



To : Jordan Securities Commission  
Amman Stock Exchange

Date : 29/04/2019

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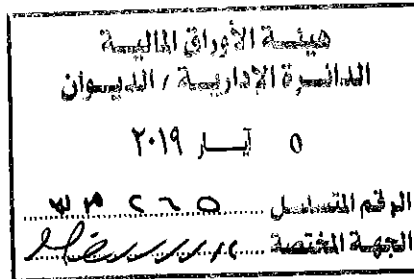
Subject: Quarterly Report

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Attached the Quarterly Report of (Jordan Industrial Resources) as of 31/03/2019.

Kindly accept our highly appreciation and respect

Dr. Ramzi Muasher  
Chairman



**JORDAN INDUSTRIAL RESOURCES COMPANY**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - JORDAN**

**INTERIM CONDENSED CONSOLIDATED**  
**FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE PERIOD FROM**  
**JANUARY 1, 2019 TILL MARCH 31, 2019**

**JORDAN INDUSTRIAL RESOURCES COMPANY**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - JORDAN**

**MARCH 31, 2019**

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CPA JORDAN

Certified Public Accountants & Consultants

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لتدقيق الحسابات والاستشارات

محاسبون قانونيون معتمدون ومستشارون



## **Report on review of Interim Consolidated Condensed Financial Statements**

**To the Board of Directors  
Jordan Industrial Resources Company  
Amman – Jordan**

We have reviewed the accompanying Interim condensed financial statements of which comprise the statement of Interim financial position as of 31 March 2019, and the Interim consolidated statement of comprehensive income, Interim consolidated statement of changes in equity and Interim consolidated statement of cash flows for the three months period then ended, and explanatory notes. The Board of Directors are responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with International Financial Reporting Standards IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim financial statements information based on our review.

Except as described in the following paragraph, we conducted our review in accordance with International Standards on review engagements no.2410, "Review of interim financial informations performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries primarily of review with 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.

- Jordan Industrial Resources Company did not undertake any commercial activities and has not operated its factories in Jordan since the year 2006 until the date of this consolidated financial statements.



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- Jordan Industrial Resources company in Jordan undertakes the operations and management of the Ukrainian company.

- We did not obtain audited financial statements from an external auditor of the subsidiary in Ukraine because of the presence of the company in a separate zone from Ukraine, where there is no possibility of external audit in the separate region due to war and the proportion of assets of the subsidiary in Ukraine is approximately 62% of the total of assets of the financial statements. The consolidated financial statements have been prepared based on the disclosures submitted to us by the Company's management in Amman, Jordan.

Except of any adjustments on interim informations which could come to our attention and except for the situation shown above and upon our review nothing has come to our attention for any other matters which let us believe that Interim Financial Statements has not been prepared in all material respects in accordance with standard IAS 34.

**BROTHERS CPA JORDAN**  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
AFFILIATED WITH IMPACT INTERNATIONAL

AMMAN-JORDAN  
April 29, 2019

DR. GEORGE LUTFI GHAWI CPA, CBM  
LICENSE NO. 133

الأخوة

لتدقيق الحسابات والاستشارات (ش.م)

