



ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
CONDENSED INTERIM FINANCIAL STATEMENTS
31 MARCH 2022 (UNAUDITED)

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 at 31 March 2022, and 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. The 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
25 April 2022**



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

		31 MARCH 2022	31 December 2021
	Notes	JD	JD
Assets			
Current Assets			Audited
Cash and cash equivalents		828 261	1 537 495
Checks under collection short-term		2 599 342	457 628
Accounts receivable		1 693 769	397 397
Inventory	3	4 814 109	4 277 964
Other debit balances		218 103	209 469
Total Current Assets		10 153 584	6 879 953
Non - Current Assets			
Checks under collection long-term		457 628	2 993 119
Financial assets at fair value through other comprehensive Income		259 443	252 035
Investments properties		265 747	265 747
Investment in associates		39 176	39 176
Property, plant and equipment	4	4 228 985	4 280 053
Projects under construction		610 808	421 989
Total Non - Current Assets		5 861 787	8 252 119
Total Assets		16 015 371	15 132 072
Liabilities and Equity			
Liabilities			
Current Liabilities			
Bank overdraft		224 661	4 272
Loan		315 412	-
Accounts payable		1 472 966	1 404 874
Other credit balances		1 301 925	1 421 091
Income tax and national contribution		237 071	186 641
Total Current Liabilities		3 552 035	3 016 878
Equity			
Shareholders' Equity	5		
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		(334 596)	(342 004)
Retained earnings		1 538 235	1 197 501
Total Equity		12 463 336	12 115 194
Total Liabilities and Equity		16 015 371	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
31 MARCH 2022 (UNAUDITED)**

	31 MARCH 2022 JD	31 MARCH 2021 JD
Sales	3 847 053	2 864 427
Cost of sales	(3 249 836)	(2 480 354)
Gross profit	597 217	384 073
Selling and distribution expenses	(42 409)	(40 190)
Administrative expenses	(141 526)	(149 840)
Financing expenses	(7 626)	(1 295)
Other revenues	508	4 291
Expected credit loss provision	(15 000)	(15 000)
Profit for the period before income tax	391 164	182 039
Income tax and national contribution	(50 430)	(36 188)
Profit for the period	340 734	145 851
Other comprehensive income items:		
Changes in fair value of financial assets	7 408	2 511
Total other comprehensive profit for the period	348 142	148 362
Basic and diluted profit per share for the period	JD 0,05	JD 0.022

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
31 MARCH 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	-	-	-	-	-	145 851	145 851
Change in fair value reserve	-	-	-	-	2 511	-	2 511
31 March 2021	6 750 000	345 000	3 439 046	1 019 360	(377 295)	501 948	11 678 059
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	-	-	-	-	-	340 734	340 734
Change in fair value reserve	-	-	-	-	7 408	-	7 408
31 March 2022	6 750 000	345 000	3 439 046	725 651	(334 596)	1 538 235	12 463 336

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
31 MARCH 2022 (UNAUDITED)**

	31 MARCH 2022 JD	31 MARCH 2021 JD
Operating Activities		
Profit for the period before tax	391 164	182 039
Adjustments for:		
Financing expenses	7 626	1 295
Expected credit loss provision	15 000	15 000
Depreciations	120 027	124 153
interest revenue	(477)	(3 854)
Changes in Assets and Liabilities		
Checks under collection	393 777	214 474
Accounts receivable	(1 311 372)	(511 229)
Inventory	(536 145)	15 956
Other debit balances	(8 634)	4 783
Accounts payable	68 092	(715 600)
Other credit balances	(120 661)	37 161
Net Cash Used in Operating Activities	(981 603)	(635 822)
Investing activities		
Purchases of property, plant and equipment	(68 959)	(47 436)
Financial assets at fair value through other comprehensive Income	-	1 170
Projects under construction	(188 819)	(6 603)
Investment in associates	-	363
Proceeds from interest revenues	477	3 854
Net Cash Used in Investing Activities	(257 301)	(48 652)
Financing Activities		
Bank overdraft	221 884	360
Loan	315 412	-
Paid Financing expenses	(7 626)	(1 295)
Net Cash from (used in) Financing Activities	529 670	(935)
Net Change in cash and cash equivalents	(709 234)	(685 409)
Cash and cash equivalents – beginning of the period	1 537 495	2 028 762
Cash and Cash Equivalents – ending of the period	828 261	1 343 353

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

**ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
31 MARCH 2022 (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 Audit Committee of the Board of Directors in its meeting held on 25 April 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 three months ended 31 March 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.

**ARAB ALUMINUM INDUSTRY (ARAL)
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
31 MARCH 2022 (UNAUDITED)**

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.

3) Inventory

	31 March 2022	2021
	JD	JD
Inventory and spare parts	5 177 729	4 641 584
Provision for spare parts and Finished goods*	(363 620)	(363 620)
	4 814 109	4 277 964

*The movement of the Provision for spare parts and Finished goods was as follow:

	31 March 2022	2020
	JD	JD
Balance at beginning of the year	(363 620)	(303 620)
Provision for the year	-	(60 000)
Balance at ending of the year	(363 620)	(363 620)

4) The addition of property, plant and equipment for the period ended 31 March 2022 amounted 68 959 JD.

5) Equity

Share Capital

The authorized and share capital of the Company is JD 6 750 000 divided into 6 750 000 shares at JD 1 per share.

Share premium

This amount 345 000 JD represents the difference between the par value of the shares issued and their issue price at the date of issuance.

Statutory reserve

Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit before income tax until the reserve equals 25% of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution. The General Authority may, after depletion of the other reserves, decide at an extraordinary meeting to resolve the accumulated losses from the amounts collected in the Statutory reserve account, provided that they are rebuilt in accordance with the provisions of the Law.

Voluntary reserve

This account represents cumulative appropriations not exceeding %20 of the annual profit per year. This reserve is available for distribution to shareholders.

6) Comparative figures

Some of the comparative figures for the year 2021 have been reclassified to correspond with the period ended 31 March 2022 presentation and it did not result in any change to the last year's operating results.