in foreign currencies are converted at the prevailing exchange rates on the date of the consolidated statement of financial position.

Profits and losses resulting from foreign currency exchange are recorded in the consolidated statement of profit or loss.

Segment reporting

The business sector represents a group of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other business sectors, which are measured according to the reports that are used by management and the main decision maker of the Group.

The geographical sector is related to providing products or services in a specific economic environment subject to risks and returns that differ from those related to sectors operating in other economic environments.

Contingent liability and assets

Contingent liabilities are not recorded in the consolidated financial statements but are disclosed when the possibility of paying them is remote.

Contingent assets are not recorded in the consolidated financial statements but are disclosed when the possibility of their receipt is possible.

3. Goodwill

The goodwill in the amount of JD 2,495,945 relates to the acquisition of Al-Aloul Group of Companies that took place during the year 2008. The ready-made concrete sector was identified as the cash-generating unit benefiting from the acquisition for the purposes of goodwill impairment testing.

At 31 December 2023, the Group conducted its annual goodwill impairment test. The recoverable value of the ready-mix concrete sector was determined by calculating the value in use of the sector, which was calculated based on the expected cash flows for the sector and based on the estimated budget for 2017 that was approved by management. The expected cash flows after 2017 were calculated using a growth rate ranging from 3% to 5%. In the management's belief, the growth rate is appropriate given the nature of work and the general growth in economic activity in the region. A discount rate of 8% was used to discount the expected cash flows, which represents the Group weighted average cost of capital adjusted to take into account sector-specific risks.

The impairment test did not result in any impairment losses in the ready-mixed concrete sector.

The calculation of the value in use for the ready-mixed concrete sector is affected by the following assumptions:
- Gross profit
- Discount rate
- The growth rate used in calculating expected cash flows

With regard to calculating value in use, management believes that any reasonable change in the above assumptions would not result in the carrying value of the ready-mixed concrete segment materially exceeding its recoverable value.

4. Property, plant and equipment

2023 -	Land	Quarries	Buildings	Machinery and equipment	Vehicles	Tools and devices	Furniture and fixtures	Computers	Projects in progress*	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -											
Balance at 1 January	5,411,551	8,033,408	72,330,816	125,784,607	8,539,791	5,859,157	639,883	3,323,049	4,710,533	10,227,029	244,859,824
Additions	-	-	-	509,088	978,771	-	-	-	417,718	-	1,905,577
Transfers	-	-	558,212	2,546,827	-	215,729	5,511	-	(3,402,245)	75,966	-
Impairment provision	-	-	-	-	-	-	-	-	(600,000)	-	(600,000)
Disposals	-	-	(65,062)	-	(76,152)	-	-	-	(366,875)	(15,609)	(523,698)
At 31 December	5,411,551	8,033,408	72,823,966	128,840,522	9,442,410	6,074,886	645,394	3,323,049	759,131	10,287,386	245,641,703
Accumulated depreciation-											
Balance at 1 January	-	2,251,861	65,068,360	108,041,047	6,400,009	5,858,683	639,862	3,322,972	-	10,113,815	201,696,609
Depreciation for the year	-	10,371	490,835	1,536,709	301,855	5,686	92	-	-	38,092	2,383,640
Disposals	-	-	(17,169)	-	(51,355)	-	-	-	-	(13,720)	(82,244)
Balance at 31 December	-	2,262,232	65,542,026	109,577,756	6,650,509	5,864,369	639,954	3,322,972	-	10,138,187	203,998,005
Net book value											
At 31 December 2023	**5,411,551**	**5,771,176**	**7,281,940**	**19,262,766**	**2,791,901**	**210,517**	**5,440**	**77**	**759,131**	**149,199**	**41,643,698**

* The company expects to complete the projects under progress during the year 2024, with a percentage of completion of 71%. The total estimated cost to complete the projects is JD 491,062.

2022 -	Land	Quarries	Buildings	Machinery and equipment	Vehicles	Tools and devices	Furniture and fixtures	Computers	Projects in progress	Others	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -											
Balance at 1 January	5,411,551	8,033,408	72,244,177	108,383,788	8,023,520	5,859,157	639,883	3,323,049	4,485,767	10,181,222	226,585,522
Additions	-	-	-	78,272	486,264	-	-	-	426,145	9,000	999,681
Transfers*	-	-	86,639	17,322,547	53,903	-	-	-	(201,379)	36,807	17,298,517
Disposals	-	-	-	-	(23,896)	-	-	-	-	-	(23,896)
Balance at 31 December	5,411,551	8,033,408	72,330,816	125,784,607	8,539,791	5,859,157	639,883	3,323,049	4,710,533	10,227,029	244,859,824
Accumulated depreciation-											
Balance at 1 January	-	2,247,000	64,504,443	89,252,986	6,148,397	5,858,304	639,862	3,322,972	-	10,059,144	182,033,108
Depreciation for the year	-	4,861	563,917	1,518,920	255,356	379	-	-	-	54,671	2,398,104
Transfers*	-	-	-	17,269,141	-	-	-	-	-	-	17,269,141
Disposals	-	-	-	-	(3,744)	-	-	-	-	-	(3,744)
Balance at 31 December	-	2,251,861	65,068,360	108,041,047	6,400,009	5,858,683	639,862	3,322,972	-	10,113,815	201,696,609
Net book value											
At 31 December 2022	**5,411,551**	**5,781,547**	**7,262,456**	**17,743,560**	**2,139,782**	**474**	**21**	**77**	**4,710,533**	**113,214**	**43,163,215**

* During 2022, the Group has transferred the remaining machinery and equipment from the sale of the second production line of Al Fuheis Factory which was classified as assets held for sale for a book value of JD 29,376 as at 31 December 2022 (note 12).

