

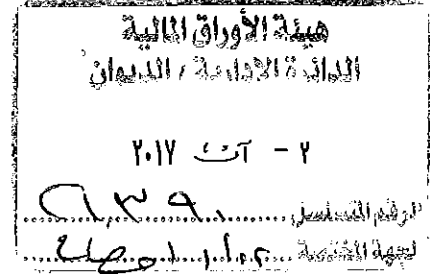


الشركة الوطنية لصناعة الكلورين المساهمة العامة المحدودة
NATIONAL CHLORINE INDUSTRIES CO. LTD.

Data : 02/8/2017

NCI / 32 / 2017

To: Jordan Securities Commission



Subject : Semi – Annual Financial statements as of 30/6/2017

Attached the company's Semi – Annual Financial Statements of National Chlorine Industries CO.LTD As of 30/6/2017 .

With our respect and appreciation

National Chlorine Industries

G . M : Nassim AL Dissi



**NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
30 JUNE 2017**

**NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONTENTS**

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

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**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 2017, 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.

Other Matters

The consolidated financial statements for the year ended 31 December 2016, and the condensed consolidated interim financial statements for the period ended 30 June 2016 were audited and reviewed respectively by other auditor. Unqualified opinion and unqualified Conclusion was issued on these financial statements on 2 March 2017 and 26 July 2016 respectively.

Amman – Jordan**29 July 2017**

THE POWER OF BEING UNDERSTOOD
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NATIONAL CHLORINE INDUSTRIES GROUP
PUBLIC SHAREHOLDING COMPANY
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
30 JUNE 2017

	30 June 2017 JD	31 December 2016 JD
Assets		
Non - Current Assets		
Property, plant and equipment	15 579 807	5 150 267
Projects under construction	2 640	11 421 208
Total Non - Current Assets	15 582 447	16 571 475
Current Assets		
Other debt balances	555 340	460 351
Inventory	2 152 418	1 856 357
Accounts receivable	1 646 125	1 610 164
Checks under collection	17 899	98 152
Cash and cash equivalents	61 529	194 990
Total Current Assets	4 433 311	4 220 014
Total Assets	20 015 758	20 791 489
Equity and Liabilities		
Equity		
Share capital	9 000 000	9 000 000
Statutory reserve	1 202 929	1 202 929
Statutory voluntary	4 334	4 334
Accumulated losses	(1 980 571)	(1 128 675)
Total Equity	8 226 692	9 078 588
Liabilities		
Non - Current Liabilities		
Long term financing facility	3 720 633	4 250 895
Total Non - Current Liabilities	3 720 633	4 250 895
Current Liabilities		
Short term financing facility	6 531 030	5 632 977
Accounts payable	1 207 884	1 443 626
Other credit balances	329 519	385 403
Total Current Liabilities	8 068 433	7 462 006
Total Liabilities	11 789 066	11 712 901
Total Equity and Liabilities	20 015 758	20 791 489

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 2017

	For the three-months period ended		For the six-months period ended	
	30 June 2017 JD	30 June 2016 JD	30 June 2017 JD	30 June 2016 JD
Sales	1 313 940	532 329	3 114 835	1 372 623
Cost of sales	(1 282 299)	(1 068 700)	(3 092 561)	(1 999 219)
Gross profit (loss)	31 641	(536 371)	22 274	(626 596)
Administrative expenses	(171 134)	(154 371)	(373 503)	(293 771)
Selling and distribution expenses	(91 477)	(42 316)	(224 479)	(139 190)
Financing expenses	(143 375)	(39 017)	(280 069)	(65 240)
Other revenues	24 502	10 033	3 881	30 810
Total comprehensive loss for the period	(349 843)	(762 042)	(851 896)	(1 093 987)

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 2017

	Share capital JD	Statutory reserve JD	Statutory Voluntary JD	Accumulated losses JD	Total JD
31 December 2015	9 000 000	1 202 929	4 334	(177 785)	10 029 478
Total comprehensive loss for the period	-	-	-	(1 093 987)	(1 093 987)
30 June 2016	9 000 000	1 202 929	4 334	(1 271 772)	8 935 491
31 December 2016	9 000 000	1 202 929	4 334	(1 128 675)	9 078 588
Total comprehensive loss for the period	-	-	-	(851 896)	(851 896)
30 June 2017	9 000 000	1 202 929	4 334	(1 980 571)	8 226 692

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 2017

	30 June 2017	30 June 2016
	JD	JD
Operating activities		
Total comprehensive loss for the period	(851 896)	(1 093 987)
Adjustments for:		
Depreciation	753 392	410 099
Changes in operating assets and liabilities		
Checks under collection	80 253	(88 185)
Accounts receivable	(35 961)	797 914
Inventory	110 920	(28 011)
Other debit balances	(94 989)	(38 904)
Accounts payable	(235 742)	(242 318)
Other credit balances	(55 884)	(43 920)
Paid income tax	-	(40 126)
Net cash used in operating activities	(329 907)	(367 438)
Investing activities		
Purchase of Property, plant and equipment	(170 218)	(73 654)
Projects under construction	(1 127)	(1 122 797)
Net cash used in investing activities	(171 345)	(1 196 451)
Financing activities		
Financing facility	367 791	1 183 977
Net cash from financing activities	367 791	1 183 997
Net change in cash and cash equivalents	(133 461)	(379 912)
Cash and cash equivalents at 1 January	194 990	510 941
Cash and cash equivalents at 30 June	61 529	131 029

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 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 29 July 2017.

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 2016. In addition, the results of the Group's operations for the six months ended 30 June 2017 do not necessarily represent indications of the expected results for the year ending 31 December 2017, 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 2016 except for the following:

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2) IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)

Disclosure Initiative (Amendments to IAS 7): Amends IAS 7 'Statement of Cash Flows' to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IFRS 9 Financial Instruments

IFRS 15 Revenue from Contracts with Customers

IFRS 16 Leases

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the group consolidated financial statements when they are applicable and adoption of these new standards, interpretations and amendments except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Company in the period of initial application. Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group consolidated financial statements for the annual year beginning 1 January 2018 and IFRS 16 for the annual year beginning on or after 1 January 2019. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Group consolidated financial statements in respect of revenue from contracts with customers and the group financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the group performs a detailed review.

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:

	Activity	Capital	Ownership
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 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 2016 have been reclassified to correspond with the period ended 30 June 2017 presentation and it did not result in any change to the last year's operating results.