**BROTHERS**  
CPA JORDAN (CC)

**JORDAN INDUSTRIAL RESOURCES COMPANY  
PUBLIC SHAREHOLDING LIMITED COMPANY  
Amman - Jordan**

**Interim Consolidated Statement of Financial Position**

<b><u>ASSETS</u></b>	March 31, 2019 <u>Unaudited</u> JD	December 31, 2018 <u>Audited</u> JD
Current Assets:		
Cash on hand and at banks	95,592	142,167
Accounts receivable and other debit balances - Net	1,892,265	1,925,972
Inventory	1,346,579	1,294,718
Prepaid expenses	1,109	301
Refundable deposits	1,265	1,265
Total Current Assets	<u>3,336,810</u>	<u>3,364,423</u>
Local and foreign investments - Net	<u>3,287,483</u>	<u>3,287,483</u>
Fixed Assets:		
Lands - at cost	2,841,495	2,841,495
Fixed assets - at cost	11,066,766	11,066,766
<u>Less:</u> Accumulated depreciation	<u>(3,154,799)</u>	<u>(3,145,778)</u>
Net book value of fixed assets	7,911,967	7,920,988
Total fixed assets	<u>10,753,462</u>	<u>10,762,483</u>
<b>TOTAL ASSETS</b>	<b><u>17,377,755</u></b>	<b><u>17,414,389</u></b>
<b><u>LIABILITIES</u></b>		
Current Liabilities:		
Accounts payable and other Credit balances	699,142	756,976
Short - term loans / FUJB	16,415	-
Total current liabilities	<u>715,557</u>	<u>756,976</u>
Long - term loan	926,579	901,092
Minority interest	<u>2,750</u>	<u>2,750</u>
<b><u>SHAREHOLDERS' EQUITY</u></b>		
Authorized, Subscribed and Paid-up capital 16,625,000 share at JD one each	16,625,000	16,625,000
Statutory reserve	873,196	873,196
Premium in kind	18,606	18,606
Retained (losses) Exhibit ( C )	(2,388,915)	(2,383,306)
Foreign Currency exchange differences	604,982	620,075
Total Shareholders' Equity	<u>15,732,869</u>	<u>15,753,571</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>17,377,755</u></b>	<b><u>17,414,389</u></b>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS

## EXHIBIT (B)

**JORDAN INDUSTRIAL RESOURCES COMPANY  
PUBLIC SHAREHOLDING LIMITED COMPANY  
AMMAN - JORDAN**

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	For The Three Months Ended March 31,	
	2019	2018
	Unaudited	Unaudited
	JD	JD
Sales	151,078	176,457
<b><u>Less: Cost of Sales :</u></b>		
Finished goods beginning of the period after evaluation	252,100	218,603
Cost of production	125,044	163,935
Finished goods end of the period	(252,652)	(248,417)
Cost of Sales	124,492	134,121
<b>Gross income from operations</b>	<b>26,586</b>	<b>42,336</b>
<b><u>Less/Add : selling and distributing expenses</u></b>	<b>(6,755)</b>	<b>(8,089)</b>
General, administrative and financial expenses	(40,328)	(152,815)
Foreign Currency exchange differences	18,274	23,620
Ukraine income tax	(3,388)	(4,391)
Other revenue	2	487,033
<b>Net (loss ) Profit for the period Exhibit ( C )</b>	<b>(5,609)</b>	<b>387,694</b>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
PART OF THESE STATEMENTS

## EXHIBIT ( C )

**JORDAN INDUSTRIAL RESOURCES COMPANY  
PUBLIC SHAREHOLDING LIMITED COMPANY  
AMMAN - JORDAN**

**Interim Consolidated Statement of Changes in Shareholders' Equity  
For The Three months Ended March 31, 2019 And 2018 (UNAUDITED)**

	Paid - up Capital	Statutory Reserve Local and foregin	Premium In kind	Foreign Currency exchange differences	Retained (losses)	Total
	JD	JD	JD	JD	JD	JD
<b>(Unaudited)</b>						
<b><u>For The Three months Ended</u></b>						
<b><u>March 31, 2019</u></b>						
Balance - at 1 January 2019	16,625,000	873,196	18,606	620,075	(2,383,306)	15,753,571
Net (loss) for the period Exhibit (B)	-	-	-	-	(5,609)	(5,609)
Foreign Currency exchange differences	-	-	-	(15,093)	-	(15,093)
Balance - at 31 March 2019	<u>16,625,000</u>	<u>873,196</u>	<u>18,606</u>	<u>604,982</u>	<u>(2,388,915)</u>	<u>15,732,869</u>
 <b>(Unaudited)</b>						
<b><u>For The Three months Ended</u></b>						
<b><u>March 31, 2018</u></b>						
Balance - at 1 January 2018	16,625,000	873,196	18,606	681,670	(1,937,545)	16,260,927
Net Profit for the period Exhibit (B)	-	-	-	-	387,694	387,694
Foreign Currency translation differences	-	-	-	(96,390)	-	(96,390)
Balance - at 31 March 2018	<u>16,625,000</u>	<u>873,196</u>	<u>18,606</u>	<u>585,280</u>	<u>(1,549,851)</u>	<u>16,552,231</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
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**JORDAN INDUSTRIAL RESOURCES COMPANY**  
**PUBLIC SHAREHOLDING LIMITED COMPANY**  
Amman - Jordan  
**Interim Consolidated Statement of Cash flows**

