

**Arabian Steel Pipes Manufacturing  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan**

**Financial Statements  
as of December 31,2020**

**Arabian Steel Pipes Manufacturing  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan**

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## **Independent Auditors' Report**

**01 21 1012**

**To the Shareholder of  
Arabian Steel Pipes Manufacturing Co  
Public Shareholding Company  
Amman- The Hashemite Kingdom of Jordan**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the Accompanying financial statements of **Arabian Steel Pipes Manufacturing Co** (Public Shareholding Company), which comprise the statement of financial position as at December 31, 2020 and the statements of comprehensive income, changes in owner's equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

- **Accounts Receivable**

The impairment loss of account receivables is considered one of the matters that have an impact over the Company's results and requires significant judgment and estimates from management to determine the default and accordingly the existence of impairment. Following the requirements of IFRS, management exercises judgment and estimates over the inputs used to determine the impairment including the date of default, the financial position of the customers and the position of legal cases held against these customers. Accordingly, the accounts receivables are considered a key audit matter. The company has accounts receivables with total balance of 3,124,484 as of December 31, 2020, and the company recorded the impairment provision for the receivables in the amount of 849,855 JD as of December 31, 2020. The accounting policies and significant accounting estimates relating to receivables and are disclosed in notes 4, 12 to the financial statements.

- **Inventory Impairment**

The company won't need part of the balance of spare parts and consumables, because it is outdated and unsuitable for use.

**The audit procedures included the:**

Our audit procedures included the assessment of the Company's internal controls over collection processes for receivables; testing the sufficiency of the Company's provisions against receivables and testing the position of the legal cases held by the Company by assessing management's assumptions, taking account of externally available data on trade credit exposures and our own knowledge of the impairment provision for the receivables experience. We have also considered the adequacy of the Company's disclosures about the degree of estimation involved in arriving at the provision and the disclosures over the movement of doubtful debts provision.

**The audit procedures included the:**

We assessed whether provision recorded against old and slow moving inventory in accordance with the company's accounting policy and we considered the reasonableness of the provisions policy using historical trend analysis and annual depreciation. We considered the adequacy of the company's disclosures about the degree of estimation involved in arriving at the inventory impairment provision. Based on our work done, we found the key assumptions used and the resulted estimate and valuation of inventory are appropriate assumptions.

### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. We expected that we will give the annual report after our report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when its available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

The Company has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend approving these financial statements by the general assembly, after taking into consideration what is mentioned at other Matter.

**Al- Abbasi & Partners Co.**

**Ahmed M. Abbasi**  
**License 710**



**Amman in**  
**February 11, 2021**



**Arabian Steel Pipes Manufacturing**  
**Public Shareholding Co., Ltd.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Statement of Financial Position as of December 31 , 2020**

	Note	2020 JD	2019 JD
<b><u>Assets</u></b>			
<b><u>Non-current assets</u></b>			
Properties , trucks & equipment - Net	5	3,754,930	3,851,650
Intangible assets	6	16	24
Projects under construction	7	-	137,987
Deferred tax assets	8	-	4,451
Investment in a subsidiary	9	176,248	176,248
Financial assets at fair value through comprehensive income	10	648,358	790,260
<b>Total Non-current assets</b>		<b>4,579,552</b>	<b>4,960,620</b>
<b><u>Current Assets</u></b>			
Cash and Cash equivalent	11	1,251,960	454,624
Investment portfolios		160,000	60,000
Account receivables & Cheques under collection	12	2,274,629	3,165,594
Inventory	13	7,626,912	8,734,500
Other debit balances	14	123,865	209,231
<b>Total Current Assets</b>		<b>11,437,366</b>	<b>12,623,949</b>
<b>Total Assets</b>		<b>16,016,918</b>	<b>17,584,569</b>
<b><u>Liabilities and Owners' Equity</u></b>			
<b><u>Owners' Equity</u></b>			
Paid up Capital	15	9,000,000	9,000,000
Statutory reserve	15	2,250,000	2,250,000
Voluntary reserve	15	1,061,503	1,061,503
Fair value reserve	16	130,626	25,253
(Accumulated losses) Retained earnings	17	(115,591)	765,851
<b>Total Owners' equity</b>		<b>12,326,538</b>	<b>13,102,607</b>
<b><u>Current Liabilities</u></b>			
Notes payable due within a year	18	2,908,842	3,396,274
Account payable		135,857	395,793
Related party receivables	19	269,211	269,211
Other credit balances	21	221,872	319,158
<b>Total Current Liabilities</b>		<b>3,535,782</b>	<b>4,380,436</b>
<b><u>Non-current Liabilities</u></b>			
Notes payable more than one year	18	154,598	101,526
<b>Total Non - Current Liabilities</b>		<b>154,598</b>	<b>101,526</b>
<b>Total Liabilities and Owners' Equity</b>		<b>16,016,918</b>	<b>17,584,569</b>

financial manager

General Director

Chairman of the Board of  
Directors



**Arabian Steel Pipes Manufacturing  
Public Shareholding Co., Ltd.**

**Amman - The Hashemite Kingdom of Jordan**

**Statement of Comprehensive Income For The Year Ended December 31 , 2020**

	Note	2020 JD	2019 JD
Sales	22	5,968,678	10,046,773
Cost of sales	23	(5,928,161)	(8,934,364)
<b>Gross Profit</b>		<b>40,517</b>	<b>1,112,409</b>
General & administrative expenses	25	(398,025)	(421,756)
Selling and distribution expenses	26	(211,183)	(524,903)
Morabaha expenses		(109,996)	(154,830)
Expected credit losses		(319,405)	-
Impairment of receivables		-	153,704
Return from slow moving inventory		130,734	29,862
Reward members of the Board of Directors		-	(24,272)
Other revenues	27	31,105	54,416
<b>(Loss) Profit for the Period before income tax</b>		<b>(836,253)</b>	<b>224,630</b>
Income tax	20	-	(5,038)
Deferred tax assets		(4,451)	-
<b>(Loss) Period Profit</b>		<b>(840,704)</b>	<b>219,592</b>

**The other comprehensive income**

Changes in fair value of financial assets at fair value through other comprehensive income	85,348	76,142
Losses on sale of financial assets through comprehensive income	(2,250)	-
<b>Total comprehensive (Loss) income</b>	<b>(757,606)</b>	<b>295,734</b>

		JD / Share	JD / Share
<b>basic and diluted (Loss) earning per share</b>	28	<b>(0.093)</b>	<b>0.024</b>

**financial manager**

**General Director**

**Chairman of the  
Board of Directors**

The accompanying notes form an integral part of this statement .