The depreciation expense included in the consolidated statement of profit or loss is as follows:

	2023	2022
	JD	JD
Cost of sales	2,351,716	2,333,431
Administrative expenses (note 21)	31,924	64,673
	2,383,640	2,398,104

(5) Investments properties

2023 -	Land	Quarries	Buildings	Equipment	Total
	JD	JD	JD	JD	JD
Cost -					
Balance at 1 January	2,039,950	2,955,563	13,236,187	6,030,719	24,262,419
Balance at 31 December	2,039,950	2,955,563	13,236,187	6,030,719	24,262,419
Accumulated depreciation -					
Balance at 1 January	-	503,464	9,387,990	3,408,493	13,299,947
Depreciation for the year	-	-	269,034	225,118	494,152
Balance at 31 December	-	503,464	9,657,024	3,633,611	13,794,099
Net book value					
Balance at 31 December 2023	2,039,950	2,452,099	3,579,163	2,397,108	10,468,320

2022 -					
Cost -					
Balance at 1 January	2,039,950	2,955,563	13,236,187	6,030,719	24,262,419
Balance at 31 December	2,039,950	2,955,563	13,236,187	6,030,719	24,262,419
Accumulated depreciation -					
Balance at 1 January	-	503,464	9,120,892	3,184,090	12,808,446
Depreciation for the year	-	-	267,098	224,403	491,501
Balance at 31 December	-	503,464	9,387,990	3,408,493	13,299,947
Net book value					
Balance at 31 December 2022	2,039,950	2,452,099	3,848,197	2,622,226	10,962,472

During 2022, the Company has performed impairment test for the fair value of the investment properties, the fair value was amounted to JD 142,888,043 as at 31 December 2022. The impairment testing has been performed by the local appraisers who have been assigned by the court to revalue the plot of land intended to be swapped to creditors in accordance with the restructuring plan. No impairment indicators have been raised on the investment properties.

6. Right-of-use assets

The Group has different lease contracts for land, buildings, mixers, pumps and leased vehicles. The table below shows the book value of right-of-use assets and lease obligations and the movement on them during the year ended 31 December:

	2023		2022	
	Right-of-use assets	Lease Obligations**	Right-of-use assets	Lease Obligations**
	JD	JD	JD	JD
Beginning balance	376,423	336,289	1,640,749	1,614,726
Additions	821,703	821,703	-	-
Disposals	(47,867)	(47,867)	(53,197)	(53,197)
Depreciation *	(516,611)	-	(1,211,129)	-
Finance costs	-	185,185	-	176,050
Payments	-	(643,892)	-	(1,401,290)
Ending balance	633,648	651,418	376,423	336,289

* The depreciation expenses included in the consolidated statement of income is as follows:

	2023	2022
	JD	JD
Cost of sales	448,388	1,124,366
Administrative expenses (note 21)	68,223	86,763
	516,611	1,211,129

** The details of the lease obligations as at 31 December are as follows:

	Short-term	Long-term	Total
	JD	JD	JD
2023	229,763	421,655	651,418
2022	336,289	-	336,289

7. Financial Assets at Fair Value Through Other Comprehensive Income

	2023	2022
	JD	JD
Quoted shares:		
Mining Investment Company	18,195	7,912
Unquoted shares:		
Chemical and Mining Industries Company	192,035	192,035
Jordanian Investment and South Development Company	56,589	56,589
Sudan Company (CTS) - Sudan *	-	-
	248,624	248,624
	266,819	256,536

* This item represents the investment of the Jordanian Cement Factories Company in Sudan Company (CTS), whereas the Company ceased operations and does not carry out any activities.

The movement on financial assets at fair value through other comprehensive income is as follows:

	2023	2022
	JD	JD
Beginning balance	256,536	193,603
Change in fair value	10,283	62,933
Ending balance	266,819	256,536

The movement on fair value reserve is as follows:

	2023	2022
	JD	JD
Beginning balance	(8,214)	(71,147)
Changes during the year	10,283	62,933
Ending balance	2,069	(8,214)

8. Employees' Housing and Car Loans

The employees' housing and car loans are initially recognized at fair value, which is calculated by discounting the monthly payments to their present value. These loans are subsequently measured at amortized cost using the effective interest method.

	2023	2022
	JD	JD
Employees' housing loans *	247,223	321,276

* The Company granted housing loans without interest to classified employees whose service period in the Company is not less than five years, with a ceiling of JD 22,000. Loans are repaid in monthly instalments deducted from the employee's monthly salary, with a repayment period not exceeding 15 years. These loans are granted to the employees against the mortgage of the property.

