



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

Data : 30/10/2019

للإتصاف

NCI / ٦٩ / 2019

عنه يورثت عاتق

هـ (كدمر

To: Jordan Securities Commission

للسيولة

د. م. ع. ع. ع.

Subject : Quarterly Report as of 30/9/2019

Attached the company's Quarterly Report as of National Chlorine Industries CO.LTD As of 30/9/2019 .

With our respect and appreciation

G . M

Mohmmad Sameeh AL Asaad

محمد سامع آل عاصد

- Attaced the semi annual report as of 30/9/2019 with CD -



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

Tel. 4050291/2/3 - Fax 4050238 - E-mail: info@chlorine.com.jo - P.O.Box 37 - Sahab 11511 - Amman - Jordan

Website: www.chlorine.com.jo

**NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 SEPTEMBER 2019**

NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONTENT (UNAUDITED)

	Page
Review report on condensed consolidated interim financial statements	3
Condensed consolidated interim statement of financial position (Unaudited)	4
Condensed consolidated interim statement of comprehensive income (Unaudited)	5
Condensed consolidated interim statement of changes in equity (Unaudited)	6
Condensed consolidated interim statement of cash flows (Unaudited)	7
Notes to the condensed consolidated interim financial statements (Unaudited)	8-9

RSM Jordan

Amman 69 Queen Rania St.
P.O.BOX 963699
Amman 11196 Jordan

T +962 6 5673001
F +962 6 5677706

www.rsm.jo

REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

**TO THE CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS
NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of National Chlorine Industries Group (A Public Shareholding Company) as at 30 September 2019, and the related condensed consolidated interim statement 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 information 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 information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagement (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated 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
23 October 2019**



THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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

	30 September 2019 JD	31 December 2018 JD
Assets		
Non - Current Assets		Audited
Projects under constructions	158 657	8 750
Property, plant and equipment	13 548 129	14 295 701
Total Non - Current Assets	13 706 786	14 304 451
Current Assets		
Other debit balances	198 594	114 114
Spare parts	1 679 222	1 549 514
Cash margins and letters of credit	633 400	415 246
Inventory	813 514	1 047 165
Accounts receivable	1 259 685	1 039 753
Checks under collection	-	119 899
Cash and cash equivalents	4 154 304	1 963 321
Total Current Assets	8 738 719	6 249 012
Total Assets	22 445 505	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	(205 521)	(2 016 465)
Total Equity	21 063 100	19 252 156
Liabilities		
Accounts payable	1 166 968	1 056 461
Other credit balances	215 437	244 846
Total Liabilities	1 382 405	1 301 307
Total Equity and liabilities	22 445 505	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 SEPTEMBER 2019 (Unaudited)

	For the three-months period ended		For the nine-months period ended	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
	JD	JD	JD	JD
Sales	3 494 799	3 119 257	9 664 039	7 001 836
Cost of sales	(2 460 233)	(2 273 473)	(7 142 601)	(5 638 581)
Gross profit	1 034 566	845 784	2 521 438	1 363 255
Administrative expenses	(139 117)	(190 578)	(425 421)	(498 540)
Selling and distribution expenses	(186 299)	(285 583)	(425 386)	(483 089)
Financing expenses	-	(159)	-	(106 795)
Other revenues and expenses	50 378	10 740	140 313	13 829
Total comprehensive income for the period	759 528	380 204	1 810 944	288 660
Basic and diluted share of profit for the period	0.038	0.042	0.091	0.032

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 SEPTEMBER 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 income for the period	-	-	-	288 660	288 660
30 September 2018	9 000 000	1 202 929	4 334	(2 280 023)	7 927 240
31 December 2018	20 000 000	1 264 287	4 334	(2 016 465)	19 252 156
Total comprehensive income for the period	-	-	-	1 810 944	1 810 944
30 September 2019	20 000 000	1 264 287	4 334	(205 521)	21 063 100

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 SEPTEMBER 2019 (Unaudited)

	30 September 2019 JD	30 September 2018 JD
Operating activities		
Total comprehensive Income for the period	1 810 944	288 660
Adjustments for:		
Depreciation	1 079 721	1 071 021
Changes in operating assets and liabilities		
Other debit balances	(302 634)	23 964
Inventory, Spare parts	103 943	45 884
Accounts receivable	(219 932)	159 088
Checks under collection	119 899	(50 290)
Accounts payable	110 507	51 870
Other credit balances	(29 409)	(174 177)
Net cash from operating activities	2 673 039	1 416 020
Investing activities		
Purchase of Property, plant and equipment	(332 149)	(355 286)
Projects under construction	(149 907)	-
Net cash used in investing activities	(482 056)	(355 286)
Financing activities		
Financing facility	-	(10 067 307)
Due to related parties	-	10 292 118
Net cash from financing activities	-	224 811
Net change in cash and cash equivalents	2 190 983	1 285 545
Cash and cash equivalents at 1 January	1 963 321	55 251
Cash and cash equivalents at 30 September	4 154 304	1 340 796

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 9 November 1991. 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 and all procedures were completed by the Companies Control Department and Jordan Securities Commission.

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 Pie shares are traded on Amman Stock Exchange.

The accompanying financial statements were approved by the Board of Directors in its meeting on 23 October 2019.

2) Basis of preparation

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

The accompanying condensed consolidated 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 consolidated financial statements of the Company as at 31 December 2018. In addition, the results of the Group's operations for the nine months ended 30 September 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 consolidated interim financial statements are presented in Jordanian Dinar, which is the functional currency of the group.

The accounting policies adopted in the preparation of the condensed consolidated interim financial information are consistent with those adopted for the year ended 31 December 2018 except for the following:

Amendment to IFRS 3 "Business Combinations" (Effective form on 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 form on 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

*The Extraordinary General Assembly held on April 13, 2019 decided to voluntary liquidation the Company.

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 company’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.

3) Comparative figures

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