**Arabian Steel Pipes Manufacturing  
Public Shareholding Co., Ltd.**

**Amman - The Hashemite Kingdom of Jordan**

**Statement of Changes in Owner's Equity For Year Ended December 31 , 2020**

	Paid up Capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings at year end	Total
	JD	JD	JD	JD	JD	JD
<b>Balance as of January 1,2020</b>	<b>9,000,000</b>	<b>2,250,000</b>	<b>1,061,503</b>	<b>25,253</b>	<b>765,851</b>	<b>13,102,607</b>
Amendments to previous years					(18,463)	(18,463)
<b>Adjusted opening balance</b>	<b>9,000,000</b>	<b>2,250,000</b>	<b>1,061,503</b>	<b>25,253</b>	<b>747,388</b>	<b>13,084,144</b>
Profit for the year					(840,704)	(840,704)
Change in fair value of financial assets designated at fair value through other comprehensive income				85,348		85,348
Closing of the fair value reserve for the shares sold				20,025	(20,025)	
Losses on sale of financial assets through comprehensive income					(2,250)	(2,250)
<b>Total comprehensive income</b>				<b>105,373</b>	<b>(862,979)</b>	<b>(757,606)</b>
<b>Balance as of December 31,2020</b>	<b>9,000,000</b>	<b>2,250,000</b>	<b>1,061,503</b>	<b>130,626</b>	<b>(115,591)</b>	<b>12,326,538</b>
<b>Balance as of January 1,2019</b>	<b>9,000,000</b>	<b>2,250,000</b>	<b>1,061,503</b>	<b>(50,889)</b>	<b>1,013,759</b>	<b>13,274,373</b>
Income tax of previous years		-			(17,500)	(17,500)
<b>Adjusted opening balance</b>	<b>9,000,000</b>	<b>2,250,000</b>	<b>1,061,503</b>	<b>(50,889)</b>	<b>996,259</b>	<b>13,256,873</b>
Profit for the year		-			219,592	219,592
Change in fair value of financial assets designated at fair value through other comprehensive income				76,142		76,142
<b>Total comprehensive income</b>						
Distributed Dividends	-	-	-	<b>76,142</b>	<b>219,592</b>	<b>295,734</b>
<b>Balance as of December 31,2019</b>	<b>9,000,000</b>	<b>2,250,000</b>	<b>1,061,503</b>	<b>25,253</b>	<b>765,851</b>	<b>13,102,607</b>

- In accordance with the instructions of the Securities Commission, it is prohibited to dispose of the fair value reserve for financial assets by allocating to the shareholders of the company, capitalization or amortization of losses or any other disposition.

financial manager

General Director

Directors

The accompanying notes form an integral part of this statement .

**Arabian Steel Pipes Manufacturing**  
**Public Shareholding Co., Ltd.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Statement of Cash Flows For The Year Ended December 31 , 2020**

	Note	2020	2019
<b><u>Cash Flow From Operating Activities</u></b>		JD	JD
Profit year before income tax		(836,253)	224,630
<b><u>Adjustments</u></b>			
Depreciation and amortization		341,678	329,715
profit from sale of property and equipmen		(2,611)	(13,791)
The return on doubtful debts		-	(153,704)
Return from slow moving inventory		(130,734)	(29,862)
Expected credit losses		319,405	-
Income tax for previous years		-	(17,500)
Amendments to previous years		(18,463)	
<b>Operating profit before changes in working capital</b>		<b>(326,978)</b>	<b>339,488</b>
<b><u>(Increase) decrease in current assets</u></b>			
Investment portfolios		(100,000)	340,000
Account receivables & Cheques under collection		571,560	(781,783)
Inventory		1,238,322	(503,219)
Other receivables		89,389	(33,165)
<b><u>Increase (decrease) in current liabilities</u></b>			
Account payable		(259,936)	(237,819)
Due to related parties		-	(30,000)
Other payables		(97,286)	74,295
<b>Net Cash provided from Operating Activities before paid tax</b>		<b>1,115,070</b>	<b>(832,204)</b>
paid income tax	20	(4,023)	(10,786)
<b>Net Cash provided from Operating Activities after paid tax</b>		<b>1,111,048</b>	<b>(842,989)</b>
<b><u>Cash Flows From Investing Activities</u></b>			
Purchase properties & equipment		(116,678)	(126,339)
collection from sale properties & equipment		-	14,515
Projects under construction		-	(137,987)
Received from selling financial assets at fair value through comprehensive income		225,000	-
Received from sale of property and equipment		12,326	-
<b>Net Cash (Used in) Investing Activities</b>		<b>120,648</b>	<b>(249,811)</b>
<b><u>Cash Flows From Financing Activities</u></b>			
Cash Dividends		-	(450,000)
Notes payable due within a year		(434,360)	1,202,690
<b>Net Cash ( used in )Financing Activities</b>		<b>(434,360)</b>	<b>752,690</b>
<b>Net (Decrease ) in Cash and cash equivalent</b>		<b>797,336</b>	<b>(340,110)</b>
Cash on hand and at banks at beginning of the year		454,624	794,734
<b>Cash on hand and at banks at ended year</b>	11	<b>1,251,960</b>	<b>454,624</b>
<b><u>Non-cash flows</u></b>			
Transferred from projects under construction to property and equipment		137,987	59,139

**financial manager**

**General Director**

**Chairman of the Board of Directors**

The accompanying notes form an integral part of this statement .

