

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan**

**Condensed interim financial statements
As of March 31, 2021
(Reviewed not audited)**

**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan**

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Report on the review of the condensed interim financial statements

01 21 01

To the Board of Directors of
Pearl Sanitary Paper Converting Co. (P.S.C)
Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying condensed interim financial statements of **Pearl Sanitary Paper Converting Co. (P.S.C)** comprising of condensed interim statement of financial position as at 31 March 2021, and the related condensed interim statements of comprehensive income, changes in owners' equity and cash flows for three months ended 31 March 2021 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with *IAS 34 – Condensed interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of Condensed interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed 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. Consequently, it 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 interim financial statements are not prepared, in all material respects in accordance with IAS 34.

Other matters:

Condensed interim financial statements were prepared for Instructions for listing the stock exchange in the Amman Stock Exchange & for management's purposes.

Obeidat&Alsaleh

Nabeel Moh'd Obeidat
License No. 877

Amman in
12 April 2021

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Condensed interim financial position
As of March 31, 2021

	Note	31-Mar-2021	31-Dec-2020
<u>Assets</u>		JD	JD
<u>Current assets</u>		(Reviewed)	(Audited)
Cash and cash equivalents		237,926	110,548
Accounts receivable and checks under collection - net		119,562	239,123
Other debit balances		193,837	160,313
Total current assets		551,325	509,984
Property, plant & equipments - net	5	711,730	724,582
Total assets		1,263,055	1,234,566
<u>Liabilities and owners' equity</u>			
<u>Current liabilities</u>			
Accounts payable		37,020	11,941
Income tax provision	6	6,469	5,208
Other credit balances		198,573	200,727
Total current liabilities		242,062	217,876
<u>Owners' equity</u>			
Capital		500,000	500,000
Statutory reserve		460,508	460,508
Retained earnings	7	56,182	56,182
Profit for the period		4,303	-
Total owners' equity		1,020,993	1,016,690
Total liabilities and owners' equity		1,263,055	1,234,566

The accompanying notes form from (1) To (15) is an integral part of these statements

Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Condensed interim statement of comprehensive income
For the three months ended March 31, 2021

	Note	31-Mar-2021 JD (Reviewed)	31-Mar-2020 JD (Reviewed)
Other revenues	8	41,021	42,302
General & administrative expenses	9	(35,457)	(37,242)
Profit for the period before tax		5,564	5,060
Income tax	6	(1,261)	(1,123)
Profit for the period		4,303	3,937
Total comprehensive income for the period		4,303	3,937
		فلس/دينار	فلس/دينار
Basic and diluted earning per share	10	0.009	0.008

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**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Condensed interim statement of changes in owners' equity
For the three months ended March 31, 2021**

Description	Capital JD	Statutory reserve JD	Retained earnings JD	Profit for the period JD	Total JD
<u>For the three months ended March 31, 2021</u>					
Balance as of January 1, 2021 - audited	500,000	460,508	56,182	-	1,016,690
Profit for the period after tax	-	-	-	4,303	4,303
Total comprehensive for the period	-	-	-	4,303	4,303
Balance as of March 31, 2021- reviewed	500,000	460,508	56,182	4,303	1,020,993
<u>For the three months ended March 31, 2020</u>					
Balance as of January 1, 2020 - audited	500,000	460,508	104,988	-	1,065,496
Profit for the period after tax	-	-	-	3,937	3,937
Total comprehensive for the period	-	-	-	3,937	3,937
Dividends paid to shareholders	-	-	(100,000)	-	(100,000)
Balance as of March 31, 2020- reviewed	500,000	460,508	4,988	3,937	969,433

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**Pearl Sanitary Paper Converting Co.
(P.S.C)
Amman - The Hashemite Kingdom of Jordan
Condensed interim statement of cash flows
For the three months ended March 31, 2021**

	Note	31-Mar-2021 JD	31-Mar-2020 JD
<u>Cash flows from operating activities</u>		(Reviewed)	(Reviewed)
Profit for the period before tax		5,564	5,060
Depreciation	5	12,852	12,823
Operating income before changes in working capital		18,416	17,883
<u>(Increase) decrease in current assets</u>			
Due from related parties		-	(32,600)
Accounts receivable and checks for collection - net		119,561	-
Other debit balances		(33,524)	(2,207)
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		25,079	519
Other credit balances		(2,154)	95,707
		127,378	79,302
Net cash provided from operating activities			
<u>Cash flows from financing activities</u>			
Dividends paid to shareholders		-	(100,000)
Net cash (used in) financing activities		-	(100,000)
Net increase (decrease) in cash		127,378	(20,698)
Cash and cash equivalents at beginning of period		110,548	242,740
Cash and cash equivalents at end of period		237,926	222,042

The accompanying notes form from (1) To (15) is an integral part of these statements

Pearl Sanitary Paper Converting Co.

