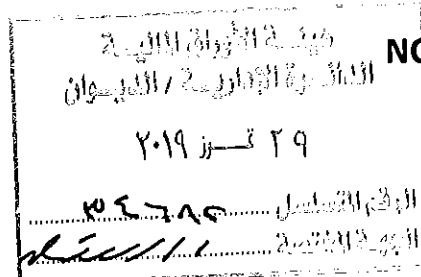




الشركة الوطنية لصناعة الكلورين المساهمة العامة المحدودة
NATIONAL CHLORINE INDUSTRIES CO. LTD.

Data : 29/7/2019



NCI / 224 / 2019

للمصالح
م. م. محمد عمار

To: Jordan Securities Commission

الشيخ محمد
الشيخ محمد
٧/٢٩

Subject : Semi- Annual Report as of 30/6/2019

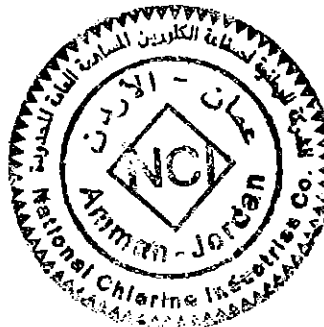
Attached the company's Semi-Annual Report of
National Chlorine Industries CO.LTD As of 30/6/2019 .

With our respect and appreciation

G . M

Mohmmad Sameeh AL Asaad

- Attaced the semi annual report as of 30/6/2019 with CD -



هاتف : ٢ / ٣ / ٤٠٥٠٢٩١ - فاكس : ٤٠٥٠٢٣٨ - ص.ب ٣٧ - سحاب ١١٥١١ - عمان - الاردن

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**NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)
30 JUNE 2019**

NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
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REVIEW REPORT ON INTERIM FINANCIAL STATEMENT**TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS
NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

We have reviewed the accompanying condensed consolidated interim statement of financial position of National Chlorine Industries Group as at 30 June 2019, and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial statement in accordance with International Accounting Standard IAS (34) relating to Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial statement based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement (2410) "Review of Interim Financial statement Performed by the Independent Auditor of the Entity". A review of interim financial information 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard (34) relating to interim financial reporting.

Amman – Jordan**21 July 2019****THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING**

NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
30 JUNE 2019 (Unaudited)

		30 June 2019 JD	31 December 2018 JD
Assets	Notes		Audited
Non - Current Assets			
Projects under constructions	3	52 055	8 750
Property, plant and equipment		13 849 929	14 295 701
Total Non - Current Assets		13 901 984	14 304 451
Current Assets			
Other debit balances	4	164 101	114 114
Spare parts		1 600 103	1 549 514
Cash margins and letters of credit		400 090	415 246
Inventory		930 151	1 047 165
Accounts receivable	5	1 793 407	1 039 753
Checks under collection		-	119 899
Cash and cash equivalents	6	2 791 927	1 963 321
Total Current Assets		7 679 779	6 249 012
Total Assets		21 581 763	20 553 463
Equity and liabilities			
Equity			
Share capital		20 000 000	20 000 000
Statutory reserve		1 264 287	1 264 287
Voluntary reserve		4 334	4 334
Accumulated losses		(965 049)	(2 016 465)
Total Equity		20 303 572	19 252 156
Liabilities			
Accounts payable		1 078 454	1 056 461
Other credit balances	7	199 737	244 846
Total Liabilities		1 278 191	1 301 307
Total Equity and liabilities		21 581 763	20 553 463

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
30 JUNE 2019 (Unaudited)

	Notes	For the three-months period ended		For the six-months period ended	
		30 June 2019	30 June 2018	30 June 2019	30 June 2018
		JD	JD	JD	JD
Sales		3 303 232	1 728 415	6 169 240	3 882 579
Cost of sales		(2 440 962)	(1 496 888)	(4 682 368)	(3 365 108)
Gross profit		862 270	231 527	1 486 872	517 471
Administrative expenses	8	(162 932)	(149 432)	(286 304)	(307 962)
Selling and distribution expenses	9	(62 441)	(84 220)	(239 087)	(197 506)
Financing expenses		-	(689)	-	(106 636)
Other expenses and revenues		1 172	12 236	89 935	3 089
Total comprehensive Income (loss) for the period		638 069	9 422	1 051 416	(91 544)

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
30 JUNE 2019 (Unaudited)

