



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

**ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
CONTENTS**

	Page
Review report on condensed interim financial statements	3
Condensed interim statement of financial position (unaudited)	4
Condensed interim statement of comprehensive income (unaudited)	5
Condensed interim statement of changes in equity (unaudited)	6
Condensed interim statement of cash flows (unaudited)	7
Notes to the condensed interim financial statements (unaudited)	8-9

RSM Jordan

Amman 69 Queen Rania St.
P.O.BOX 963699
Amman 11196 Jordan

T +962 6 5673001
F +962 6 5677706

www.rsm.jo

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 (ARAL) (A Public Shareholding Company) as at 30 September 2022, and the related condensed interim statement 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 information 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 information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed 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, in accordance with International Accounting Standard (34) relating to Interim Financial Reporting.

**Amman – Jordan
29 October 2022**

**Nasim Shahin
License No. 812**



THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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

	30 September 2022	31 December 2021
	JD	JD
Assets		
Current Assets		Audited
Cash and cash equivalents	169 639	1 537 495
Checks under collection short-term	1 394 354	457 628
Accounts receivable	901 202	397 397
Inventory	5 466 675	4 277 964
Other debit balances	181 683	209 469
Total Current Assets	8 113 553	6 879 953
Non - Current Assets		
Checks under collection long-term	1 565 710	2 993 119
Financial assets at fair value through other comprehensive Income	294 508	252 035
Investments properties	265 747	265 747
Investment in associates	39 176	39 176
Property, plant and equipment	4 105 721	4 280 053
Projects under construction	830 711	421 989
Total Non - Current Assets	7 101 573	8 252 119
Total Assets	15 215 126	15 132 072
Liabilities and Equity		
Liabilities		
Current Liabilities		
Bank overdraft	386 430	4 272
Loan	322 814	-
Accounts payable	1 347 059	1 404 874
Other credit balances	1 226 352	1 421 091
Income tax and national contribution	43 886	186 641
Total Liabilities	3 326 541	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	(299 531)	(342 004)
Retained earnings	928 419	1 197 501
Total Equity	11 888 585	12 115 194
Total Liabilities and Equity	15 215 126	15 132 072

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

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

	For the three-months period ended		For the nine-months period ended	
	30 September 2022 JD	30 September 2021 JD	30 September 2022 JD	30 September 2021 JD
Net sales	3 236 162	3 517 048	9 807 572	9 547 492
Cost of sales	(3 037 542)	(3 099 140)	(8 691 617)	(8 285 525)
Gross profit	198 620	417 908	1 115 955	1 261 967
Selling and distribution expenses	(42 179)	(40 433)	(124 791)	(122 667)
Administrative expenses	(154 531)	(147 549)	(455 016)	(442 601)
Financing expenses	(13 176)	(943)	(24 353)	(8 123)
Provision for expected credit losses	(15 000)	(15 000)	(45 000)	(45 000)
Other revenues	270	193 727	15 110	206 814
(Loss)Profit for the period before income tax	(25 996)	407 710	481 905	850 390
Income tax and national contribution provision	2 105	(76 216)	(75 987)	(161 298)
(Loss)Profit for the period after income tax	(23 891)	331 494	405 918	689 092
Other comprehensive income items:				
Change in fair value of financial assets	(2 832)	(17 940)	42 473	44 732
Total (Loss)profit and comprehensive income for the period	(26 723)	313 554	448 391	733 824
Basic and diluted (Loss) profit per share for the period	(0.003) JD	0.049 JD	0.060 JD	0.102 JD

The accompanying notes are an integral part of these condensed interim financial statements (Unaudited)

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

	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	-	-	-	-	-	689 092	689 092
Transfers	-	-	-	(293 709)	-	23 709	(270 000)
Change in fair value	-	-	-	-	44 732	-	44 732
30 SEPTEMBER 2021	6 750 000	345 000	3 439 046	725 651	(335 074)	1 068 898	11 993 521
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	-	-	-	-	-	405 918	405 918
Dividends	-	-	-	-	-	(675 000)	(675 000)
Change in fair value	-	-	-	-	42 473	-	42 473
30 SEPTEMBER 2022	6 750 000	345 000	3 439 046	725 651	(299 531)	928 419	11 888 585

The accompanying notes are an integral part of these condensed interim financial statements (Unaudited)

**ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM STATEMENT OF CASH FLOWS
30 SEPTEMBER 2022 (Unaudited)**

	30 September 2022 JD	30 September 2021 JD
Operating Activities		
Profit for the period before income tax	481 905	850 390
Adjustments for:		
Depreciation	333 522	366 529
Financing expenses	24 353	8 123
Provision for Expected credit losses	45 000	45 000
Interest revenue	(2 559)	(10 473)
Changes in Assets and Liabilities		
Checks under collection	490 683	203 417
Accounts receivable	(548 805)	(425 099)
Inventory	(1 188 711)	125 362
Other debit balances	27 786	(11 193)
Accounts payable	(57 815)	(181 644)
Other credit balances	(194 739)	56 231
Income tax and national contribution provision	(218 742)	(40 332)
Net Cash (used in) from Operating Activities	(808 122)	986 311
Investing activities		
Purchase of property, plant and equipment	(159 190)	(175 242)
Financial assets at fair value through other comprehensive income	-	1 169
Projects under construction	(408 722)	(10 868)
Net Cash used in Investing Activities	(567 912)	(184 941)
Financing Activities		
Bank overdraft	382 158	(25 782)
Loan	322 814	-
Dividends	(675 000)	(270 000)
Paid financing expenses	(24 353)	(8 123)
Interest revenue proceeds	2 559	10 473
Net Cash from (used in) Financing Activities	8 178	(293 432)
Net Change in Cash and Cash Equivalents	(1 367 856)	507 938
Cash and cash equivalents – beginning of the period	1 537 495	2 028 762
Cash and cash Equivalents – ending of the period	169 639	2 536 700

The accompanying notes are an integral 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 the Board of Directors in its meeting held on 29 October 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 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 nine months ended 30 September 2022 do not necessarily represent indications of the expected results for the year ending 31 December 2022.

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 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.

**ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2022 (Unaudited)**

3) Property, Plant and equipment's

The addition of property, plant and equipment for the period ended 30 September 2022 amounted 159 190 JD.

4) Dividends

The general assembly of Arab Aluminum Industry Company (ARAL) in its ordinary meeting held on April 16, 2022, approved the recommendation of company board of directors to distribute 10% of JD 1 per value as cash dividend through retained earnings.

5) Contingent Liabilities

	30 September 2022	2021
	JD	JD
Letters of guarantee, and Letters of credit	156 834	156 834
legal claims	275 235	275 235
	432 069	432 069

6) Segmental Information

An operating segment is a Group of components affected by risks and returns that distinguish it from others and engages in producing products or services known as operating segments or engages in producing products or services within economic environments known as geographical segments.

A- Geographical Segment

The company operations are located inside the Hashemite Kingdom of Jordan.

B- Operating Segment

The company operates only one operating segment which is the industrial sector, and all its revenues and expenses are related to this sector.

7) 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.

8) Comparative figures

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