



To: Jordan securities commission

To: Amman Stock Exchange

Date: 19/11/2020

**Subject: Quarterly report as of 30/09/2020**

Attached the company's Quarterly report of Sheba Metal Casting as of 30/09/2020

Kindly accept our high appreciation and respect.

Sheba Metal Casting



بورصة عمان  
السيرة الإدارية والمالية  
السيد مسعود  
٢٢ تشرين الثاني ٢٠٢٠  
٤١٨٨  
الرقم التسلسل: ٤١٢٢٣  
رقم الملف: ٦١١  
الجهة المختصة: ٦١١

**SHEBA METAL CASTING CO.**

Limited Public Shareholding Company  
Amman -The Hashemite Kingdom of Jordan

Summarized Periodical Financial Statements (Unaudited Review)

And auditing report

**As of 30 September 2020**

**SHEBA METAL CASTING CO.**  
Limited Public Shareholding Company  
Amman -The Hashemite Kingdom of Jordan

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Auditor Report	1
Statement of Summarized Periodical Financial Position	2
Statement of Summarized Periodical Comprehensive Income	3
Statement of Summarized Periodical Changes in Equity	4
Statement of Summarized Periodical cash flow	5
Notes on Statement of Summarized Periodical Financial Statements	6

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**Audit Report on Summarized Periodical Financial Position Statements**

**627 19 02**

**Messrs/ the Board of Directors Esq.  
SHEBA METAL CASTING CO. (A limited public shareholding company)  
Amman- The Hashemite Kingdom of Jordan**

**Introduction:**

We have reviewed the attached summarized periodical financial position statements of the above company consisting of financial position statement as at **30 September 2020**, comprehensive income the statement, changes in equity shares, and cash flows for three months; then ended period, as well as a summary of the important accounting policies and other explanations.

The management is responsible for preparing such financial statements pursuant to International standards set out for preparing the IFRS Statements/ International Accounting Standard No.**34** (Interim financial reports). While our responsibility is to conclude such statements based on our audit procedures.

**Audit Scope:**

We have reviewed based on IFRS requirements relating to review operations 2410; interim financial information review by the independent auditor. Such operation is represented by establishing inquires, as a basic matter, from persons in charge of financial, accounting matters and applying analytical procedures and other procedures, Reviewing works scope is much less than audit works which are performed based on IFRS and thus review works do not enable us to obtain assurances on all important matters which it is possible to be defined through our audit works, So we do not set out our opinion thereon.

**Preserve Conclusion Basis:**

The accumulated losses of the company reached **705,508** Dinars as at **30 September 2020**; Such losses equal **59%** of the subscribed capital. Based on Jordanian Companies Law Requirements, the company shall straighten up its legal statuses under article No.**75 A**.

By our review, we did not notice any matters the summarized interim financial statements, attached, are not prepared, from all material aspects, in conformity with the IFRS No.34; in respect of interim financial reports.

AL ABBASI CO. & HIS PARTNERS  
Official Seal  
AHMAD MOHAMMAD ABBASI (Signed)  
License No. **710**

**Amman, on 27 October 2020**

**SHEBA METAL CASTING CO.**  
 Limited Public Shareholding Company  
 Amman -The Hashemite Kingdom of Jordan  
**Statement of Summarized Periodical Financial Position**  
**As of 30 September 2020 (Unaudited Review)**

In JOD	<u>31/12/2019</u>	<u>30/09/2020</u>
	(Audited)	(Review)
<b><u>Assets</u></b>		
<b><u>Current Assets</u></b>		
Cash and cash equivalent	21,375	650
Cheques under collection	1,880	2,148
Accounts Receivable	37,764	39,141
Goods in Warehouses	57,291	41,425
Other Receivables Balances	<u>11,132</u>	<u>10,569</u>
<b>Total of Current Assets</b>	<b><u>129,442</u></b>	<b><u>93,933</u></b>
<b><u>Non-Current Assets</u></b>		
Properties & Equipment -in Net	<b><u>379,196</u></b>	<b><u>358,693</u></b>
<b>Total of Non-Current Assets</b>	<b><u>379,196</u></b>	<b><u>358,693</u></b>
<b>Total of Assets</b>	<b><u>508,638</u></b>	<b><u>452,626</u></b>
<b><u>Liabilities &amp; Equities</u></b>		
<b><u>Current Liabilities</u></b>		
Postdated Cheques	10,584	-
Account Payable	64,890	36,410
Other Credit Balances	<u>8,800</u>	<u>20,555</u>
<b>Total of Current Liabilities</b>	<b><u>84,274</u></b>	<b><u>56,965</u></b>
<b><u>Equities</u></b>		
Declared Capital	6	1,250,000
Paid-up Capital	6	1,250,000
(Bonds) Discount	6	<b>(120,704)</b>
Compulsory Reserve	<b>1,017</b>	<b>1,017</b>
Accumulative Losses at the end of period/ year	<b><u>(705,949)</u></b>	<b><u>(734,652)</u></b>
<b>Equity Net</b>	<b><u>424,364</u></b>	<b><u>395,661</u></b>
<b>Total of Liabilities &amp; Equity</b>	<b><u>508,638</u></b>	<b><u>452,626</u></b>

