



ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)
30 JUNE 2022

**ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
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REVIEW REPORT ON CONDENSED INTERIM FINANCIAL STATEMENTS

**TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS
ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
AMMAN – JORDAN**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Arab Aluminum Industry Company (ARAL) as of 30 June 2022, and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Board of directors is responsible for the preparation and fair presentation of this condensed interim financial statements in accordance with International Accounting Standard IAS (34) relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement (2410) "Review of Interim Financial Statement Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, accordance with International Accounting Standard (34) relating to interim financial reporting.

**Amman – Jordan
27 July 2022**

**Nasim Shahin
License No. 812**



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**ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
30 JUNE 2022**

	Notes	30 June 2022 JD	31 December 2021 JD
Assets			
Current Assets			Audited
Cash and cash equivalents		37 783	1 537 495
Checks under collection short-term		2 026 060	457 628
Accounts receivable		811 110	397 397
Inventory		5 564 929	4 277 964
Other debit balances		661 188	209 469
Total Current Assets		9 101 070	6 879 953
Non - Current Assets			
Checks under collection long-term		773 785	2 993 119
Financial assets at fair value through other comprehensive Income		297 340	252 035
Investments properties		265 747	265 747
Investment in associates		39 176	39 176
Property, plant and equipment		4 162 770	4 280 053
Projects under construction		730 659	421 989
Total Non - Current Assets		6 269 477	8 252 119
Total Assets		15 370 547	15 132 072
Liabilities and Equity			
Liabilities			
Current Liabilities			
Bank overdraft		440 194	4 272
Loan		350 827	-
Accounts payable		1 227 047	1 404 874
Other credit balances		1 358 299	1 421 091
Income tax and national contribution		78 872	186 641
Total current liabilities		3 455 239	3 016 878
Equity			
Shareholders' Equity			
Share capital		6 750 000	6 750 000
Share premium		345 000	345 000
Statutory reserve		3 439 046	3 439 046
Voluntary reserve		725 651	725 651
Fair value reserve		(296 699)	(342 004)
Retained earnings		952 310	1 197 501
Total Equity		11 915 308	12 115 194
Total Liabilities and Equity		15 370 547	15 132 072

The accompanying notes are part of these condensed interim financial statements (unaudited)

ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
30 JUNE 2022

	For the three-months period ended		For the six-months period ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
	JD	JD	JD	JD
Net sales	2 724 357	3 166 017	6 571 410	6 030 444
Cost of sales	(2 404 239)	(2 706 031)	(5 654 075)	(5 186 385)
Gross profit	320 118	459 986	917 335	844 059
Selling and distribution expenses	(40 203)	(42 044)	(82 612)	(82 234)
Administrative expenses	(158 959)	(145 212)	(300 485)	(295 052)
Financing expenses	(3 551)	(5 885)	(11 177)	(7 180)
Other revenues	14 332	8 796	14 840	13 087
Expected credit loss provision	(15 000)	(15 000)	(30 000)	(30 000)
Profit for the period before income tax	116 737	260 641	507 901	442 680
Income tax and national contribution	(27 662)	(48 894)	(78 092)	(85 082)
Profit for the period after income tax	89 075	211 747	429 809	357 598
Other comprehensive income items:				
Change in fair value of financial assets	37 897	60 161	45 305	62 672
Total comprehensive profit for the period	126 972	271 908	475 114	420 270
Basic and diluted profit per share for the period	0,013 JD	0.031 JD	0,064 JD	0.053 JD

The accompanying notes are part of these condensed interim financial statements (unaudited)

ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
30 JUNE 2022

	Share capital JD	Share premium JD	Statutory Reserve JD	Voluntary Reserve JD	Fair value reserve JD	Retained Earnings JD	Total JD
31 December 2020	6 750 000	345 000	3 439 046	1 019 360	(379 806)	356 097	11 529 697
Profit for the period	-	-	-	-	-	357 598	357 598
Change in fair value	-	-	-	-	62 672	-	62 672
30 June 2021	6 750 000	345 000	3 439 046	1 019 360	(317 134)	713 695	11 949 967
31 December 2021	6 750 000	345 000	3 439 046	725 651	(342 004)	1 197 501	12 115 194
Profit for the period	-	-	-	-	-	429 809	429 809
Dividends	-	-	-	-	-	(675 000)	(675 000)
Change in fair value	-	-	-	-	45 305	-	45 305
30 June 2022	6 750 000	345 000	3 439 046	725 651	(296 699)	952 310	11 915 308

The accompanying notes are part of these condensed interim financial statements (unaudited)

ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
30 JUNE 2022

	30 June 2022	30 June 2021
	JD	JD
Operating Activities		
Profit for the period before income tax	507 901	442 680
Adjustments for:		
Depreciations	225 906	246 949
Financing expenses	11 177	7 180
Interest's revenues	(2 500)	(7 260)
Expected credit loss provision	30 000	30 000
Changes in Assets and Liabilities		
Checks under collection	650 902	380 229
Accounts receivable	(443 713)	(622 616)
Inventory	(1 286 965)	540 243
Other debit balances	(451 719)	(31 971)
Accounts payable	(177 827)	(545 031)
Other credit balances	(62 792)	160 227
Paid income tax	(185 861)	(40 332)
Net Cash (used in) from Operating Activities	(1 185 491)	560 298
Investing activities		
Purchase of property, plant and equipment	(108 623)	(122 793)
Financial assets at fair value through other comprehensive Income	-	1 168
Projects under construction	(308 670)	(9 537)
Net Cash Used in Investing Activities	(417 293)	(131 162)
Financing Activities		
Bank overdraft	435 922	(365)
Loan	350 827	-
Paid financing expenses	(11 177)	(7 180)
Proceeds from interest revenue	2 500	7 260
Dividends	(675 000)	-
Net Cash from (Used in) Financing Activities	103 072	(285)
Net Change in Cash and Cash Equivalents	(1 499 712)	428 851
Cash and cash equivalents – beginning of the period	1 537 495	2 028 762
Cash and Cash Equivalents – ending of the period	37 783	2 457 613

The accompanying notes are part of these condensed interim financial statements (unaudited)

1) General

The Company was registered at the Ministry of Industry and Trade as a Jordanian public shareholding limited company under No. (100) on 6 March, 1976. The company's share capital is JD 6,000,000. The general assembly decided, in its extraordinary meeting held on 10 May 1998, to increase paid-up capital to JD/share 6 750 000 with share premium to JD/share 0.75.

The company's main activities are manufactured aluminum, extrusion, cutting and pulling profiles, and manufacture raw materials for aluminum.

The accompanying condensed interim financial statement was approved by Board of Directors in its meeting held on 27 July 2022.

2) Basis of Preparation

The accompanying condensed interim financial statements have been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying condensed interim financial (unaudited) information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the financial statements of the Company as at 31 December 2021. In addition, the results of the Company's operations for the six months ended 30 June 2022 do not necessarily represent indications of the expected results for the year ending 31 December 2022, and do not contain the appropriation of the profit of the current period, which is usually performed at year end

The condensed interim financial statements are presented in Jordanian Dinar, which is the functional currency of the Company.

Standards issued but not yet effective

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended December 31, 2021:

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

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

In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement,
- the right to defer must exist at the end of the reporting period,
- that classification is unaffected by the likelihood,
- that an entity will exercise its deferral right,
- and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Accounting estimates

Preparation of the financial statements and the application of the accounting policies requires the management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the statement of other comprehensive income and owners' equity. In particular, this requires the company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

The accounting policies estimates in the preparation of the condensed interim financial information are consistent with those adopted for the year ended 31 December 2021.

3) Comparative figures

Some of the comparative figures for the year 2021 have been reclassified to correspond with the period ended 30 June 2022 presentation and it did not result in any change to the last year's operating results