9. Inventory and Spare Parts

	2023	2022
	JD	JD
Spare parts	13,948,563	14,092,414
Finished goods	5,603,216	4,981,730
Work in progress	6,228,946	3,396,748
Raw materials	2,306,791	2,619,689
Fuel	2,078,984	1,819,990
Others	-	1,241
	30,166,500	26,911,812
Provision for slow moving items and spare parts *	(12,428,000)	(12,853,000)
	17,738,500	14,058,812

* The movement on provision for slow moving items and spare parts is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	12,853,000	11,519,125
Transfer from provision for assets held for sale (note 12)	-	1,637,629
Provision for the year	110,000	53,001
Released during the year	(535,000)	(356,755)
Balance as at 31 December	12,428,000	12,853,000

(10) Accounts Receivable and Checks Under Collections

	2023	2022
	JD	JD
Local receivables sales	12,944,375	14,113,598
Foreign receivables sales	1,920,688	1,920,688
Checks under collections	9,003,349	6,852,518
Due from related parties (note 27)	211,875	229,778
Others	-	24,123
	24,080,287	23,140,705
Provision for expected credit losses *	(9,016,859)	(9,130,331)
	15,063,428	14,010,374

The details of the accounts receivable and checks under collections are as follows:

	2023	2022
	JD	JD
Accounts receivable and checks under collection - short term	15,063,428	13,842,374
Accounts receivable and checks under collection - long term	-	168,000
	15,063,428	14,010,374

* The movement on provision for expected credit losses is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	9,130,331	9,763,182
Provision for the year	50,023	294,179
Released during the year	-	(923,247)
Write offs	(163,495)	(3,783)
Balance as at 31 December	9,016,859	9,130,331

As at 31 December, the aging of unimpaired accounts receivable is as follows:

2023-	Neither past due nor impaired	1-90 days	91 – 180 days	181 – 270 days	271 – 365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD	JD
Total trade receivables	8,571,036	5,443,778	957,472	492,898	288,147	8,326,956	24,080,287
Provision for expected credit losses	156,267	217,110	117,657	128,697	191,828	8,205,300	9,016,859

2022-	Neither past due nor impaired	1-90 days	91 – 180 days	181 – 270 days	271 – 365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD	JD
Total trade receivables	6,927,964	4,782,424	1,054,869	899,231	314,738	9,161,479	23,140,705
Provision for expected credit losses	129,000	230,369	156,315	200,452	211,939	8,202,256	9,130,331

Management expects unimpaired receivables to be fully recoverable.

11. Other Current Assets

	2023	2022
	JD	JD
Receivables due from the sale of the second production line – Al Fuheis Factory (note 12)	6,711,811	8,431,591
Refundable deposits	1,709,869	1,137,586
Prepaid expenses	920,611	734,110
Receivables and advance payments to contractors	261,680	269,654
Sales tax deposits	-	370,381
Others	119,328	76,459
	9,723,299	11,019,781

12. Assets Held for Sale

During 2019, the Board of Directors of the Group decided to sell the second production line of the Al Fuheis Factory, as the property and equipment related to the second production line in the Al Fuheis Factory, in addition to related spare parts, were reclassified to assets held for sale purposes for an amount of JD 10,769,754 and recognized at net book value or selling price, whichever is less.

On 17 October 2022, the Jordan Cement Factories Company signed an agreement to sell the second line - Al Fuheis Factory for an amount of JD 8,875,000.

The details of the movement in the assets held for sale are as follows:

	2023	2022
	JD	JD
Balance as at 1 January	-	7,839,642
Provision for the year *	-	-
Disposals during the year	-	(7,839,642)
Balance as at 31 December	-	-

* The movement on the provision for impairment of assets held for sale is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	-	2,930,112
Released during the year	-	(1,292,483)
Transfer to provision for slow moving items and spare parts (note 9)	-	(1,637,629)
Balance as at 31 December	-	-

13. Cash on Hand and at Banks

	2023	2022
	JD	JD
Cash on hand	6,000	5,640
Balance at banks	3,040,217	2,350,922
Deposits	2,500,000	-
	5,546,217	2,356,562

* The annual interest rate on the deposits ranged between 6.30% to 6.35% during the year ended 31 December 2023 (2022: 4%).

** The Group has unutilized credit facilities presented as Bank overdraft with a ceiling amounted to JD 6,250,000 as of 31 December 2023 and 31 December 2022.

14. Equity

Paid-in Capital –

The Company's paid in capital is JD 60,444,460 consisting of 60,444,460 shares of JD 1 par value each as of 31 December 2023 and 2022.

Statutory Reserve –

As required by the Jordanian Companies Law, 10% of the annual profit before tax is to be transferred to statutory reserve. The reserve is not available for distribution to the shareholders.

Accumulated losses –

The Group's accumulated losses of JD 134,348,764 exceeded the Group's capital as of 31 December 2023. Also, the Group's current liabilities exceeded its current assets by an amount of JD 103,424,114 as of 31 December 2023. These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the entity's ability to continue as a going concern. According to Article (266) of the Jordanian Company's Law No. (22) for the year 1997 and its amendments, if the accumulated losses of the Public Shareholding Company exceeded 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses. As stated in note (32), the Company's Board of Directors resolved to submit a request to declare the Company's insolvency in accordance with the Jordanian Insolvency Law No. (21) of 2018 in order to restructure the Company's capital, as the court's decision was issued approving the declaration of insolvency on 26 July 2020, and the restructuring plan was approved on 28 August 2022.

15. Accounts Payable

	2023	2022
	JD	JD
Account payables	31,713,968	23,003,915
Due to related parties (note 27)	646,362	1,576,463
	32,360,330	24,580,378

16. Other Current Liabilities

	2023	2022
	JD	JD
Provision for lawsuits against the Group (note 26) *	10,517,577	12,236,245
Quarries rehabilitation and environmental protection provision**	1,433,814	1,411,463
Provision for other liabilities	1,273,123	1,370,438
Employee receivables	463,821	1,335,123
Accrued expenses	705,696	453,954
Employee leave allowance	229,841	217,736
Housing and health insurance fund deposits	20,214	42,416
Sales tax payable	425,616	-
Others	106,581	834,652
	15,176,283	17,902,027

* The details of the movement on the provision for lawsuits raised against the Group is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	12,236,245	14,461,796
Recovered during the year - net	(1,548,167)	-
Transferred during the year	(133,581)	(2,187,653)
Payments during the year	(36,920)	(37,898)
Balance as at 31 December	10,517,577	12,236,245

** Provision is made for quarry rehabilitation based on expected future costs discounted to their present values using a discount rate of 7.5%.