	Share capital JD	Statutory reserve JD	Voluntary reserve JD	Accumulated losses JD	Total JD
31 December 2017	9 000 000	1 202 929	4 334	(2 568 683)	7 638 580
Total comprehensive loss for the period	-	-	-	(91 544)	(91 544)
30 June 2018	9 000 000	1 202 929	4 334	(2 660 227)	7 547 036
31 December 2018	20 000 000	1 264 287	4 334	(2 016 465)	19 252 156
Total comprehensive income for the period	-	-	-	1 051 416	1 051 416
30 June 2019	20 000 000	1 264 287	4 334	(965 049)	20 303 572

The accompanying notes are an integral part of these condensed consolidated interim financial statements

NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
30 JUNE 2019 (Unaudited)

	30 June 2019	30 June 2018
	JD	JD
Operating activities		
Total comprehensive income (loss) for the period	1 051 416	(91 544)
Adjustments for:		
Depreciation	710 587	703 393
Changes in operating assets and liabilities		
Checks under collection	119 899	60 634
Accounts receivable	(753 654)	(414 505)
Inventory and spare parts	66 425	(58 575)
Cash margins and letters of credit and other debit balances	(34 831)	191 095
Postdated checks	-	186 573
Accounts payable	21 993	(232 157)
Other credit balances	(45 109)	(79 947)
Net cash from operating activities	1 136 726	264 967
Investing activities		
Purchase of Property, plant and equipment	(264 815)	(242 730)
Projects under construction	(43 305)	-
Net cash used in investing activities	(308 120)	(242 730)
Financing activities		
Financing facility	-	(10 067 307)
Due to related parties	-	10 293 350
Net cash from financing activities	-	226 043
Net change in cash and cash equivalents	828 606	248 280
Cash and cash equivalents at 1 January	1 963 321	55 251
Cash and cash equivalents at 30 June	2 791 927	303 531

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1) General

The Company was registered at the Ministry of Industry and Trade as a Jordanian public shareholding company under No. (212) on 26 June 2007. The company's share capital is JD 4 500 000, in addition, more capital adjustments were made, so that authorized, paid-up capital became JD 9 000 000, divided into 9 000 000 shares at a par value of JD 1 each, The Extraordinary General Assembly held on March 26, 2018 decided to increase the capital from JD 9,000,000 to JD 20,000,000 by capitalizing the credit payable to the Board Member Mr. Mahmoud Khalil Abu Al-Rub, at a par value of JD 1 per share.

The Company's main activities are establishing a plant for chlorine production, caustic soda and their derivatives, purchase of raw materials and machines, and tools necessary to achieve its objectives, in addition to selling and marketing the products of the company and distributed locally or exported externally.

The Company's shares are traded on Amman Stock Exchange.

The accompanying financial statements were approved by the Board of Directors in its meeting on 21 July 2019.

2) Basis of preparation

The accompanying condensed Condensed interim financial statement has been prepared in accordance with the International Accounting Standard (IAS) 34 "Interim Financial Reporting".

The accompanying condensed Condensed interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the financial statements of the Company as at 31 December 2018. In addition, the results of the Group operations for the six months ended 30 June 2019 do not necessarily represent indications of the expected results for the year ending 31 December 2019, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

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

The accounting policies followed in these condensed Condensed interim financial statements are the same as those adopted for the year ended 31 December 2018 except for the following changes:

Amendment to IFRS 3 "Business Combinations" (Effective from January 1, 2020)

These amendments clarify the definition of business as the International Accounting Standards Board published the conceptual Financial Reporting Framework. This includes revised definitions of assets and liabilities as well as new guidance on measurement, derecognition, presentation and disclosure.

In addition to the amended conceptual framework, the IASB issued amendments to the guidelines on the conceptual framework in the IFRS Standards, which contain amendments to IFRS 2, 3, 6 and 14 and IAS 1, 34, 37 and 38 and IFRIC 12, Interpretation 19, Interpretation 20 and 22 and Interpretation of the Standing Committee for the Interpretation of Standards No. 32 in order to update those statements with regard to references and quotations from the framework or to refer to a reference to Different from the conceptual framework.

IFRS 17 "Insurance Contracts" (Effective from January 1, 2022)

It provides a more consistent measurement and presentation approach to all insurance contracts. These requirements are aimed at achieving a consistent, principled accounting objective for insurance contracts. IFRS 17 replaces IFRS 4 Insurance Contracts.

IFRS 17 requires measurement of insurance liabilities at the present value of the liability.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 "Investment in Associates and Joint Ventures (2011)" (Effective date deferred indefinitely. Adoption is still permitted)

Management expects to apply these new standards, interpretations and amendments to the financial statements of the Company when they are applicable and the adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of the Company in the initial period of application except for the effect of the adoption of IFRS 16, Shown below:

Effect of Application of IFRS 16 "Leases"

The Standard provides a comprehensive model for determining and treating lease arrangements in the financial statements of both lessors and lessees. It will also replace IAS 17 "Leases" and related interpretations when it becomes effective for the financial periods beginning on or after January 1, 2019.

