

United Cable Industries Company

Public Shareholding Company

Condensed Interim Financial Statements (Unaudited)

30 September 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 September 2024 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the nine 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 (4,410,588) as at 30 September 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. Moreover, the report of court-appointed expert indicates that the assets owned by the customer exceed his liabilities.

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".

27 October 2024
Amman - Jordan



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

	<u>Note</u>	30 September 2024 (Unaudited)	31 December 2023 (Audited)
Assets			
Non-current assets			
Property, plant and equipment		13,974,221	14,882,552
Projects under construction		15,581	-
Total non - current assets		<u>13,989,802</u>	<u>14,882,552</u>
Current assets			
Inventories		19,194,369	15,362,754
Spare parts		1,071,528	985,340
Sales tax withholdings		-	92,800
Other current assets		351,771	417,031
Accounts receivable		12,442,712	12,545,191
Notes receivable		169,407	195,144
Checks under collection		2,420,056	3,591,813
Cash and cash equivalents		1,527,487	1,785,245
Total current assets		<u>37,177,330</u>	<u>34,975,318</u>
Total assets		<u>51,167,132</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		1,511,323	882,528
Total equity		<u>36,648,637</u>	<u>36,019,842</u>
Liabilities			
Non-current liabilities			
Bank facilities – long term		716,594	1,243,701
Current liabilities			
Bank facilities – short term		5,343,395	7,159,892
Accounts payable		7,482,653	4,435,846
Sales tax withholdings		14,798	-
Shareholders’ withholdings		601,925	526,962
Postdated checks		961	813
Other current liabilities		358,169	470,814
Total current liabilities		<u>13,801,901</u>	<u>12,594,327</u>
Total liabilities		<u>14,518,495</u>	<u>13,838,028</u>
Total equity and liabilities		<u>51,167,132</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 nine months ended at 30 September 2024 (Unaudited)
(In Jordanian Dinar)

	For the three months ended		For the nine months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Sales	16,728,787	13,805,870	46,833,340	41,127,204
Cost of sales	(15,637,037)	(12,934,173)	(43,793,613)	(38,787,247)
Gross profit	1,091,750	871,697	3,039,727	2,339,957
Selling and distribution expenses	(106,911)	(144,884)	(374,967)	(491,193)
Administrative expenses	(199,714)	(139,452)	(545,413)	(440,248)
Financing expenses	(89,198)	(127,133)	(292,002)	(420,186)
Other revenues	10,618	4,112	30,650	26,012
Profit for the period before income tax	706,545	464,340	1,857,995	1,014,342
Income tax for the period	(151,310)	(102,972)	(337,333)	(140,278)
National Contribution tax for the period	(7,566)	(5,417)	(16,867)	(7,369)
Total profit and comprehensive income for the period	547,669	355,951	1,503,795	866,695
Basic and diluted earnings per share	0.016	0.010	0.043	0.025

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 nine months ended at 30 September 2024 (Unaudited)
(In Jordanian Dinar)

	Paid - in capital	Reserves		Retained Earnings (Accumulated losses)	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	-	-	-	1,503,795	1,503,795
Balance at 30 September 2024	35,000,000	137,314	-	1,511,323	36,648,637
Balance at 1 January 2023	35,000,000	888,700	143,726	(1,037,951)	34,994,475
Total comprehensive income for the period	-	-	-	866,695	866,695
Balance at 30 September 2023	35,000,000	888,700	143,726	(171,256)	35,861,170

“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 nine months ended at 30 September 2024 (Unaudited)
(In Jordanian Dinar)

	30 September 2024	30 September 2023
Operating activities		
Profit for the period	1,503,795	866,695
Depreciation	1,112,512	969,592
Changes in working capital		
Checks under collection	1,171,757	(304,014)
Accounts receivable	102,479	(42,141)
Inventories	(3,831,615)	344,899
Spare parts	(86,188)	(28,548)
Notes receivable	25,737	2,250
Other current assets	65,260	93,294
Accounts payable	3,046,807	1,571,848
Postdated checks	148	(46,508)
Sales tax withholdings	107,598	-
Other current liabilities	354,200	(225,230)
Paid income tax	(466,845)	-
Net cash flows from operating activities	<u>3,105,645</u>	<u>3,202,137</u>
Investing activities		
Property, plant & equipment	(204,181)	(229,970)
Projects under construction	(15,581)	-
Net cash flows used in investing activities	<u>(219,762)</u>	<u>(229,970)</u>
Financing activities		
Bank facilities	(2,343,604)	(2,414,487)
Shareholders' withholdings	(78,822)	(16,164)
Paid dividends	(721,215)	-
Net cash flows used in financing activities	<u>(3,143,641)</u>	<u>(2,430,651)</u>
Net changes in cash and cash equivalents	(257,758)	541,516
Cash and cash equivalents, beginning of the year	<u>1,785,245</u>	<u>725,064</u>
Cash and cash equivalents, end of the period	<u><u>1,527,487</u></u>	<u><u>1,266,580</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 September 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 accompanying condensed interim financial statements were authorized for issue by the Company's Board of Directors in its meeting held on 20 October 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 nine months ended at 30 September 2024 were calculated in accordance with the Income Tax Law.