

National Aluminum Industries Company
Public Shareholding Company
Condensed Interim Financial Statements (Unaudited)
30 June 2021

**National Aluminum Industries Company
Public Shareholding Company**

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Report on Review of Condensed Interim Financial Statements

To The Board of Directors
National Aluminum Industries Company
Public Shareholding Company
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim financial statements of **National Aluminum Industries Company PLC**, comprising the interim statement of financial position as at 30 June 2021 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six-months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with International Accounting Standard number (34) "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 the International Standard on Review Engagements number (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statements 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.

Basis of Qualified Conclusion


During the period from (2011 to June 2021) the Company has decreased the depreciation rates of its property plant and equipment's to the half due to the decrease of production capacity, this resulted in unrecorded impairment loss in the property plant and equipment's which it's carrying value is JOD (4,846,560) as at 30 June 2021.

Qualified Conclusion

Based on our review, with the exception of the matter described in the basis of qualified conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

28 July 2021
Amman - Jordan




Arab Professionals
Amin Samara
License No. (481)

National Aluminum Industries Company
Public Shareholding Company
Interim Statement of Financial Position as at 30 June 2021

(In Jordanian Dinar)

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Assets		
Non - current assets		
Property, plant and equipment	4,846,560	4,952,683
Checks under collection - long term	132,014	193,930
Right of use assets	11,982	52,444
Investment in associate	21,000	21,000
Total non - current assets	<u>5,011,556</u>	<u>5,220,057</u>
Current assets		
Spare parts	624,620	494,653
Other receivables	244,972	350,064
Inventories	3,268,498	4,160,367
Accounts receivable	1,356,788	934,786
Checks under collection - short term	1,117,238	1,273,809
Cash and cash equivalents	648,426	306,856
Total current assets	<u>7,260,542</u>	<u>7,520,535</u>
Total assets	<u>12,272,098</u>	<u>12,740,592</u>
Equity and liabilities		
Equity		
Paid-in capital	9,000,000	9,000,000
Statutory reserve	1,533,685	1,533,685
Voluntary reserve	350,564	350,564
Accumulated losses	(170,460)	(438,624)
Net equity	<u>10,713,789</u>	<u>10,445,625</u>
Liabilities		
Non - current liabilities		
Lease obligation - long term	-	23,516
Current liabilities		
Credit facilities	-	491,991
Lease obligation - short term	7,129	23,923
Accounts payable	584,855	827,542
Other liabilities	966,325	927,995
Total current liabilities	<u>1,558,309</u>	<u>2,271,451</u>
Total liabilities	<u>1,558,309</u>	<u>2,294,967</u>
Total equity and liabilities	<u>12,272,098</u>	<u>12,740,592</u>

“The accompanying notes from (1) to (4) are an integral part of these condensed interim financial statements and read with review report”

National Aluminum Industries Company
Public Shareholding Company
Interim Statement of Comprehensive Income for the Six Months Ended at 30 June 2021 (Unaudited)

(In Jordanian Dinar)

	For the three months ended		For the six months ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
Net sales	2,516,250	636,629	5,209,930	1,507,227
Cost of sales	(2,258,297)	(738,999)	(4,697,630)	(1,750,018)
Gross profit (loss)	257,953	(102,370)	512,300	(242,791)
Administrative expenses	(99,688)	(69,695)	(178,736)	(163,723)
Financing expenses	(3,338)	(12,979)	(9,619)	(31,106)
Other revenues	3,470	-	3,470	-
Profit (loss) before income tax	158,397	(185,044)	327,415	(437,620)
Income and National contribution tax for the period	(28,828)	-	(59,251)	-
Total comprehensive income (loss) for the period	129,569	(185,044)	268,164	(437,620)
Basic and diluted earnings (losses) per share	0.014	(0.021)	0.030	(0.049)

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National Aluminum Industries Company
Public Shareholding Company
Interim Statement of Changes in Equity for the Six Months Ended at 30 June 2021 (Unaudited)

(In Jordanian Dinar)

	Paid - in capital	Reserves		Accumulated losses	Total
		Statutory	Voluntary		
Balance at 1 January 2021	9,000,000	1,533,685	350,564	(438,624)	10,445,625
Total comprehensive income for the period	-	-	-	268,164	268,164
Balance at 30 June 2021	<u>9,000,000</u>	<u>1,533,685</u>	<u>350,564</u>	<u>(170,460)</u>	<u>10,713,789</u>
Balance at 1 January 2020	9,000,000	1,532,461	350,564	(445,263)	10,437,762
Total comprehensive loss for the period	-	-	-	(437,620)	(437,620)
Balance at 30 June 2020	<u>9,000,000</u>	<u>1,532,461</u>	<u>350,564</u>	<u>(882,883)</u>	<u>10,000,142</u>

“The accompanying notes from (1) to (4) are an integral part of these condensed interim financial statements and read with review report”

National Aluminum Industries Company
Public Shareholding Company
Interim Statement of Cash Flows for the Six Months Ended at 30 June 2021 (Unaudited)

(In Jordanian Dinar)

	30 June 2021	30 June 2020
Operating activities		
Profit (loss) for the period	327,415	(437,620)
Depreciation	140,084	136,039
Right of use depreciation	9,502	10,834
Lease obligation interest	1,870	2,966
Other revenues	(3,470)	-
Changes in working capital		
Checks under collection	218,487	640,141
Accounts receivable	(503,929)	(98,720)
Inventories	891,869	200,843
Spare parts	(129,967)	56,072
Other receivables	187,019	(60,280)
Accounts payable	(242,687)	(61,867)
Other liabilities	(20,921)	19,898
Net cash flows from operating activities	875,272	408,306
Investing activities		
Property, plant and equipment	(33,961)	(3,856)
Financing activities		
Credit facilities	(491,991)	(217,935)
Lease obligation payments	(7,750)	(25,750)
Net cash flows used in financing activities	(499,741)	(243,685)
Net changes in cash and cash equivalents	341,570	160,765
Cash and cash equivalents, beginning of year	306,856	1,826
Cash and cash equivalents, end of period	648,426	162,591

"The accompanying notes from (1) to (4) are an integral part of these condensed interim financial statements and read with review report"

National Aluminum Industries Company
Public Shareholding Company
Notes to the Condensed Interim Financial Statements (Unaudited)
30 June 2021

(In Jordanian Dinar)

1 . General

National Aluminum Industries Company was established on 22 August 1994 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (253). The Company head office is in the Hashemite Kingdom of Jordan. The Company's main objective is manufacturing and forming Aluminum.

The shares of the company are listed in Amman stock Exchange.

The accompanying condensed interim financial statements have been approved for issue by the Company's Board of Directors in their meeting held on 28 July 2021.

2 . Summary of Significant Accounting Policies

Basis of Preparation

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020.

The condensed interim financial statements have been prepared on a historical cost basis.

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

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the year.

Use of Estimates

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. 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.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim statement of profit or loss.
- Inventories are held at the lower of cost or net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

3 . Income Tax

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2018.
- The Income tax returns for the years 2019 and 2020 has been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The Income and National Contribution tax provision for the six months period ending at 30 June 2021 were calculated in accordance with the Income Tax Law.

4 . Law suits

The Company is contingently liable against several law suits amounted to JOD (30,971). Management and legal counsel believe that no provision is required against law suits as the Company has a good chance of winning these cases.