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**Arabian Steel Pipes Manufacturing  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan  
Notes to the Financial Statements**

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**1- Company's Registration and Objectives**

Arabian Steel Pipes Manufacturing Company was established under the Companies Act of 1964 as a private shareholding Company and recorded in the Companies Registration department under number 1185 dated June 12, 1983 and its status has been adjusted as a limited liability on June 5, 1989 under the Companies Act No. 1 of 1989 with the aim to manufacture steel pipes for water, electricity works and , blacksmithing and selling it, the company's commercial production began in February 15, 1989. The company's paid-up capital is JD 9,000,000 divided into 9,000,000 shares and each equal 1 JD .

Based on General Assembly decision at its extraordinary meeting held on November 4, 1993 to convert the company into a public shareholding company , the company obtained the approval of the Minister of Industry and Trade to transfer the legal status of the company to public shareholding company on April 19, 1994 and recorded in the Public Shareholding Companies registration department under number 251 on August 3, 1994 under the companies Act of 1989 , the company was given the right to commence work on November 2, 1994.

**The main objective of the Company :**

- Pipe manufacturing with different diameters 0.5 - 6
- Import and export
- General Trading
- Producing electricity pillars of its different type , tubular and polygonal , and telecommunication towers, in addition to processing platelet boards and producing the components of metal structures for personal use.
- General Galvanizing
- Manufacturing of iron towers and all necessary parts to extend electricity networks for medium voltage, high voltage in addition to communication and lighting towers.
- Isolate pipes using all isolation methods.

The financial statements were approved by the board of directors at its meeting held on 11 February 2021 these financial statements subject to the approval of the general assembly of shareholders .

**Arabian Steel Pipes Manufacturing  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan  
Notes to the Financial Statements**

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**2- Significant Accounting Policies**

**Basics of preparing interim condensed financial statements**

The financial statements of the company have been prepared in accordance to International Financial Reporting Standards .

The accompanying financial statements of the company have been prepared in accordance to the historical cost basic except for the financial assets at the fair value through the other comprehensive income statement which carried at fair value at the date of the financial statements

The financial statements are presented in Jordanian Dinars (JD) which is the financial currency of the company .

**3- Use of estimates**

The preparation of the interim condensed 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 effect the revenues and expenses and the resultant provisions and 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 change in such provisions .

The estimates are based on assumptions and factors with varying degrees of judgment and uncertainty and that actual results may differ from estimates due to future changes in the conditions of those provisions .

Estimates and assumptions are reviewed on an ongoing basis by the management. Adjustments in accounting estimates are accounted for and recognized for the period in which they are adjusted and future periods that may affect the revision.

**Arabian Steel Pipes Manufacturing  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan  
Notes to the Financial Statements**

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**4- Change in accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

**Change in accounting policies**

During the current period, the Company adopted the below new and amended International Financial Reporting Standards ("IFRS") and improvements to IFRS that are effective for periods beginning on 1 January 2020 :

**International Financial Reporting Standard No. (3) Business Definition**

The International Accounting Standards Board has issued amendments to the definition of (business) in IFRS No. (3) Business Combinations to help establishments determine whether the group of activities and assets acquired meet the definition of business or not..

These amendments clarify minimum business requirements, remove the assessment of whether market participants are able to replace any non-existent business elements, and add guidelines to help firms assess whether the acquired operation is material, narrow business definitions and outputs, and introduce an optional fair value concentration test.

More information on this source text

Amendments have been applied to transactions that are either a business merger or the acquisition of assets whose acquisition date is on or after the beginning of the first annual reporting period that began on or after December 1, 2020, and therefore the company did not have to reconsider these transactions that occurred in the period Precedent, early application of these amendments is permitted and must be disclosed.

Amendments are applied with a prospective effect on transactions or other events that occur on or after the date of initial application. No impact on the company resulted from applying these amendments to the financial statements..

**No impact resulted from applying these amendments to the company's financial statements.**



**Arabian Steel Pipes Manufacturing  
Public Shareholding Co., Ltd.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Notes to the Financial Statements**

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**Interest rate amendments to IFRS 9 and IFRS 7**

Amendments to the interest rate standards of IFRS 9 and Financial Reporting Standard No. 7 include a number of exemptions that apply to all hedging relationships that are directly affected by the amendment of interest rate standards.

The hedging relationship is affected if the modification leads to uncertainty about the timing and / or volume of cash flows based on the criterion for the hedging clause or hedge management.

As a result of this adjustment, there may be uncertainty about the timing and / or volume of cash flows based on the standard for the hedging item or hedging instrument during the prior period to replace the interest rate standard risk-free. This may lead to uncertainty as to whether the expected transaction is highly probable and whether The hedging relationship was expected to be very effective.

The amendments provide temporary exemptions that enable hedge accounting to continue through the period of uncertainty before replacing the current interest rate standard with a risk-free interest rate.

The amendments were applied to financial periods that began on or after January 1, 2020 with early application permitted, and retroactively applied, however, any hedging relationships previously canceled upon application of the request cannot be returned, nor can any hedging relationships be set by taking advantage of previous experiences. .

After completing the first phase, the International Accounting Standards Board shifts its focus to issues that may affect the financial reporting when replacing the current interest rate standard with a risk-free interest rate, and this is referred to as the second phase of the project by the International Accounting Standards Board.

There was no impact on the company from applying these amendments to the financial statements as the uncertainty arising from the amendment does not affect the hedging relationships to the extent that the relationship is required to be terminated.



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Notes to the Financial Statements**

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**Amendments to International Accounting Standard No. (1) and International Accounting Standard No. (8) Defining “substantial”**

The International Accounting Council has issued amendments to International Accounting Standard No. (1) Presentation of Financial Statements and International Accounting Standard No. (8) Accounting policies and changes in estimates and accounting errors to unify the definition of “material” within all standards and clarify certain aspects of the definition. The new definition states that information is material if its omission, omission, or concealment results in a reasonable impact on the decisions made by the primary users of general purpose financial statements on the basis of those financial statements, which provide specific financial information about the entity.