*The movement details on provision for rehabilitation of quarries and environmental protection is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	1,411,463	1,387,523
Provision for the year	22,351	23,940
Balance as at 31 December	1,433,814	1,411,463

17. Deferred Bank Guarantees

	2023	2022
	JD	JD
Arab Bank	2,187,653	2,187,653

This item represents a case between the Jordan Cement Factories Company and the Energy and Minerals Regulatory Commission, regarding clay mining fees in the Al-Fujij area – Al-Rashadiyah in the amount of JD 2,187,653 and a full provision has been recorded against that case as of 31 December 2022. During 2022, the Group has lost the case with Arab Bank and the court decided to liquidate the bank guarantee in favor of the Arab Bank. The amount was transferred from the Group's provision for lawsuits to establish a credit balance in favor of Arab Bank within the Group's financial records.

18. Provisions for Employees' Post-Retirement Health Insurance Benefits

The Group provides specific post-retirement health insurance benefits to eligible employees and their families who meet certain conditions. Employees are entitled to benefit from health insurance upon reaching the retirement age, which is 50 years for females and 60 years for males. Employees are not granted any other benefits after retirement.

Pensioners (until their death) and their families (until the death of a spouse or children reach the maximum covered age) contribute the following amounts:

1- 2.5% of the pensioner's social security salary, with a minimum of JD 6 per month.
2- 20% of the family's medical costs, up to a maximum of JD 200 for each medical case.

The post-retirement health insurance expense shown in the consolidated statement of profit or loss is as follow:

	2023	2022
	JD	JD
Current service cost	(849,609)	(340,098)
Interest on commitment	1,465,441	1,453,200
	615,832	1,113,102

The changes in the present value of health insurance liabilities after retirement are as follows:

	2023	2022
	JD	JD
Balance as at 1 January	30,486,654	30,985,000
Provision for the year	615,832	1,113,102
Actuarial profit	(1,672,371)	(30,224)
Payments during the year	(1,878,737)	(1,581,224)
Balance as at 31 December	27,551,378	30,486,654

The basic assumptions used in determining post-retirement health insurance liabilities are as follows:

	2023	2022
Discount rate	5,22%	5.12%
Long-term medical inflation rate	3.50%	3.50%
Expected increase in employees' salaries	3%	2.50%
Revaluation pension rate	2%	2%
Mortality/ disability	88-90 years old for females	88-90 years old for females
	60-64 years old for males	60-64 years old for males
Turnover rates	1% per year up to 50 years old	1% per year up to 50 years old
Retirement age:		
Males	60 years	60 years
Females	55 years	55 years
Maximum age of coverage for children:		
Females	23 years	23 years
Males	23 years	23 years
Annuity - Existing employees	JD 360 after deducting the joint insurance paid by the retirees	JD 358 after deducting the joint insurance paid by the retirees
Annuity – Retirees	Involved in the long-term health cost inflation hypothesis	Involved in the long-term health cost inflation hypothesis
Contributions for family members	JD 60,000 or 75% of the expected final salary, whichever is less	JD 60,000 or 75% of the expected final salary, whichever is less
Social Security salary	5,22%	5,12%

19. Income Tax

Income tax provision was calculated for the Jordan Cement Factories Company (Public Shareholding Company) for 2023 in accordance with Income Tax Law No. (34) of 2014 and its amendments at the rate of 20% (19% in addition to 1% national contribution). Income tax provision was calculated for the Group for 2022 in accordance with Income Tax Law No. (34) of 2014 and its amendments at the rate of 19% (18%, in addition to 1% national contribution) and Aqaba Special Economic Zone Authority Law No. (32) of 2000 and its amendments for Aqaba branch at rate 5% in addition to 1% national contribution.

Income tax, net -

The income tax stated on the consolidated statement of income represents the following:

	2023	2022
	JD	JD
Accrued income tax expense	1,003,176	153,217
Prior years Income tax expense	155,501	179,937
Impact deferred tax assets	(87,910)	(105,531)
	1,070,767	227,623

Provision for income tax -

The movement on provision for income tax is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	104,398	163,157
Adjusting prior years	-	255
Income tax for the year	1,003,176	153,217
Income tax paid	(280,841)	(212,231)
Balance as at 31 December	826,733	104,398

Tax status-

The Company submitted its declaration to the Income and Sales Tax Department until the year 2023. The Income Tax Department did not review the Company accounting records for the years 2021, 2022 and 2023.

The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2020.

The subsidiary has reached a final settlement with the Income and Sales Tax Department up to the year 2019.