"The explanations attached to the financial statements shall be considered as an integral part of these statements and shall be read with"

**SHEBA METAL CASTING CO.**  
 Limited Public Shareholding Company  
 Amman -The Hashemite Kingdom of Jordan  
**Statement of Summarized Periodical Comprehensive Income**  
**For the Nine Months Ended on 30 September 2020**

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	<b>30/09/2019</b>	<b>30/09/2020</b>
	<b>JOD</b>	<b>JOD</b>
	<b>(Review)</b>	<b>(Review)</b>
Sales Net	56,409	189,823
Sales Costs	<u>(120,633)</u>	<u>(175,188)</u>
<b>Total of lose/Profit for the period</b>	<b>(64,224)</b>	<b>14,635</b>
General & Administrative Expenses	(62,075)	(42,200)
Depreciation Expenses	-	(1,417)
Financial Expenses	(1,693)	-
Refunds from debtors impairment	8,349	-
Profit on sale of fixed assets	134,837	-
<b>Profit (loss) of the period before tax</b>	<b><u>15,194</u></b>	<b><u>(28,982)</u></b>
Provision for Income Tax	<u>(2,127)</u>	=
National contribution	<u>(152)</u>	=
Profit (loss) of the period after tax	<b>12,915</b>	<b>(28,982)</b>
<b><u>Basic &amp; decreased share Value from loss period</u></b>		
<b>Share loss value during the period</b>	0.013	(0.023)
<b>The weighted average of shares number</b>	<b>1,185,936</b>	<b>1,250,000</b>

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**SHEBA METAL CASTING CO.**  
Limited Public Shareholding Company  
Amman -The Hashemite Kingdom of Jordan  
**Statement of Summarized Periodical Changes in Equity**  
**For the Nine Months Ended on 30 September 2020**

	<u>The Capital</u>	<u>Capital increase</u>	<u>Issuance</u>	<u>Compulsory</u>	<u>Optional</u>	<u>Special</u>	<u>Accumulative</u>	<u>Net</u>
	<u>JOD</u>	<u>payment</u>	<u>Discount</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Losses</u>	<u>JOD</u>
<u>For the period ended on</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>	<u>JOD</u>
<b><u>30/09/2019</u></b>								
<b>Balance as of 01/01/2019 (Audited)</b>	1,159,552	10,961	(79,776)	138,500	58,517	16,252	(969,075)	334,931
Amendments of previous years					(5)		37,388	37,383
<b>Amended opening balance</b>	1,159,552	10,961	(79,776)	138,500	58,512	16,252	(931,687)	372,314
<b>Capital Increase Payments</b>		6,000						6,000
Capital Increase	33,922	(16,961)	(16,961)					-
Amortization Losses				(138,500)	(58,512)	(16,252)	213,264	-
Period Losses	-		-	-	-	-	12,915	12,915
<b>Balance at 30 September (review)</b>	1,193,474	-	(96,737)	-	-	-	(705,508)	391,229
<b><u>For the period ended on</u></b>								
<b><u>30/09/2020</u></b>								
<b>Balance as of 01/01/2020 (Audited)</b>	<u>1,250,000</u>	∓	<u>(120,704)</u>	<u>1,017</u>	∓	∓	<u>(705,946)</u>	424,367
Amendments of previous years	-	-	-	-	-	-	276	276
<b>Amended Opening Balance</b>	<u>1,250,000</u>	∓	<u>(120,704)</u>	<u>1,017</u>	∓	∓	<u>(705,670)</u>	<u>424,643</u>
Capital Increase Payments	-	-	-	-	-	-	-	-
Issuance Discount	-	-	-	-	-	-	-	-
Period Losses	∓	∓	∓	∓	∓	∓	<u>(28,982)</u>	<u>(28,982)</u>
<b>Balance as of 30/09/2020 (Audited)</b>	<u>1,250,000</u>	∓	<u>(120,704)</u>	<u>1,017</u>	∓	∓	<u>(734,652)</u>	<u>395,661</u>