**No impact resulted from applying these amendments to the company's financial statements.**

**Amendments to IFRS 16 “Rentals” rental concessions related to the COVID-19 pandemic**

On May 28, 2020, the International Accounting Standards Board issued amendments to International Financial Reporting Standard No. (16) “Rentals” relating to rental concessions resulting from the Covid-19 epidemic. These amendments grant exemptions to the lessee from applying the requirements of IFRS 16 regarding accounting amendments to lease contracts to rental concessions directly resulting from the Covid-19 epidemic. As a practical solution, the tenant may choose not to consider the rental concessions resulting from the COVID-19 epidemic as an amendment to the lease agreement.

These amendments have been implemented as of June 1, 2020 with early implementation permitted. The application of these amendments did not result in a material impact on the company's financial statements.

**Arabian Steel Pipes Manufacturing  
Public Shareholding Co., Ltd.  
Amman - The Hashemite Kingdom of Jordan  
Notes to the Financial Statements**

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**Accounts Receivables**

Accounts receivable are stated at their net realizable value net of a provision for doubtful accounts , bad debts were written off when identified and deducted from its stated provision and the collected amounts from debts are identified to revenues .

**Impairment of receivables**

On 1 January 2018 IFRS 9 "Financial Instruments" replaced the 'incurred loss' impairment model in IAS 39 "Financial Instruments: Recognition and Measurement" with an 'expected credit loss' (ECL) impairment model. The new impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. In the previous year, the impairment review on trade receivables was performed only for receivables for which management had an indication for impairment. That also entailed significant judgement. It was determined by reference to past default experience of a counterparty and an analysis of the counterparty's financial situation, but the "incurred loss" model disregarded entirely the current and expected future conditions. As a result, it is expected that under the new impairment model credit losses will be recognised earlier

**Offsetting**

Offsetting of financial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legally enforceable right to offset the recognized amounts and the bank intends to either settle them on a net basis , or to realize the assets and settle the liability simultaneously

**Inventory**

Inventory is measured at the lower of cost or net realizable value . The cost of inventory is determined based on the weighted average method.

Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated selling expenses.

**Arabian Steel Pipes Manufacturing  
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**financial assets at fair value through other comprehensive income**

These assets represent investments in equity instruments with the intention to keep them as long term investments.

When purchasing these assets they are recognized at fair value including acquisition expenses then to be re-evaluated later at fair value, where changes in the fair value appear in the statement of profit or loss and other comprehensive income and owners equity including the change in fair value resulting from the differences in conversion of non-monetary assets items in foreign currencies, in case of selling such assets or part thereof profits or losses to be recorded in the statement of profit or loss and other comprehensive income and owners equity where the valuation reserve balance of the sold assets should be directly transferred to the retained earnings and losses and not through the consolidated statement of profit or loss and other comprehensive income.

These assets are not subject to impairment loss testing.

Dividends are recorded as a separate line item in the consolidated statement of profit or loss and other comprehensive income.

**Investments in subsidiaries**

Investments in associates are recognized at cost and are remeasured using the equity method of accounting and the Company's share of profit or loss is recognized in the statement of income.

**fair value**

The closing price at the date of the financial statements represents the fair value of the financial assets traded. If no fair value is available for certain financial assets, their fair value is estimated by comparing them to the current market value of a financial instrument that is substantially the same.

**Property, plant and equipment**

Property, plant & equipments are recorded at cost and depreciated (except lands) over its estimated useful lives under the straight line method by using annual depreciation rates as follows:

Buldings	3%
Machinery and equipment	6.67%
Tools	30-35%
Vehicles	15%
Computers	12-20%
Furniture	10%
Office equipment	10-20%

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An assets carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount , the impairment record in statement of comprehensive income .

The expected production life for assets is reviewed at end of the year , whenever ther are changes between the expected life and the estimated , the depreciation method is changed to depreciate on net book value based on the remaining production life after re-estimation from the year re-estimated on . When there are no expected economic benifits from usage , that item will be written down immediately

**Intangible assets**

Intangible assets, which have finite useful lives, are amortized over their useful lives . Amortization is recognized in the consolidated statement of profit or loss and other comprehensive income , however ,intangible assets without definite useful lives should not be amortized and are required to be tested for impairment as of the date the financial statement .Impairment loss shall be recognized in the consolidated statement of profit or loss and other comprehensive income .

The estimated useful lives of intangible assets for current year same as previous year , and the amortizaation percent as follows:

Computers software and program	20 - 30 %
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**Accounts payable**

The accounts Payable and accrued amounts are recognized upon receipt of the goods by the company, whether billed by the supplier or not.

**Income tax**

The Company is subject to Income Tax Law no 34 of 2014 and subsequent amendments thereto and the regulations issued by the Income Tax Department in the Hashemite Kingdome of Jordan and provided on an accrual basis. Income tax is computed based on adjusted taxable income

**Revenues**

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

The company has transferred to the buyer the significant risks and rewards of ownership of goods.

The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold .

It is probable that the economic benefits associated with the transaction will flow to the entity and

The costs incurred or to be incurred in respect of the transaction can measured reliably .

Other revenue realized based on accrual basis .

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**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation

**Foreign currency conversions**

Foreign currency transactions are translated into Jordanian Dinars at the exchange rates prevailing at the date of transaction . Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at the exchange rates prevailing as at the balance sheet date . Exchange differences arising from these translations are included in the statement of income .