	For The Three Months	
	Ended March 31,	
	2019	2018
	Unaudited	Unaudited
	JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net (loss) Profit for the period-Exhibit (c)	(5,609)	387,694
Adjustments :		
Gain on sale of fixed assets	-	(487,033)
Depreciation and amortization	9,021	32,271
<b>Cash flows from ( used in) operations before changes in working capital</b>	3,412	(67,068)
Decrease in accounts receivable and other debit balances	33,707	163,510
(Increase) in inventory	(51,861)	(33,684)
(Increase) Decrease in prepaid expenses	(808)	6,451
(Decrease) in accounts payable and other credit balances	(57,834)	(70,697)
(Decrease) in accrued expenses	-	(69,796)
<b>Cash flows (used in) operating activities</b>	<u>(73,384)</u>	<u>(71,284)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of fixed assets	-	343,207
Gain on sale of fixed assets	-	487,033
<b>Net cash flows from investing activities</b>	<u>-</u>	<u>830,240</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) in loans	41,902	(156,151)
Foreign Currency translation differences	(15,093)	(96,390)
<b>Net cash flows from (used in) financing activities</b>	<u>26,809</u>	<u>(252,541)</u>
<b>Net (Decrease) Increase in cash</b>	(46,575)	506,415
Cash on hand and at banks - beginning of period	142,167	89,681
<b>Cash on hand and at banks - end of period</b>	<u>95,592</u>	<u>596,096</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL  
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**JORDAN INDUSTRIAL RESOURCES COMPANY**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN – JORDAN**

Notes on the Interim Consolidated Condensed Financial Statements

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**1- GENERAL**

The Company was established and registered as a public shareholding limited company in Jordan under no. (211) on October 22, 1991 with its head office in Amman-Jordan. Branches or agencies of the company can be established in Hashemite Kingdom of Jordan and abroad. In accordance with the controller of the companies' approval, the company commenced its operations as of march 1, 1992.

The objectives of the Company:

- 1 - Manufacturing and production of vegetable oils and their derivatives for human consumption, industrial purposes and marketing.
- 2 - Import and export of raw materials for these industries and related accessories

Furthermore the company has the right to undertake all types of investments, borrow, lend, mortgage, and join or cooperate with any establishment within Jordan or outside, in order to achieve its objectives.

- General Assembly held its extraordinary meeting on July 31, 2008 decided to adjust the Memorandum of association and articles of association and add other related objectives:

- 1 - The company guarantee debts and obligations of corporations owned by the company , subsidiaries and its related party including mortgage of company funds movable and immovable to ensure that such debts and obligations of banks and financial institutions inside and outside the Kingdom.
- 2 - Purchase, sell and invest properties and land within the organization and outside the organization of all types and uses according to the laws and regulations.
- 3 - Purchase and sale of land after development, regulation, improving, dividing, sorting and delivery of all services to them by the laws and regulations and exploit its resources and preparing it for all kinds of investment including agricultural and manufacturing management on condition not to undertake brokerage business.