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**SHEBA METAL CASTING CO.**  
 Limited Public Shareholding Company  
 Amman -The Hashemite Kingdom of Jordan  
**Statement of Summarized Periodical cash flow**  
**For the Nine Months Ended on 30 September 2020 (Unaudited Review)**

	<u>30/09/2019</u>	<u>30/09/2020</u>
	JOD	JOD
	(Review)	(Review)
<b><u>Cash flows of Operating activities</u></b>		
Period Losses (Profit)	(28,982)	12,915
<b>Amendments:</b>		
Amendments of previous years	<b>276</b>	<b>37,388</b>
Depreciation and Amortizations	20,503	19,614
Refunds from debtors impairment	-	(8,349)
Profit Sale of Property and Equipment	-	(134,837)
<b><u>Total Cash Flows before the Change in Items of Working Capital</u></b>	<b>(8,203)</b>	<b>(73,269)</b>
<b><u>Change in Working Capital Items</u></b>		
Cheques under collection	<b>(268)</b>	<b>(5,400)</b>
Accounts Receivables-in net	<b>(1,377)</b>	<b>4,587</b>
Goods in Warehouses	<b>15,866</b>	<b>(12,320)</b>
Other Receivables Balances	<b>564</b>	(5,090)
Accounts Payable	<b>(28,479)</b>	(16,804)
Deferred Payment Cheques	(10,584)	(48,869)
Other Credit Balances	<u>11,756</u>	<u>(15,681)</u>
<b>Net cash flow from operating activities</b>	<b><u>(20,725)</u></b>	<b><u>(172,846)</u></b>
<b><u>Cash flow from investing activities</u></b>		
Proceeds from sale of property and equipment	-	<u>222,171</u>
Purchases of property and equipment	-	<u>(2,702)</u>
<b>Cash flow net from financing Activities</b>	-	<b><u>219,469</u></b>
<b><u>Cash flow from financing activities</u></b>		
Loans	-	<b>(41,867)</b>
Capital increase payments	-	<b>33,922</b>
Payments on the Capital Account	-	<b>(10,961)</b>
Issuance Discount	-	<b>(16,961)</b>
<b>Net cash flow from financing activities</b>	-	<b><u>(35,867)</u></b>
Changes in cash balance & cash equivalence	<b>(20,725)</b>	<b>10,756</b>
Cash and cash equivalent at the beginning of the period	<b><u>21,375</u></b>	<b><u>4</u></b>
<b>Cash and Cash Equivalents at the end of the period</b>	<b><u>650</u></b>	<b><u>10,760</u></b>

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**SHEBA METAL CASTING CO.**  
(A Limited Public Shareholding company)  
Amman -The Hashemite Kingdom of Jordan

**Notes on Statement of Summarized Periodical Financial Statements (Unaudited Review)**

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**1. Legal Entity and Activity**

SHEBA METAL CASTING CO. has been established on **02 June 1992** and registered as a limited liability company under No.**2833** on **12 February 2006**, the company transferred to the public shareholding company and registered at the public shareholding company's register under No.**383**.

**And the most significant objectives of the company the following:**

- Establish, own, and operating metal casting.
- Business and import of raw materials and machinery.
- Sell its products to the local market and export.

The interim condensed consolidated financial statements were approved by the Board of Directors in its meeting held on 27 October 2020.

**2. Basis of Preparing the interim condensed consolidated financial statements**

- The interim condensed consolidated financial statements of the company were prepared as on 30 September 2020 under the International Accounting Standards No.34.
- The interim condensed consolidated financial statements do not include all the information and notes required for the annual financial statements prepared by International Standards.
- To prepare the financial reports, it shall be read with the annual report as at 31 December 2019 that the business results for the three months ending 30 September 2020 do not necessarily represent an indication of the expected results for the year ending on 31 December 2020.
- The Financial statements have been presented by the Jordanian Dinar as it is the main currency of the company.

**3. Significant Accounting Policies**

- The preparation of the interim condensed consolidated financial statements for the nine months ending on 30 September 2020, is made pursuant to International Accounting Standard No. 34 requires using important certain accounting estimates. It also requires management to use its estimates in the process of applying the company's accounting policies.
- The estimates and general assumptions used in preparing the financial statements are included in note 5.
- The interim condensed consolidated financial statements have been prepared by the accounting policies applied in the last annual financial statements issued for the year ending on 31 December 2019.

**4. Changes in Accounting Policies**

During the current period, the company adopted amended, improved, and new IRFS to become valid on the annual periods starting 01 January 2020

- Amendments on International Financial Reporting Standard No.3 "Business Combination"
- Amendments on Accounting Standard No.1 " Presentation of Financial Statements"
- Amendments on Accounting Standard No.8 "Change in accounting estimates, policies, and errors."