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**5- Properties , plant & equipment - Net**

A- This item consists of :

	Lands		Buildings		Machinery and equipment		Tools		Vehicles		Computers		Furniture		Office equipment		Total	
	JD		JD		JD		JD		JD		JD		JD		JD		JD	
<b><u>Cost</u></b>																		
Cost as in the January 1, 2020	927,462		2,472,504		7,008,447		305,980		424,056		149,397		136,450		28,395		11,452,691	
Additions	-		80,000		152,698		20,457		-		510		-		1,000		254,665	
Adapter from projects under implementation	-		-		-		-		(34,628)		(40,981)		(8,280)		-		(83,889)	
<b>Cost as in the December 31, 2020</b>	<b>927,462</b>		<b>2,552,504</b>		<b>7,161,145</b>		<b>326,437</b>		<b>389,428</b>		<b>108,926</b>		<b>128,170</b>		<b>29,395</b>		<b>11,623,467</b>	
<b><u>Accumulated Depreciation</u></b>																		
balance as of january 1, 2020	-		1,199,162		5,497,167		288,986		325,670		139,832		123,384		26,840		7,601,041	
Additions	-		78,500		215,893		9,780		31,404		2,953		2,178		962		341,670	
Deletions	-		-		-		-		(24,989)		(40,910)		(8,275)		-		(74,174)	
<b>balance as of December 31, 2020</b>	<b>-</b>		<b>1,277,662</b>		<b>5,713,060</b>		<b>298,766</b>		<b>332,085</b>		<b>101,875</b>		<b>117,287</b>		<b>27,802</b>		<b>7,868,537</b>	
<b>Net book value as of December 31, 2020</b>	<b>927,462</b>		<b>1,274,842</b>		<b>1,448,085</b>		<b>27,671</b>		<b>57,343</b>		<b>7,051</b>		<b>10,883</b>		<b>1,593</b>		<b>3,754,930</b>	
<b>Net book value as of December 31, 2019</b>	<b>927,462</b>		<b>1,273,342</b>		<b>1,511,280</b>		<b>16,994</b>		<b>98,386</b>		<b>9,565</b>		<b>13,066</b>		<b>1,555</b>		<b>3,851,650</b>	

B- The cost of fully depreciated property and equipment is 5,138,592 dinars as at 31 December 2020 .( Year 2019 amount 5,088,926 JD )

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**6- Intangible Assets**

	2020	2019
	JD	JD
<b><u>Cost</u></b>		
Balance at the beginning of the year	196,962	196,962
Additions		
<b>Balance at the end of the year</b>	<b>196,962</b>	<b>196,962</b>
<b><u>Accumulated amortization</u></b>		
Balance at the beginning of the year	196,938	196,360
Additions	8	578
<b>Balance at the end of the year</b>	<b>196,946</b>	<b>196,938</b>
<b>Book value</b>	<b>16</b>	<b>24</b>

**7- Projects Under Construction**

	2020	2019
	JD	JD
Balance at the beginning of the year	137,987	-
Adapter from projects under implementation	-	137,987
Transfer to property, plant and equipment	(137,987)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>137,987</b>



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**8- Deferred tax Assets**

This item consists of :

<b>Accounts covered</b>	<b>2020</b>		<b>2019</b>	
	<b>Balance at 1 January</b>	<b>Deferred tax</b>	<b>Deferred tax</b>	<b>Deferred tax</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Slow moving item	44,603	-	-	1,304
Employee vacation provision	50,267	-	-	3,147
<b>Total</b>	<b>94,870</b>	<b>-</b>	<b>-</b>	<b>4,451</b>

**The movement for deferred tax as follows:**

	<b>2020</b>		<b>2019</b>	
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year		<b>4,451</b>		<b>4,743</b>
Additions year		-		842
Disposals year		(4,451)		(1,134)
Balance at the end of the year		<b>-</b>		<b>4,451</b>

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**9- Investments in subsidiaries**

A. This item consists of :

	Number of shares	Percentage of ownership	2020	2019
			JD	JD
Arabian Column Pipes Company	100%	150,000	176,248	176,248
<b>Total</b>			<b>176,248</b>	<b>176,248</b>

B. According to "Arabian Column Pipes Company's" extraordinary general assembly meeting held on 22 January 2018, it took voluntary liquidation decision, the subsidiary financial statements have not been consolidated due to absence of one of the consolidated terms in accordance with the requirements of ( IFRS 10 ) ( Consolidated Financial Statements ) as there is no control over this subsidiary . The liquidation procedures are performing by independent liquidator.

**10- Investments in subsidiaries**

This item consists of :

	2020	2019
	JD	JD
Balance at the beginning of the year	790,260	714,118
Selling financial assets at fair value through other comprehensive income	(227,250)	-
Change in fair value (Not 16 )	85,348	76,142
<b>Balance at the end of the year</b>	<b>648,358</b>	<b>790,260</b>

Financial assets at fair value through other comprehensive income include 5,000 share of Al Ameen Investment Company reserved against the membership of the Board of Directors of the , where the fair value of these reserved shares as of December 31, 2020 were 11,700 JD .

**11- Cash and cash equivalents**

This item consists of :

	2020	2019
	JD	JD
Cash on hand	7,589	7,000
Cash at banks	1,244,371	447,624
<b>Total</b>	<b>1,251,960</b>	<b>454,624</b>

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**12- Accounts Receivable**

a. This item consists of :

	2020	2019
	JD	JD
Checks under collection(Not 12 B)	455,729	466,945
Tenders Receivables	1,520,778	2,064,075
Export Receivables	754,233	817,641
Trade Receivables	270,943	232,514
Other Receivables	122,801	114,869
<b>Total</b>	<b>3,124,484</b>	<b>3,696,044</b>
Less: Provision of expected credit loss	(849,855)	(530,450)
<b>Net</b>	<b>2,274,629</b>	<b>3,165,594</b>

b. The maturity of the checks on the collection is valid until 30 June 2021 .

c. The movement of the provision for doubtful debts is as follows:

	2020	2019
	JD	JD
Balance at 1 January	530,450	684,154
The impact of application of the International Financial Reporting Standard No. 9	319,405	-
The return on doubtful debts	-	(153,704)
<b>Balance</b>	<b>849,855</b>	<b>530,450</b>

**13- Inventory**

This item consists of :

	2020	2019
	JD	JD
Raw Materials	2,457,607	2,608,305
Finished goods	4,311,613	5,376,337
Supplies and tools	900,140	923,040
<b>Total</b>	<b>7,669,360</b>	<b>8,907,682</b>
Provision for slow moving items	(42,448)	(173,182)
<b>Net</b>	<b>7,626,912</b>	<b>8,734,500</b>

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**14- Other Debit Balances**

This item consists of :

	2020	2019
	JD	JD
Prepaid Expenses	9,222	49,449
Guarantees deposits	7,238	46,183
Refundable Deposits	25,308	25,480
Employee benefits	53,339	63,586
Income tax deposits	28,758	24,533
<b>Total</b>	<b>123,865</b>	<b>209,231</b>

**15- Equity**

**Share Capital**

The authorized and paid-up capital of JD 9,000,000 is distributed on 9,000,000 shares, the nominal value of JD 1.