- 4 - Establishment of real estate projects of all types and purposes of residential, tourist, commercial, industrial and investment according to the laws and regulations.
  - 5 - Purchase of land and the establishment of buildings and apartments are sold without interest.
  - 6 - Building trade and apartments.
  - 7 - Maintenance and rehabilitation of existing buildings, updating and development, commensurate with the regulations and requirements of modern buildings and perform all related services according to the laws and regulations in force.
  - 8 - Import of all materials, machinery, equipment, machinery, raw materials and all building materials needed to implement the objectives of the company according to the laws and regulations.
  - 9 - To undertake the work and management / supervision / implementation for the work and the projects mentioned above.
  - 10 - To act the work of management, operation and development of investment activities in various fields, establishing and participating.
  - 11 - To undertake the work of buying, selling, leasing, investment, distribution and supply of all products, materials, tools, supplies, devices and services.
  - 12 - The sale and purchase and possess of securities, stocks, bonds, shares in public companies or private company, and in the establishment and management of companies of different types and objectives alone or jointly with others.
- General Assembly held its extraordinary meeting on 19 March 2009 and decided the following adjustments:
- 1 - Restructuring the company's capital amounted to JD (13,250,000), amortize the accumulated losses amounting to JD (7,368,894) of capital by an amount JD (6,625,000) and the premium by JD (743,894) , according to Article (114 / d) of the Companies law and the adjustment of article No. (4) of the articles of association and the Memorandum of Association to read as follows:
    - The capital of the company JD (6,625,000) divided into (6,625,000) six million six hundred and twenty five thousand shares par value and each share has one vote in the General Assembly.

2 - General Assembly decided to increase the capital of the company from JD (6,625,000) to JD (16,625,000), all procedures were completed legally.

B – International Industrial Resources - exempt was established and registered with the Ministry of Industry and trade under number (10) on 9 August 1997 with a capital of JD (30,000), the general assembly decided in its extraordinary meeting held on 25 August, 1999 to increase the capital to JD (1,250,000) and decided in its meeting held on 17 January, 2002 to increase the capital by JD (3,000,000) to JD (4,250,000), the general assembly decided in its extraordinary meeting held on 11 January, 2003 to increase capital to JD (6,250,000) .

**The objectives of the Company are:**

- Establishing factories of toilet soap, granules, detergents and cosmetics.
- To participate or contribute in any company, project or other works have an interest in, or with.
- To sell or behave in any of its assets and shares and stocks and bonds in companies owned.
- Engage in bidding and tenders of government and private regarding the realization of the company.
- Be bought, buys and leases and rents and mortgage imports of any property, movable or immovable, or any rights or privileges see the company necessary or appropriate to its goals, including the land, buildings, machinery, transportation, and goods and create, evaluate and act and conduct the necessary changes in the buildings and works where necessary or appropriate for the purposes of The company without end be trafficking land immovable or just achieved.
- borrow the funds necessary for the realization of the company to achieve its earnings and its projects as it deems appropriate and that of any party and that are proven money movable and immovable guarantee of debts and obligations.
- The company conducts all actions that are necessary and will help to achieve the goals of the company in accordance with the provisions of the law and regulations in force.
- To do all the things mentioned in the above objectives or any of them, either by itself or through agents or trustees about, or otherwise, and whether alone or in combination with other.

- The company credited the achievement of its goals tightly applicable laws and regulations in force.

C – Ukrainian company resources were established on May 6, 1999 in Donetsk – Ukraine under no.593 with a capital of U.S \$ 2,504,573 equivalent to JD 1,778,247, the capital was increased during 2008 to U.S \$ 4,356,323 equivalent to JD 3,092,990 there was increase in capital during the year 2011 to become US dollars 7,634,808 equivalent to 5,420,714 dinars and there was another increased in capital through the year 2014 to become 10,657,436 US dollars equivalent to 7,566,708 dinars it was increased in capital during the year 2015 to be U.S \$11,781,896, equivalent to JD 8,365,146

**The objectives of the Company:**

Manufacturing soap, detergents, perfumes and any other chemicals for industrial purposes.

D– The Company had (83) employees as of March 31, 2019.

**2 - Basis of consolidation**

The consolidated financial statements include the assets, liabilities, revenues and expenses of both the holding and subsidiary companies. Inter – company transactions are eliminated.