Deferred tax assets -

The following table shows the deferred tax assets is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	9,180,382	9,074,851
Net change during the year	87,910	105,531
Balance as at 31 December	9,268,292	9,180,382

Reconciliation between accounting income (loss) and taxable income (loss) is as follows:

	2023 JD	2022 JD
Accounting income (loss)	2,608,880	(1,379,452)
Non-taxable income	(2,244,337)	(4,437,769)
Non-deductible expenses	3,476,488	3,685,854
Taxable income (loss)	3,841,031	(2,131,367)
Relates to:		
Total loss excluding Aqaba - Parent company	(1,533,906)	(3,219,349)
Taxable profit for Aqaba - Parent company	266,787	281,577
Taxable profit – subsidiary	5,108,150	806,405
Taxable profit for Aqaba - subsidiary	-	-
Income tax expenses	1,003,176	153,217
Statutory income tax rate - excluding Aqaba	20%	19%
Statutory income tax rate - Aqaba	6%	6%
Effective income tax rate	41%	6%

20. Selling and Marketing Expense

	2023 JD	2022 JD
Salaries and wages	1,077,443	998,050
Group contribution for social security	109,899	122,329
Fuel	68,789	78,198
Subscriptions	61,625	60,100
Customer compensation and discounts	25,652	69,093
Others	200,027	147,075
	1,543,435	1,474,845

21. Administrative Expenses

	2023 JD	2022 JD
Salaries, wages, and other benefits	2,535,240	2,806,662
Professional fees	362,584	550,320
Social security contribution	291,503	301,766
Computer expenses	210,765	80,650
Employees saving fund contribution	142,056	161,427
Stationery, publications, and subscriptions	82,661	43,807
Fuel	71,943	36,036
Rent	70,042	69,385
Depreciation of right to use assets (note 6)	68,223	86,763
Travel and transportation	50,043	27,720
Hospitality	38,235	35,528
Maintenance	37,627	19,465
Insurance	34,796	32,959
Depreciation of property, plant and equipment (note 4)	31,924	64,673
Postage and telephone	29,712	29,414
Donations	16,226	10,685
Saving fund contribution	13,845	15,492
Training	9,931	3,888
Advertising and exhibitions	7,354	9,529
Others	255,462	217,263
	4,360,172	4,603,432

22. Provision for Restructuring

This item represents provision for restructuring human resources through an agreement to pay certain amounts as a reward to employees whose services the Group wishes to dispense and who have met the conditions for early retirement in accordance with the Social Security Law.

	2023	2022
	JD	JD
Balance as at 1 January	90,000	-
Provision for the year	765,000	1,491,269
Paid during the year	(67,459)	-
Transferred to other credit balances	(22,541)	(1,401,269)
Balance as at 31 December	765,000	90,000

23. Other Revenues (Expenses), Net

	2023	2022
	JD	JD
Other income	404,506	(1,292,483)
Loss on sale of the second production line – Al Fuheis	-	157,232
	404,506	(1,135,251)

24. Basic and Diluted profit (Loss) Per Share for the Year

	2023	2022
Profit (loss) for the year attributable to shareholders (JD)	57,342	(1,833,190)
Weighted average number of shares (Share)	60,444,460	60,444,460
Basic and diluted profit (loss) per share (Fils / JD)	0,001	(0,030)

25. Segment Reporting

The Group is organized for administrative purposes so that the sectors are measured according to the reports that are used by the management and the main decision maker of the group, through the geographical information mentioned later in this clarification and through the following main business sectors:
- Cement
- Ready-mix concrete

Segment performance is evaluated based on profit or loss for the year as shown below:
Business information

The revenues, profits, assets, and liabilities by business segments are as follows:

	2023			2022
	Cement	Ready-mix concrete	Total	Total
	JD	JD	JD	JD
Revenues				
Sales	20,490,181	53,265,063	73,755,244	63,499,689
Total	20,490,181	53,265,063	73,755,244	63,499,689
Business result				
Profit (loss) before tax	(1,467,869)	4,076,749	2,608,880	(1,379,452)
Income tax expense	(16,000)	(1,054,767)	(1,070,767)	(227,623)
Profit (loss) for the year	(1,483,869)	3,021,982	1,538,113	(1,607,075)
Other sectors information				
Capital expenditures	350,102	1,555,470	1,905,572	999,681
Depreciation	2,197,993	679,799	2,877,792	2,889,605
Finance costs	484,187	274,749	758,936	990,155

	2023			2022
	Cement	Ready-mix concrete	Total	Total
	JD	JD	JD	JD
Assets and liabilities				
Assets	91,072,108	22,060,283	113,132,391	108,245,637
Liabilities	164,089,120	16,372,708	180,461,828	178,795,841

Geographical distribution

Revenues, profits, assets, and liabilities are distributed by geographic areas as follows:

	2023			2022
	Amman	Aqaba	Total	Total
	JD	JD	JD	JD
Revenues				
Sales	72,961,889	793,355	73,755,244	63,499,689
Business result				
Profit (loss) before tax	2,342,093	266,787	2,608,880	(1,379,452)
Income tax expense	(1,054,767)	(16,000)	(1,070,767)	(227,623)
Profit (loss) for the year	1,287,326	250,787	1,538,113	(1,607,075)
Other sectors information				
Capital expenditures	1,905,572	-	1,905,572	999,681
Depreciation	2,877,792	-	2,877,792	2,889,605
Finance cost	758,936	-	758,936	990,155

As of 31 December 2023	Amman	Aqaba	Total
	JD	JD	JD
Assets and liabilities			
Assets	112,641,484	490,907	113,132,391
Liabilities	180,392,667	69,161	180,461,828

As of 31 December 2022	Amman	Aqaba	Total
	JD	JD	JD
Assets and liabilities			
Assets	107,595,927	649,710	108,245,637
Liabilities	178,752,951	42,890	178,795,841

26. Contingent Liabilities

	2023	2022
	JD	JD
Letters of guarantees and credit -		
Guarantees	2,325,870	295,715
Letter of credits	393,121	516,626

	2023	2022
	JD	JD
Contractual obligations -		
Purchase raw material	3,510,000	4,764,200

Legal cases -

The Group is a defendant in a number of lawsuits for an amount of JD 14,647,842 as at 31 December 2023 (31 December 2022: JD 14,635,592). The Group management and their legal advisors believe that the provision is sufficient to cover these liabilities that amount to JD 10,517,577 as at 31 December 2023 (31 December 2022: JD 12,236,245). The lawsuits filed by the Group against third parties amounted to JD 4,836,040 as of 31 December 2023 (31 December 2022: JD 4,651,095).