**Statutory Reserve**

As required by the Jordanian Companies Law , 10% of the profit before tax is to be transferred to statutory reserve. This reserve is not available for distribution to the shareholder, which was 25% of the company's paid up capital. The Board of Directors and the General Assembly agreed to stop deducting this reserve, which reached the ceiling permitted to be deducted under the Jordanian Companies Law , which is 25% of the capital.

**Voluntary Reserve**

The amounts collected in this account was transferred from annual profit before taxes and by percentage not exceed 20% during the year This reserve is used for the purposes determined by the Board of Directors and is entitled the General Assembly for a full or partial distribution to shareholders.

**16- Fair value reserve for financial assets**

This item consists of :

	2020	2019
	JD	JD
Balance at the beginning of the year	25,253	(50,889)
Net change in fair value	85,348	76,142
Closing reserve fair value of shares sold	20,025	-
<b>Balance at the end of the year</b>	<b>130,626</b>	<b>25,253</b>

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**17- Retained Earning**

a. This item consists of :

	2020	2019
	JD	JD
Balance at the beginning of the year	765,851	1,013,759
Income tax for previous years	-	(17,500)
Amendments to previous years	(18,463)	-
<b>Adjusted opening balance</b>	<b>747,388</b>	<b>996,259</b>
( Loss ) Profit for the year	(840,704)	219,592
Distributed profits to shareholders	-	(450,000)
Closing reserve fair value of shares sold	(20,025)	-
Losses on sale of financial assets through comprehensive income	(2,250)	-
<b>Balance at end of year</b>	<b>(115,591)</b>	<b>765,851</b>

**18- Notes Payable**

This Item represents the value of issued notes payable in favor of Jordan Islamic Bank (Main shareholder) against raw materials purchases, as the maturity of all of these notes payable during 10February 2020 . All the notes payable guaranteed by the Company's name.

**19- Transactions with related parties**

Related parties represent key shareholders, associates, subsidiaries, directors and companies with principal owners. The prices and terms of these transactions are approved by the Company's management

**The following table summarizes the balances shown in the statement of financial position**

a. **of related parties**

	Relationshi p type	Nature of dealing	2020	2019
			JD	JD
Arabian Column Pipes Company	subsidiary company	Purchases and sales	269,211	299,211
<b>Total</b>			<b>269,211</b>	<b>299,211</b>

**The following is a summary of the benefits (salaries, bonuses, other benefits) of the senior**

b. **executive management and board of directors of the company**

	2020	2019
	JD	JD
Other salaries and benefits	264,744	273,189

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**20- Income tax provision**

a. The movement of the provision for Income tax is as follows:

	2020	2019
	JD	JD
<b>Balance at the beginning of the year</b>	<b>(22,009)</b>	<b>(15,969)</b>
year income tax	-	4,746
Paid income tax	(4,023)	(10,786)
<b>Balance at end of year (Other debit balances)</b>	<b>(26,032)</b>	<b>(22,009)</b>

b. The status of the income tax was settled until 31 December 2017 for the file of the Investment Authority file No. 300001525.

Income tax returns for the year 2018, 2019 have been submitted to the Investment Authority and have not been audited by the Income and Sales Tax Department.

The situation has been settled for the income tax for the old regular file until December 31, 2018 except for the year 2017, the declaration was submitted and the Income and Sales Tax Department did not review the records to date.

The company is obliged to submit sales tax returns in the investment file on the legal date.

c. **The Accounting profit reconciliation with Tax profit as follows:**

	2020	2019
	JD	JD
Accounting profit	(836,253)	224,630
Non-taxable profits	0	(20,351)
unacceptable tax expenses	(130,734)	(183,566)
Expenses not taxable	319,405	58,392
<b>Tax profit</b>	<b>(647,582)</b>	<b>79,105</b>
Legal Income Tax Rate	5%	5%
Income tax due for the year	-	3,955
National contribution	-	791
<b>Total income tax and national contribution</b>	<b>-</b>	<b>4,746</b>
Recoveries from deferred tax assets(not 8b)	-	292
<b>Income Tax for the year</b>	<b>-</b>	<b>5,038</b>

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**21- Other Credit Balances**

This item consists of :

	2020	2019
	JD	JD
Sales tax deposits	121,629	49,853
Employee vacation provision	25,074	62,941
Board of directors and management directors Bonuses provision	-	24,272
Shareholders Deposits	23,848	24,453
Social security deposit	-	18,618
Accrued expenses	20,625	6,999
Provision for employee benefits	-	85,630
Health fund and social committee	28,027	34,220
Income tax deposits	162	1,901
Other	2,507	10,271
<b>Total</b>	<b>221,872</b>	<b>319,158</b>

**22- Sales**

This item consists of :

	2020	2019
	JD	JD
Local sales	2,458,084	2,131,458
Export sales	714,230	4,849,236
Tenders Sales	2,796,364	3,066,079
<b>Total</b>	<b>5,968,678</b>	<b>10,046,773</b>
 Reached export sales ratio	 12%	 48%



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**23- Cost of sales**

This item consists of :