<u>Company name</u>	<u>Country of incorporation</u>	<u>Percentage of ownership direct &amp; indirect</u>
International Industrial Resources - exempt	Jordan	99.690
Ukraine Industrial Resources	Ukraine	99.350

**3- Significant Accounting Policies**

a. Basis of preparation :

The financial statements have been prepared in accordance with International Financial Reporting Standards .

b. Inventories :

Pricing of raw materials and packing materials and Merchandise is finished at cost on the first-in first-out or at net realizable value.

c. Revenues :

Revenue from sales of goods is recognized when charging the goods and Issuing an invoice to the customer .

d. Fixed assets :

Fixed assets are stated at cost and depreciated using the straight-line method at annual rates ranging from 2%to 100%.

e. Investment in associates :

Investments appear in the shares of the associate companies which increase the proportion of its capital contribution to the company's 20% share of the company's net equity of these companies.

f. Foreign Currency exchange differences :

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar at the average exchange rates prevailing at year-end. Transactions in foreign currencies are translated to Jordanian Dinar using the prevailing rates of exchange at the date of comprehensive transaction, and exchange differences are taken to the statement of income.

- h. These interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual report for the year ended 31 December 2018. Furthermore, the results of operation for the three months ended 31 March 2019 do not necessarily reflect the expected results for the year ended 31 December 2019.

#### **4- Financial instruments**

The IAS no. 32 Financial Instruments requires the disclosure of certain financial matters within the financial position. And identifies the information that should be disclosed and related to financial instruments within and outside the financial statements.

Financial instruments are represented in the contracts company that results in financial assets or financial liabilities or debt securities in another company.

**A- Fair value:**

The carrying value of cash in hand and at banks, accounts receivable, creditor bank, accounts payable, long-term loans and some debit balances and other payables approximate their fair value in accordance with International Accounting Standard no. (32).

**- General**

The carrying value of financial instruments of the Company approximates their fair value because the maturity of these tools within one year from the Date of the financial statements.

**B- Financial Assets:**

**-Impairment of Assets**

At the end of the financial year the Company reviews the carrying value of financial assets, except for those financial assets through the statement of comprehensive income whether there is objective evidence of impairment in the financial assets, and have a financial asset low in case there is objective evidence to suggest an event resulting in a loss after recognition The initial financial asset, and it is recognized lows when you become a book value in excess of the amount expected to be recovered from a financial asset, in accordance with the requirements of international financial reporting standards.

**- Financial assets are stated at cost amortized**

Represents the impairment loss reduced the present value of future cash flows expected to be collected discounted at Murabaha original when recognition at the beginning of financial assets (recoverable value) for the financial value of the asset on the books, and this represents the difference impairment loss is recognized in the statement of comprehensive income and in the case of low value decline the decline recorded in the statement of comprehensive income.

**-Loans**

The fair values of loans represent at the present value for the future cash flows to be paid using prevalent interest rates which is similar to it.

**- Minority rights**

Minority rights represent non-owned by the Company of ownership rights in subsidiaries companies.

**C- Risk interest rate:**

IAS no.39 requires disclosure about the interest rates risks which most financial instruments in the financial position is not subject to the risk of interest rates with the exception of creditor banks and long-term loans, the interest rates amount as at March 31, 2019 as follows :

Loans	Interest rate
FUIB bank loan amount 34,930,292 UAH	18%

**D- Credit risk:**

The Company reserves the currency with high solvency of banking institutions.

**E- The risk of currency fluctuations:**

Most of the company's dealings is in Jordanian dinar and US dollar.

**F- Income tax:**

The company deducts provision for income tax in accordance with laws and regulations and current instructions and the company composes provision on the basis of estimates of tax obligations expected, as the company calculates and record deferred tax if it existed, in accordance with the requirements of IAS No. 12. and the company's income tax reconciled until 2017. and the Provisions will be taken at the end of the year, as per administration declared.