27. Related Parties

Transactions with related parties consist of transactions with associated companies, employees, major shareholders, Board of Directors, senior management, other related parties and companies owned by the partner.

Prices and conditions relating to the transactions with related parties are approved by the Group management.

The following is a summary of balances with related parties during the year:

	2023	2022
	JD	JD
Items within the consolidated statement of financial position items		
Accounts receivable (note 10)	211,875	229,778
Accounts payable		
Accounts payable – insolvency (note 32)	10,591,679	10,591,679
Other payables (note 15)	646,362	1,576,463
	11,238,041	12,168,142
Items within the consolidated statement of income items		
Expenses	4,408,571	3,796,912

Key management personnel compensation (salaries, compensation, and other benefits) is as follows:

	2023	2022
	JD	JD
Salaries, compensation, and other benefits	1,278,778	1,109,269

28. Risk management

Interest rate risk -

Interest rate risk is a risk which arises from the fluctuations in the fair values or future cash flows of financial instruments due to the changes in interest rates on these instruments.

The Group is exposed to interest rate risk on its interest-earning assets such as bank deposits and interest-bearing liabilities such as lease liabilities, loans and overdrafts.

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the Group profit as 31 December 2023, based on financial assets and liabilities with floating interest rates.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates with all other variables held constant:

2023- Currency	Change in interest rate	Effect on profit
	(%)	JD
Jordanian Dinar	1	275,513
Jordanian Dinar	(1)	(275,513)

2022- Currency	Change in interest rate	Effect on profit
	(%)	JD
Jordanian Dinar	1	304,867
Jordanian Dinar	(1)	(304,867)

Credit risk -

Credit risk is the risks that may results from the failure or inability of debtors or other parties to fulfil their obligations.

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group maintains its bank balances and deposits with reputable financial institutions.

Currency risk -

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against USD (US$ 1.41 for JD 1).

Liquidity risk –

Liquidity risk is represented by the possibility that the Group may not be able to meet its obligation when due. The Group manages its liquidity risk by seeking adequate funding from shareholders under normal and difficult circumstances, without incurring unacceptable losses or affecting the Group's reputation. The management plan to address the deficit in shareholders' equity and the continuity of the Group is detailed in note (32).

Equity price risk –

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income and the cumulative change in fair value of financial assets at fair value through other comprehensive income to reasonably possible changes in equity prices, with all other variables held constant:

2023-	Change in market index	Effect on equity
	(%)	JD
Financial assets at fair value through other comprehensive income	10	26,682
2022-		
Financial assets at fair value through other comprehensive income	10	25,654

The effect of decrease in equity prices is expected to be equal and opposite to the effect of the increase shown above.

29. Capital Management

The primary objective of the Group capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. The Company has prepared a detailed budget and plan until the year 2030, and it was approved by the creditors' committee on 10 August 2023. The Company's ability to continue its business depends on its ability to generate sufficient future cash flows to meet its obligations. These events and conditions indicate that there is a material doubt about the Company's ability to continue as a going concern.

The items included in the capital structure are the paid-in capital, treasury shares, statutory reserve, the cumulative change in fair value reserve, and the accumulated losses, totalling a deficit of JD 73,663,464 as of 31 December 2023 compared to a deficit of JD 75,403,460 as of 31 December 2022. The accumulated losses including the loss of the year JD 134,348,764 with represent 222% from the paid-in capital for the Company as of 31 December 2023.

30. Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable, financial assets at fair value through other comprehensive income, employees' cars and housing loan, and some other current assets. Financial liabilities consist of due to banks, loans, accounts payable and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

31. Fair value Hierarchy

The following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: techniques that use inputs, which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

31 December 2023-	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income	18,195	-	248,624	266,819
31 December 2022-				
Financial assets at fair value through other comprehensive income	7,912	-	248,624	256,536

32. Going Concern

The Group's total liabilities exceeded its total assets by JD 67,329,437 and its total current liabilities exceeded its total current assets by JD 103,424,114. In addition to that, the accumulated losses, including the loss for the year, amounted to JD 134,348,764 which represents 222% of the Company's paid-in capital as of 31 December 2023.

According to Article (266) of the Jordanian Company's Law No. (22) for the year 1997 and its amendments, if the accumulated losses of the Public Shareholding Company exceeded 75% of its capital, the Company shall be liquidated unless the General Assembly of the Company issues a decision on its extraordinary meeting to increase the Company's capital or to deal with the Company's losses.

The Board of Directors decided to request to declare the Company's insolvency in accordance with the Jordanian Insolvency Law No. (21) of 2018 in order to restructure the Company's capital, as the Salt Court of First Instance decided to approve the insolvency declaration on 26 July 2020, and the restructuring plan was approved on 28 August 2022.