As permitted by the transitional provisions of IFRS 16, the Company will not restate the comparative figures. Any changes in the carrying amount of assets and liabilities at the date of transition are recognized in the opening balances of the related balances.

There is no material difference between the accounting treatment in the lessor's books between IFRS 16 and IAS 17.

The change in the definition of the lease relates mainly to the concept of control. IFRS 16 distinguishes between leases and service contracts on the basis of whether the customer controls the use of a specific asset and the control is present if the customer has:

- The right to a substantial degree of all economic benefits arising from the use of specific assets ; and
- The right to direct the use of these assets.

The management of the Company believes that the impact of application of IFRS 16 is immaterial and will not be reversed on the Company's financial statements since there is no leases contract.

Principles of consolidation

The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the income statements from the acquisition date, which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are consolidated in the income statement to the disposal date, which is the date on which the Company loses control over the subsidiaries.

The following subsidiaries have been consolidated:

	<u>Activity</u>	<u>Capital</u>	<u>Ownership</u>
Soda and Chlorine Industries Company	Industrial	500 000	%100

Accounting estimates

Preparation of the financial statements and the application of the accounting policies requires the management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the statement of other comprehensive income and owners' equity. In particular, this requires the Group's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
30 JUNE 2019 (Unaudited)

3) Projects under constructions

	30 June 2019 JD	31 December 2018 JD
Balance at beginning of the year	8 750	-
Additions	43 305	8 750
Balance at end of the year	52 055	8 750

4) Other debit balances

	30 June 2019 JD	31 December 2018 JD
Prepaid expenses	68 631	67 464
Income tax deposit	38 203	34 786
labor lawsuit claims	33 207	-
Employee's receivable	22 282	10 754
Stamps and fees	1 778	1 110
	164 101	114 114

5) Accounts receivable

	30 June 2019 JD	31 December 2018 JD
Trade receivable	1 991 306	1 227 799
Less: expected credit loss provision	(197 899)	(188 046)
	1 793 407	1 039 753

The movement of the expected credit loss provision was as follow:

	30 June 2019 JD	31 December 2018 JD
Balance at beginning of the year	188 046	203 822
Additions	9 853	-
Returned from provision	-	(15 776)
Balance at ending of the year	197 899	188 046

6) Cash and cash equivalents

	30 June 2019 JD	31 December 2018 JD
Cash on hand	22 045	3 607
Current accounts at bank	551 126	170 690
Bank deposit*	2 218 756	1 789 024
	2 791 927	1 963 321

* Bank deposits in Jordanian Dinars Monthly maturity at interest rate of 5% annually.

NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENT
30 JUNE 2019 (Unaudited)

7) Other credit balances

	30 June 2019 JD	31 December 2018 JD
Shareholders' deposits	125 478	125 653
Provision for staff indemnity	11 469	11 469
Board of directors' remuneration	22 500	40 000
Accrued expenses	9 000	7 121
sales tax deposit	5 467	37 998
Social Security payable	20 142	20 348
Employee payable	4 948	2 015
Others	733	242
	199 737	244 846

8) Administrative expenses

	30 June 2019 JD	30 June 2018 JD
Salaries and related benefits	141 178	185 794
Group contribution in Social security	19 550	22 055
Legal expense and fees	3 010	3 463
labor lawsuit	3 804	32
Board of director's transportation allowance	22 500	14 400
Board of directors' remuneration	22 500	3 500
Transportation and travel	8 926	9 817
Professional fees	10 162	13 125
Others	696	313
licenses and fees	14 703	7 960
Donations	6 516	9 843
Depreciation	6 986	6 466
Currency exchange	4 751	7 427
Hospitality	5 941	5 134
Maintenance	5 217	7 586
Insurance	3 795	5 821
Telephone and post	1 297	1 591
Stationary	2 418	2 104
Advertising	2 354	1 531
	286 304	307 962

9) Selling and distribution expenses

	30 June 2019 JD	30 June 2018 JD
Fuel	47 737	46 229
Selling contracts expenses	91 131	58 883
Maintenance	35 448	22 632
Salaries and related benefits	17 530	29 084
Others	1 844	2 251
Depreciation	19 473	14 334
Transportation	15 157	15 183
Stamps	3 434	4 793
Guarantees	7 333	4 117
	239 087	197 506

10) Comparative figures

Some of the comparative figures for the year 2018 have been reclassified to correspond with the period ended 30 June 2019 presentation and it did not result in any change to the last year's operating results.