**SHEBA METAL CASTING CO.**  
(A Limited Public Shareholding company)  
Amman -The Hashemite Kingdom of Jordan

**Notes on Statement of Summarized Periodical Financial Statements (Unaudited Review)**

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**3. Continued Changes in Accounting Policies**

- Amendments on International Financial Reporting Standard No.7 "Financial Instruments: Disclosures".
- Amendments on International Financial Reporting Standard No.9 "Financial Instruments".
- Amendments to various standards based on annual improvements to IFRSs, 2015-2017 Session.

**As for the amended standards, whose effective date has not been determined yet, are:**

- Amendments to International Standard No.10 "Consolidated Financial Statements".
- Amendments to International Standard No. 28 "Investment in Associates and Joint Ventures".

**4. Subsequent Events**

The spread of new coronavirus (COVID-19), at the beginning of the year 2020, and its spread all over the world, caused disruptions of economic and business activities. The event also is experiencing continuous and accelerating developments, which requires the management of the company to assess the expected impacts on the company inside the Kingdom, and conduct a study to review and assess potential risks, in addition to providing additional disclosures in the interim financial statements as on 30 September 2020, based on the above, the company has taken the following actions to contain the crisis:

**Company Plan to face Events in Spread of New Coronavirus (COVID-19)**

1. The company stopped practicing business completely from 18 March 2020, until it was allowed to return to work on 02 May 2020. Production processes during the two months of downtime were affected due to a shortage of some additional materials imported from abroad and used to improve the quality and characteristics of castings.  
The board of directors is currently working on making a set of decisions to increase production with the return of work in the factory and compensation for the downtime while seeking to secure cash liquidity to cover the downtime expenses and importing the production materials.
2. There are no disclosures or material events during the period of disclosure suspension extending from 18 March to 02 May 2020.
3. There is no Board of Directors Decisions taken during the period of disclosure suspension.

## **Notes to the interim condensed consolidated financial statements (Unaudited Review)**

### **5. Significant Accounting Estimates and Assumptions**

There were no material amendments on the nature and amount thereof in the annual financial statements for the comparison year.

#### **Using Assessment**

Financial liabilities and disclosing contingent obligations. On the other hand, such assessments and diligences also impact incomes, expenses, provisions, and changes in fair value that are recognized within equity rights. The company management is required to issue important diligences and rules to assess future amounts of cash flows and relevant times. These assessments are based on suppositions and various factors that carry varying degrees of estimation and uncertainty. Also, the actual outcomes may differ from assessments due to future changes originating from such assessments statuses and circumstances.

The company management believes that the financial statements assessments are reasonable and detailed as follows:

Debtor's impairment provision shall be formed based on basis and suppositions accredited by the company management, to assess the provision which should be formed under IRS requirements.

The fiscal year shall carry its share of income tax expenses based on laws and regulations.

The management re-assesses, periodically, productive ages of the tangible assets to compute annual depreciation depending on such assets.

### **6. Capital**

Based on the Board of Directors extraordinary meeting of the company held on 25 March 2018, the decision to increase the declared paid, and subscribed capital is issued from 1,000,000 shares/ dinar to become 1,250.000 shares/dinar via issuing 250,000 shares for special subscription at 0.500 bond discount/ one share. Thus total issuance shall read 125 thousand dinars. Based on the foregoing certificate has been issued from the Ministry on Industry and trade referring that the declared capital is 1,250.00 shares/ dinar, and subscribed capital 1,079,776 shares/ dinar.

In 2019, the capital was increased by 33,922 dinars against the discount bond of 16,961, and thus the subscribed capital shall read 1,193.474 shares/ dinar, and the discount is 96,737 dinar a at 30 June 2019, then the capital was completed, so that the authorized, subscribed and paid-up capital equals 1,250,000 shares/ dinars.

The following is the movement on capital:

	<u>31 December 2019</u>	<u>30 September 2020</u>
	<u>JD</u>	<u>JD</u>
Capital at the begging period/ year	1,159.552	1,250.000
Capital increase	<u>90,448</u>	-
Capital at the ending period/ year	<u>1,250.000</u>	<u>1,250.000</u>

### **7. Tax Status**

The company audited the income tax as of 2016, and the tax balance is Zero in the same term. The company submitted its tax declarations of 2018, but the concerned management did not perform the audit process so far in 2017.

In the opinion of the tax consultant of the company, there is no need to calculate the income tax for the period as of at 30 September 2020, due to accumulated losses.

### **8. Comparative Figures**

Reclassification of the comparative figures, if necessary, to suit the current period figures.