The following represents the measures taken by the Board of Directors of the Jordanian Cement Factories Company (Public Shareholding Company) in confronting the existing financial conditions:

A- Insolvency

In light of the Company's financial conditions, and the need to find future solutions to the difficulties experienced by the Company, and the existence of a law that simulates the concept of saving companies and provides legal protection for the economic activity or the insolvent debtor, and provides the possibility of reorganization and/or restructuring, the Company's Board of Directors decided to submit a request to declare the Company's insolvency in accordance with the Jordanian Insolvency Law No. (21) of 2018 in order to restructure the Company's capital and operations to maintain the Company's business continuity and sustainability.

B- The insolvency declaration decision

- A decision was issued by the Salt Court of First Instance approving the declaration of the insolvency of the Jordan Cement Factories Company on 26 July 2020, and the decision was published in the Official Gazette, including the appointment of an insolvency agent while maintaining the management of the Company under the supervision of the insolvency agent and the court, since the insolvency application was submitted by the debtor (Jordan Cement Factories Company).

- Following the objection and appeal of the insolvency decision from several parties (13 appeals and objections), the Court of Appeal decided to revoke the insolvency declaration decision on 28 September 2020, in form due to submission of the insolvency declaration outside the legal period.

- The decision of the Court of Appeal was discerned after granting the Company the needed permission to challenge the decision. The Court of Cassation issued its decision on 16 May 2021, which includes dismissing the appealed decision in favour of the Company and returning it to the Court of Appeal to issue its ruling of dismissing the appeal in form.

- Preparations were made for the General Assembly of Creditors' meeting to present the reorganization plan and complete the insolvency procedures. However, the meeting did not take place due to the strike of the labour and employees working in the Company, which led to the lack of a quorum, and the meeting was postponed, consequently the decision was issued by the Salt Court including halting the insolvency proceedings until the issuance of the insolvency declaration decision.

- On 14 October 2021, the decision of the Amman Rights Court of Appeal was issued in case no. 6870/2021 issued after the cassation, which included not following the cassation, insisting on its previous decision, accepting the appeal regulations as a subject matter, rescinding the decision of Salt Court, and ruling to reject the insolvency application in form for submitting it outside the legal period.

- Based on the objection submitted by some creditors, the Insolvency Court (Salt Court of First Instance) issued on 14 October 2021 its decision to suspend the insolvency proceedings until a final decision is issued in the insolvency declaration case by the Court of Cassation. The Jordan Cement Factories Company did not agree on the decision to halt the procedures, as it filed an appeal on 18 October 2021 before the Court of Appeal, which decided to rescind the decision of the Court of First Instance and affirmed the legality of continuing the insolvency proceedings, since the insolvency law confirmed the appeal of the insolvency declaration decision does not halt the insolvency proceedings.

- The Jordan Cement Factories Company did not accept this decision and submitted an appeal on 21 November 2021 for the second time before the Court of Cassation and asked to reverse the decision of appeals court.

- On 20 April 2022, a decision was issued by the Court of Cassation to set aside the contested decision issued by the Court of Appeal, confirming the correctness of submitting the application for declaring insolvency and returning the papers to their source (the Court of Appeal) to comply with the cassation decision.

- On 12 June 2022 and in line with the decision of the Court of Appeal, the decision of the insolvency court was issued to proceed with the insolvency proceedings as of the start of the reorganization phase during which the insolvency proceedings were suspended, and that this phase would begin as of 12 June 2022, and on the same date the court agreed to the request of the insolvency agent to submit the reorganization plan within 30 days from the date mentioned above.

- The insolvency agent submitted a restructuring plan to the insolvency court on 4 July 2022, which is mainly based on several options for debt repayment the option of land ownership, the option of debt capitalization, and the option of obtaining bank loans.

- A meeting of the General Assembly of Creditors was scheduled for 10 August 2022 to discuss and vote on the restructuring plan. On the specified date, this meeting was held in the presence of the insolvency agent / secretary of the meeting and the Company's executive management. The meeting was chaired by the insolvency judge, and the meeting was attended by creditors representing (91.68%) of the total debts included in the list of creditors.

- The reorganization plan and the approved proposals were approved and voted by a majority of the representatives of the creditors present at the meeting, with a rate of (97.81%) of the total creditors' debts were approved.

- The court's decision was issued on 28 August 2022, which included the approval of the restructuring plan and the completion of insolvency procedures. The following are the main results of the plan:

Debt repayment:
- Paying the debts of major creditors (banks and Lafarge Group companies) through transferring plots of land to them in Al Fuheis area, equal to the value of their debt after writing off 5% of their total unsecured debts, where the amount of discount amounted to JD 2,113,351.
- Paying the preferred debts and the rest of the unsecured debts in cash after deducting 15% of the total debt amount and within 3-5 years, where the amount of discount on these debts amounted to JD 1,613,698.
- Writing off all debts classified as debts of lower priority in the amount of JD 42,563,781.
- As a result, the total of the debts that were written off in addition to the deductions mentioned above amounted to JD 46,290,830.

Human Resources:
- Increasing the rates of health insurance contributions for employees and retirees, which contributes to alleviating the burden of health insurance on the Company.
- Restructuring human resources by agreeing to pay certain amounts as a reward to employees whose services the company wishes to dispense with who have fulfilled the conditions for early retirement in accordance with the provisions of the Social Security Law.