	2020	2019
	JD	JD
Beginning raw materials	2,608,305	2,509,429
Raw Materials purchases	2,963,509	7,313,914
Ending raw materials (Not 13)	<u>(2,457,607)</u>	<u>(2,608,305)</u>
<b>Manufacturing cost</b>	<b><u>3,114,207</u></b>	<b><u>7,215,038</u></b>
Manufacturing expenses (Not 24 )	<u>1,749,230</u>	<u>2,181,800</u>
<b>Csot of goods manufactured</b>	<b><u>4,863,437</u></b>	<b><u>9,396,838</u></b>
Beginning finished goods	5,376,337	4,913,863
Ending finished goods ( Not 13 )	<u>(4,311,613)</u>	<u>(5,376,337)</u>
<b>Cost of sales</b>	<b><u>5,928,161</u></b>	<b><u>8,934,364</u></b>

**24- Manufacturing Expenses**

This item consists of :

	2020	2019
	JD	JD
Salaries wages	814,506	958,025
Companies Share in social security	75,470	115,207
Deposits and Subscriptions	12,633	10,571
Health Insurance and General Safety	62,637	65,543
Depreciation and amortization	318,432	307,066
Hospitality and cleanning Expenses	2,602	2,604
Electricity and water expenses	275,705	462,304
Security expenses	18,144	18,144
General Maintenance and Spare parts	50,413	65,083
Tools and Supplies	80,267	123,021
Vehicle and Forklifts	36,016	52,068
Stationary and Office Supplies	931	1,792
Expenses for examining samples and quality checks	<u>1,474</u>	<u>372</u>
<b>Total</b>	<b><u>1,749,230</u></b>	<b><u>2,181,800</u></b>

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**25- Administrative Expenses**

This item consists of :

	2020	2019
	JD	JD
Salaries wages and bonuses	259,328	261,004
Social security	18,698	28,224
Deprecation	17,676	18,539
Board of Directors transportation	39,700	39,190
Travel and accommodation	14	104
Professional fees and consulting	17,125	19,323
Subscriptions	12,365	12,949
Vehicle expenses	5,403	6,922
Hospitality and General Assembly expenses	3,117	7,051
General insurance and health insurance	4,271	4,348
Telecommunication	8,128	8,038
Security	3,456	3,456
Stationary and publications	2,135	3,747
Cleaning , fuels and heating expenses	720	628
Commissions and bank guarantees	272	1,146
Donations	696	1,020
Maintenance	4,710	3,316
Stamps and governmental fees	141	415
Advertising expenses	70	2,336
<b>Total</b>	<b>398,025</b>	<b>421,756</b>

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**26- Selling and Distribution expenses**

This item consists of :

	2020	2019
	JD	JD
Salaries wages ,social security	37,367	42,331
Tenders expenses	18,153	20,943
Delivery expenses	15,453	17,575
Maintenance, cars fuel and transportation	5,666	7,527
Guarantees and commission expenses tenders	2,736	9,477
Advertising expenses and exhibitions	13,472	13,077
Hospitality expenses	170	698
Travel and accommodation	2,602	1,844
Fright and clearance	3,324	4,392
Transfer expenses	99,494	377,357
External sale expenses	2,602	18,142
Samples and tender examination	730	830
Depreciation	5,571	4,110
Stamps and governmental fees	3,408	5,778
Trucks expenses and timbers for tenders	435	822
<b>Total</b>	<b>211,183</b>	<b>524,903</b>

**27- Other Revenues**

This item consists of :

	2020	2019
	JD	JD
Investment Portfolio Gains	5,982	13,490
distributed Dividends	20,475	27,135
Gain from sale of property , plant and equipment	2,611	13,791
Others	2,037	-
<b>Total</b>	<b>31,105</b>	<b>54,416</b>

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**28- Basic and diluted( Loss ) earningig per share**

This item consists of :

	2020	2019
	JD	JD
(Loss) Profit of the year after tax	(840,704)	219,592
Weighted average shares (share)	9,000,000	9,000,000
<b>Basic and diluted( Loss ) earningig per share</b>	<b>(0.093)</b>	<b>0.024</b>

**29- Contingent Liabilities**

This item consists of :

	2020	2019
	JD	JD
Bank guarantees	72,375	461,833
Letters of credit	-	1,006,197
<b>Total</b>	<b>72,375</b>	<b>1,468,030</b>

**30- Subsequent events**

The Board of Directors in January 8,2018 to voluntary liquidate the subsidiary " Arabian Colom Pipes Company " .

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**31- Segment Information**

	<b>2020</b>		
	<b>The main activity</b>	<b>others</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>
Net sales	5,968,678	161,839	6,130,517
<b><u>Assets and liabilities</u></b>			
Assets	15,192,312	824,606	16,016,918
Liabilities	3,690,380	–	3,690,380
<b><u>other segment</u></b>			
Capital expenditure	254,665	–	254,665
Depreciation	341,670	–	341,670
	<b>2019</b>		
	<b>The main activity</b>	<b>others</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>
Net sales	10,046,773	237,982	10,284,755
<b><u>Assets and liabilities</u></b>			
Assets	16,618,061	966,508	17,584,569
Liabilities	4,481,962	–	4,481,962
<b><u>other segment</u></b>			
Capital expenditure	126,339	–	126,339
Depreciation	329,715	–	329,715

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**32- The analysis of maturity of assets and liabilities**

the following table shows the analysis of assets and liabilities according to the expected period of recovery and settlement :

