

United Cable Industries Company

Public Shareholding Company

Condensed Interim Financial Statements (Unaudited)

30 June 2024

United Cable Industries Company
Public Shareholding Company

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Report on Review of Condensed Interim Financial Statements

To The Board of Directors
United Cable Industries Company
Public Shareholding Company
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim financial statements of **United Cable Industries Company PLC**, comprising the interim statement of financial position as at 30 June 2024 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 statement 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

The accompanying condensed interim financial statements include an overdue receivable from one of the main customers of the Company, amounting to JOD (4,426,459) as at 30 June 2024. It is noted that the customer has declared bankruptcy pursuant to the Bankruptcy Law and related regulations during the first quarter of the current year. The Company holds first mortgage bonds from that customer amounting to approximately JOD (2) million and has taken legal action against that customer. Additionally, no provisions have been recorded by the Company's management against the outstanding balance from the customer due to insufficient information regarding the expected amounts to be collected from that outstanding balance.


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 2024

Amman - Jordan




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United Cable Industries Company
Public Shareholding Company
Interim statement of financial position as at 30 June 2024
(In Jordanian Dinar)

	<u>Note</u>	30 June 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		14,290,304	14,882,552
Projects under construction		13,970	-
Total non - current assets		<u>14,304,274</u>	<u>14,882,552</u>
Current assets			
Inventories		16,939,932	15,362,754
Spare parts		1,073,414	985,340
Sales tax withholdings		414,511	92,800
Other current assets		501,547	417,031
Accounts receivable		11,234,863	12,545,191
Notes receivable		169,907	195,144
Checks under collection		2,456,644	3,591,813
Cash and cash equivalents		1,701,367	1,785,245
Total current assets		<u>34,492,185</u>	<u>34,975,318</u>
Total assets		<u>48,796,459</u>	<u>49,857,870</u>
Equity and Liabilities			
Equity	3		
Paid-in capital		35,000,000	35,000,000
Statutory reserve		137,314	137,314
Retained earnings		963,654	882,528
Total equity		<u>36,100,968</u>	<u>36,019,842</u>
Liabilities			
Non-current liabilities			
Bank facilities – long term		783,038	1,243,701
Current liabilities			
Bank facilities – short term		5,823,136	7,159,892
Accounts payable		5,160,631	4,435,846
Shareholders’ withholdings		631,061	526,962
Postdated checks		23,546	813
Other current liabilities		274,079	470,814
Total current liabilities		<u>11,912,453</u>	<u>12,594,327</u>
Total liabilities		<u>12,695,491</u>	<u>13,838,028</u>
Total equity and liabilities		<u>48,796,459</u>	<u>49,857,870</u>

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

United Cable Industries Company
Public Shareholding Company
Interim statement of comprehensive income for the six months ended at 30 June 2024

(In Jordanian Dinar)

	For the three months ended		For the six months ended	
	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Sales	15,359,783	12,934,334	30,104,553	27,321,334
Cost of sales	(14,285,271)	(12,087,602)	(28,156,576)	(25,853,074)
Gross profit	1,074,512	846,732	1,947,977	1,468,260
Administrative expenses	(159,950)	(150,643)	(345,699)	(300,796)
Selling and distribution expenses	(135,334)	(145,280)	(268,056)	(346,309)
Financing cost	(103,736)	(133,578)	(202,804)	(293,053)
Other revenues	17,951	15,975	20,032	21,900
Profit for the period before income tax	693,443	433,206	1,151,450	550,002
Income tax expense for the period	(118,688)	(33,069)	(186,023)	(37,306)
National Contribution tax for the period	(5,934)	(1,732)	(9,301)	(1,952)
Total comprehensive income for the period	568,821	398,405	956,126	510,744
Basic and diluted earnings per share	0.016	0.011	0.027	0.015

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

United Cable Industries Company
Public Shareholding Company
Interim statement of changes in equity for the six months ended at 30 June 2024 (Unaudited)
(In Jordanian Dinar)

	Paid - in Capital	Reserves		Retained Earnings	Total
		Statutory	Voluntary		
Balance at 1 January 2024	35,000,000	137,314	-	882,528	36,019,842
Paid dividends (Note 3)	-	-	-	(875,000)	(875,000)
Total comprehensive income for the period	-	-	-	956,126	956,126
Balance at 30 June 2024	35,000,000	137,314	-	963,654	36,100,968
Balance at 1 January 2023	35,000,000	888,700	143,726	(1,037,951)	34,994,475
Total comprehensive income for the period	-	-	-	510,744	510,744
Balance at 30 June 2023	35,000,000	888,700	143,726	(527,207)	35,505,219

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

United Cable Industries Company
Public Shareholding Company
Interim statement of cash flows for the six months ended at 30 June 2024

(In Jordanian Dinar)

	30 June 2024 (Unaudited)	30 June 2023 (Unaudited)
Operating activities		
Profit for the period before income tax	1,151,450	550,002
Depreciation	738,714	643,474
Changes in working capital		
Checks under collection	1,135,169	378,420
Inventories	(1,577,178)	2,154,199
Spare parts	(88,074)	(25,881)
Notes receivable	25,237	1,500
Accounts receivable	1,310,328	707,548
Other current assets	(84,516)	6,415
Accounts payable	724,785	150,790
Postdated checks	22,733	17,818
Sales tax withholdings	(321,711)	-
Other current liabilities	(118,669)	(319,318)
Paid income tax	(273,390)	(111,115)
Net cash flows from operating activities	<u>2,644,878</u>	<u>4,153,852</u>
Investing activities		
Property, plant and equipment	(146,466)	(75,550)
Projects under construction	(13,970)	(67,868)
Net cash flows used in investing activities	<u>(160,436)</u>	<u>(143,418)</u>
Financing activities		
Bank facilities	(1,797,419)	(3,724,715)
Paid dividends	(875,000)	-
Shareholders' withholdings	104,099	(2,237)
Net cash flows used in financing activities	<u>(2,568,320)</u>	<u>(3,726,952)</u>
Changes in cash and cash equivalents	(83,878)	283,482
Cash and cash equivalents, beginning of year	1,785,245	725,064
Cash and cash equivalents, end of period	<u><u>1,701,367</u></u>	<u><u>1,008,546</u></u>

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

United Cable Industries Company
Public Shareholding Company
Notes to the Condensed Interim Financial Statements (Unaudited)
30 June 2024
(In Jordanian Dinar)

1 . General

United Cable Industries Company was established on 5 July 2007 in accordance with Jordanian Companies Law No. (441) as a Public Shareholding Company. The Company head office is in the Hashemite Kingdom of Jordan. Company's main objective is manufacturing cables and related products.

Company's shares are listed in Amman Stock Exchange – Jordan.

The condensed interim financial statements have been approved for issue by the Company's Board of Directors in their meeting held on 24 July 2024.

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 2023.

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 period.

Use of Estimates

The preparation of the 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, expenses and the provisions. 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.

The main estimates used in the preparation of the condensed interim financial statements are as follow:

- Management reviews periodically the tangible assets in order to assess the depreciation for the period 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 . Paid dividends

The General Assembly has resolved in its meeting held during 2024 to distribute (2.5%) cash dividends of the paid in capital amounted to JOD (35,000,000) to the shareholders.

4 . Tax Status

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2022.
- The income tax return for the year 2023 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 ended at 30 June 2024 were calculated in accordance with the Income Tax Law.