The most important themes and hypotheses on which the reorganization plan that was presented by the insolvency agent was built:

A. Increasing the Company's share in the local market and finding export opportunities.
B. Searching for complementary products and/ or alternative products.
C. Providing alternatives in regard to the fuel used in production processes.
D. Follow-up procedures for the sale of the second production line.
E. Selling part of the Company's assets that have no impact on the Company's operational activity.
F. Reconsidering the matter of investing the Company's plots of land in the Al Fuheis area in cooperation and coordination with the concerned authorities.
G. Reviewing health insurance costs by adjusting health insurance contributions and purchasing beneficiaries' cards, which reduces the cost of health insurance, both for employees and retirees.
H. Reduce the number of employees within a specific plan.
I. Correcting the legal status of the Company by amortizing the accumulated losses through:
   - The use of surplus fair value of the assets and land of the Company.
   - Write-off and discount on debts within the reorganization plan.
   - Surplus provision for post-retirement health insurance based on the above modifications.
   - Profits from the sale of the Company's indispensable assets.

The Company has started implementing the outputs of the reorganization plan, including:

- During the year 2023, the company continued to implement the outcomes of the reorganization plan through the relevant departments in the company and under the supervision of the committee that was formed by the Board of Directors and the reorganization plan supervisor, as follows:

- Started procedures for cash payment of insolvency dues, as three payments were paid during the year 2023, amounted to JD 1.7 million.

- Initiating the procedures for in-kind payment to the major creditors, as the evaluation procedures for several plots of land owned by the company in the Fuheis area were completed in accordance with the procedures stipulated in the reorganization plan and agreed upon with the major creditors. Subsequently, the company provided the relevant authorities with all the necessary requirements for this, as The President of the Salt Court of First Instance issued a decision approving the transfer of ownership of the plots of land agreed to be owned, and currently the banks are awaiting the necessary approvals from the relevant authorities to complete the ownership procedures.

- Head count reduction with 36 employees based on a collective labor contract agreement organized based on the provisions of Labor Law No. (8) of 1996 and its amendments, and then an annex to this contract was signed on 31 December 2023.

- Health insurance contributions were increased by 1% for active employees and 0.5% for retired employees.

- Procedures were taken to waive post-retirement health insurance cards in exchange for a sum of money, resulting in a reduction in the number of beneficiaries of post-retirement health insurance by 191 beneficiaries as of the end of December 31, 2023.

- Periodic reports were issued to the supervisor of the reorganization plan explaining the progress of the plan's implementation procedures, which included the main pillars on which the reorganization plan was based.

Insolvency amounts and insolvency procedures amounts confirmed and unconfirmed as of 31 December 2023 & 2022 are shown as follows:

	2023	2022
	JD	JD
Insolvency Liability:		
Preferred debts	511,340	723,428
Unsecured debts	54,437,445	56,094,184
Lowest priority debts	-	-
Total	54,948,785	56,817,612
Insolvency procedures:		
Amounts raised from insolvency procedures	18,987,534	15,699,899
Total	73,936,319	72,517,511
Other debts:		
Accounts payable, other credit balances and provisions	90,152,804	95,339,773
Total	164,089,123	167,857,284

The table below shows the details of liabilities classified as insolvency debts as of 31 December 2023 and 2022:

2022	2023	
JD	JD	
Due to banks *	12,786,916	12,786,916
Accounts payable **	20,049,820	21,913,083
Other current liabilities ***	5,442,457	5,448,021
Banks loans ****	16,669,592	16,669,592
Related party loan*****	-	-
	54,948,785	56,817,612

* The table below illustrates the due to banks:

	2023	2022
	JD	JD
The Housing Bank for Trade and Finance	5,802,287	5,802,287
Capital Bank (formerly Societe Generale)	3,464,593	3,464,593
ABC Bank	1,873,473	1,873,473
Arab Bank	1,646,563	1,646,563
	12,786,916	12,786,916

The total balance of due to banks is JD 12,786,916 as of 31 December 2023 (2022: JD 12,786,916) classified under insolvency and the interest has been suspended as of the date of declaration of insolvency on 26 July 2020.

** The table below illustrates the accounts payable:

	2023	2022
	JD	JD
Due to related party (note 27)	10,591,679	10,591,679
Unpaid checks	152,350	1,507,843
Accruals	167,228	535,652
Other accounts payable	9,138,563	9,277,909
	20,049,820	21,913,083

*** The table below illustrates the other current liabilities:

	2023	2022
	JD	JD
Unpaid dividends	5,157,993	5,157,993
Employees' payables	284,464	290,028
	5,442,457	5,448,021

**** The table below illustrates the banks loans :

	2023	2022
	JD	JD
Arab Bank	11,037,429	11,037,429
The Housing Bank for Trade and Finance	1,841,140	1,841,140
Jordan Kuwait Bank	1,737,602	1,737,602
ABC Bank	1,402,395	1,402,395
Capital Bank (formerly Societe Generale)	651,026	651,026
	16,669,592	16,669,592

The total balance for banks loans is JD 16,669,592 as of 31 December 2023 (2022: JD 16,669,592) classified under insolvency and the interest has been suspended as of the date of declaration of insolvency on 26 July 2020.

***** The Jordan Cement Factories Company signed several loan agreements with Lafarge France for an amount of JD 24,500,000 without interest. The Company owed all the balances, and it was not paid by the Company. The entire amount of the loans has been classified under the lowest priority debts and has been written off.

33. Standards Issued But Not Yet Effective

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

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied etrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

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

In January 2020 and October 2022, 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
- That a 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
- 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

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's financial statements.

34. Comparative Figures

Some of 2022 figures have been reclassified in order to confirm with the presentation of 2023 figures. Such reclassification did not affect previously reported loss or equity for the year 2022.