	2020		
	for year	more than	Total
	JD	one year JD	JD
<b><u>Assets</u></b>			
<b><u>Non-current assets</u></b>			
Properties , trucks & equipment - Net	-	3,754,930	3,754,930
Intangible assets	-	16	16
Investment in a subsidiary	-	176,248	176,248
Financial assets at fair value through comprehensive income	-	648,358	648,358
<b>Total Non-current assets</b>	<b>-</b>	<b>4,579,552</b>	<b>4,579,552</b>
<b><u>Current Assets</u></b>			
Cash and Cash equivalent	1,251,960	-	1,251,960
Investment portfolios	160,000	-	160,000
Account receivables & Cheques under collection	2,274,629	-	2,274,629
Inventory	7,626,912	-	7,626,912
Other debit balances	123,865	-	123,865
<b>Total Current Assets</b>	<b>11,437,366</b>	<b>-</b>	<b>11,437,366</b>
<b>Total Assets</b>	<b>11,437,366</b>	<b>4,579,552</b>	<b>16,016,918</b>
<b><u>Current Liabilities</u></b>			
Notes payable due within a year	2,908,842	154,598	3,063,440
Account payable	135,857	-	135,857
Related party receivables	269,211	-	269,211
Other credit balances	221,872	-	221,872
<b>Total Current Liabilities</b>	<b>3,535,782</b>	<b>-</b>	<b>3,690,380</b>
<b>Net</b>	<b>7,901,584</b>	<b>4,424,954</b>	<b>12,326,538</b>

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**32- The analysis of maturity of assets and liabilities**

the following table shows the analysis of assets and liabilities according to the expected period of recovery and settlement :

	2019		
	for year	more than one year	Total
	JD	JD	JD
<b><u>Assets</u></b>			
<b><u>Non-current assets</u></b>			
Properties , trucks & equipment - Net	-	3,851,650	3,851,650
Intangible assets	-	24	24
Projects under construction	-	137,987	137,987
Deferred tax assets	-	4,451	4,451
Investment in a subsidiary	-	176,248	176,248
Financial assets at fair value through comprehensive income	-	790,260	790,260
<b>Total Non-current assets</b>	<b>-</b>	<b>4,960,620</b>	<b>4,960,620</b>
<b><u>Current Assets</u></b>			
Cash and Cash equivalent	454,624	-	454,624
Investment portfolios	60,000	-	60,000
Account receivables & Cheques under collection	3,165,594	-	3,165,594
Inventory	8,734,500	-	8,734,500
Other debit balances	209,231	-	209,231
<b>Total Current Assets</b>	<b>12,623,949</b>	<b>-</b>	<b>12,623,949</b>
<b>Total Assets</b>	<b>12,623,949</b>	<b>4,960,620</b>	<b>17,584,569</b>
<b><u>Current Liabilities</u></b>			
Notes payable due within a year	3,396,274	101,526	3,497,800
Account payable	395,793	-	395,793
Related party receivables	269,211	-	269,211
Other credit balances	319,158	-	319,158
<b>Total Current Liabilities</b>	<b>4,380,436</b>	<b>-</b>	<b>4,481,962</b>
<b>Net</b>	<b>8,243,513</b>	<b>4,859,094</b>	<b>13,102,607</b>



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**33- Risk management**

Financial instruments consist of financial assets and liabilities. The Financial assets include bank balances, cash in hand, account receivables and checks on collection and the Financial liabilities include account payables.

**Fair value**

The fair values of financial assets and liabilities are not materially different from their carrying values as most financial instruments are either short-term in nature or continually repriced.

**Credit risks**

Credit risk is the risk that may arise from the default or inability of debtors and other parties to meet their obligations to the Company.

The company believes that it is not exposed to the risk of collection because its transactions are in cash, and the company maintains balances and deposits with leading banking institutions.

**Liquidity risks**

Liquidity risk is the risk that the Company will not be able to provide the necessary funding to meet its due dates. To avoid these risks, the Company diversifies its sources of finance, manages and adjusts its assets and liabilities and maintains an adequate balance of cash and cash

	2020		
	Less than	From three	Total
	three months	months to 12 months	
	JD	JD	JD
Notes payable due within a year	-	2,908,842	2,908,842
Account payable	-	135,857	135,857
Related party receivables	-	269,211	269,211
Other credit balances	-	221,872	221,872
<b>Total</b>	<b>-</b>	<b>3,535,782</b>	<b>3,535,782</b>

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	2019		
	Less than three months	From three months to 12 months	Total
	JD	JD	JD
Notes payable due within a year	-	3,396,274	3,396,274
Account payable	-	395,793	395,793
Related party receivables	-	269,211	269,211
Other credit balances	-	319,158	319,158
<b>Total</b>	<b>-</b>	<b>4,380,436</b>	<b>4,380,436</b>

**Interest rate risks:**

The Company may be exposed to interest rate risk on its financial assets and liabilities that appear interest, such as: banks. Once bank overdrafts are short-term ones, and other assets and liabilities do not bear any interest rates, so the risks that may affect the Company are

**Foreign currency risk**

Most of the company's transactions are in Jordanian Dinars and US Dollars. The dinar is pegged to a fixed rate with the US Dollar, and therefore the impact of currency risk is not significant to the financial statements.

**34- Capital management**

The main objective of the Company's capital management is to ensure that appropriate capital ratios are maintained in a manner that supports the Company's activity and maximizes equity. The Company manages the capital structure and makes necessary adjustments in light of changes in working conditions. The Company did not make any changes to the objectives, policies and procedures related to capital structure during the current and previous financial year. The items included in the capital structure consist of paid up capital, issue premium, voluntary reserve, voluntary reserve and retained earnings totaling JD 12,326,538 as of December 31,2020 against JD 12,102,607 as of December 31,2019

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**35- Issues**

There are cases filed by the company against others with a value of JD 481,432 and a decision was issued, but the allegation has not yet been implemented, and judicial warnings were sent to the other

**36- Comparative**

Some of comparative figures have reclassified – when needed – to confirm with current year's figures.

**37- The impact of the Coronavirus (Covid-19) outbreak on the company**

In light of the continuing impact of the Coronavirus (Covid-19) on the global economy and various business sectors and the accompanying restrictions and procedures imposed by the Jordanian government, the company's operational activities were affected by these events, which had a negative impact on the company's business results for the year compared to the previous year.

The extent and duration of these effects are not specified and depend on future developments that cannot be accurately predicted at the present time, such as the rate of spread of the virus and the effectiveness of the measures taken to contain it. In light of the current economic turmoil, it is not possible to make reliable estimates on the impact of the virus until the date of approval of the financial statements. That future developments may affect the company's future results, cash flows, and financial condition.