(P.S.C)

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

1- Company's registration and objectives

Pearl Sanitary Converting Co. P.S.C. was established in accordance of instructions of jordanian companies temporary law number **(1)** for the year **1989** of capital amounted of **JD 4,000,000** distributed on **4,000,000** shares of Nominal value **JD 1** per share.

The company registered in public shareholding company record at ministry of industry & trade in **JORDAN** under number **(239)** dated of **December 21, 1993** , it obtained the right of commence work at **April 19, 1994** .

The company purposes are to establishing , constructing and managing factories for produce and trade all kinds of face , hands , tolilete , dinning table , kitchen sanitary paper , in addition to other purpose which states in memorandum of association , project of the company considered as certified economic project enjoy exemptions states in investment promotion law number **(11)** for the year **1988** and most important imported property & equipments exeption from all fees and exempt the project of tax for **5** years from **November 12, 1996** (Actual production date) .

The general assembly in its extraordinary meeting held on **September 6, 2012** decided to decrease capital from **JD 2,500,000** to **JD 500,000** , the decrease amount was distributed as cash dividends to shareholders according to there sharing rate in capital , legal pcedures were completed to ministry of imdustry & trade on **November 14, 2012**.

The Condensed interim financial statements were approved by the board of directors at its meeting held on **12 April 2021**, these financial statements aren't subject to the approval of the general assembly of shareholders .

2- Significant accounting policies

Basis of preparation of interim financial statements

These condensed interim financial statement have been prepared in accordance with inernational accounting standards ((IFRS) IAS 34))(Interim Financial Reporting).

The condensed interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

The condensed interim financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

These condensed inerim financial statements do not include all the information required for a complete set of IFRS financial statements, However , selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31, 2020**, in addition, The results for the three months period ended **March 31, 2021** are not necessarily indicative of the results that may be expected for the financial year ending **December 31, 2021**, and no appropriation was made for the three months profit ended **March 31, 2021** since it made at the year-end .

3- Use of estimates

The preparation of the interim 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 affect the revenues and expenses and the resultant provisions and particular , considerable judgement 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 .

Management believe that the estimates are reasonable and are as follows :

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable . For individually significant amounts , this estimation is performed on an individual basis . Amounts which are not individually significant , but which are past due , are assessed collectively and a provision applied according to the length of time past due , based on historical recovery rates .
- Inventories are held at the lower of either cost or net realizable value . When inventories become old or obsolete , an estimate is made of their realizable value . For individually significant amounts this estimation is performed on an individual basis . Amounts which are not individually significant , but which are old or obsolete , are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence , based on historical selling prices.
- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of comprehensive

4- Changes in accounting policies

The accounting policies pursued in the preparation of financial statements for the year are consistent with those followed in the preparation of financial statements for the year ended December 31, 2020, except for the company's application of the following criteria:

They are valid for the year beginning on January 1, 2021

IFRS 17 Insurance Contracts

Amendments to IFRS No. 10 and IAS 28 Concerning Sales and Contribution of Assets between an investor and an associate or joint venture.

The effective date has not yet been determined

Amendments to IFRS No. 10 and IAS 28 Concerning Sales and Contribution of Assets between an investor and an associate or joint venture.

Not to adopt the new and revised IFRSs and improvements to IFRSs has an important on the interim condensed financial statements.

Pearl Sanitary Paper Converting Co.

(P.S.C)

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Notes to the condensed interim financial statements - Reviewed not audited

5- Property, plant & equipments - net

A. This item consists of :

	<u>Lands</u> JD	<u>Buildings & hangers</u> JD	<u>Office equipments & tools</u> JD	<u>Furnitures & decorations</u> JD	<u>Vehicles</u> JD	<u>Total</u> JD
<u>Cost</u>						
Balance ending of the period	<u>333,500</u>	<u>1,573,843</u>	<u>166,202</u>	<u>87,667</u>	<u>24,990</u>	<u>2,186,202</u>
<u>Accumulated depreciations</u>						
Balance beginning of the period	-	1,197,627	166,201	87,666	10,126	1,461,620
Additions for the period	-	11,952	-	-	900	12,852
Balance ending of the period	<u>-</u>	<u>1,209,579</u>	<u>166,201</u>	<u>87,666</u>	<u>11,026</u>	<u>1,474,472</u>
Book value as of March 31, 2021 (Reviewed)	<u>333,500</u>	<u>364,264</u>	<u>1</u>	<u>1</u>	<u>13,964</u>	<u>711,730</u>
Book value as of December 31, 2020 (audited)	<u>333,500</u>	<u>376,216</u>	<u>1</u>	<u>1</u>	<u>14,864</u>	<u>724,582</u>

B. No depreciation statements for property , plant & equipments are available.

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Notes to the condensed interim financial statements - reviewed not audited

6- Income tax provision

This item consists of :

A. Transaction of income tax provision during the period represents of :

	<u>31-Mar-2021</u>	<u>31-Dec-2020</u>
	JD	JD
	(Reviewed)	(Audited)
Balance at beginning of the period/year	5,208	12,785
Tax of the period/year (Note 6 C)	1,261	3,692
Interests income tax paid	-	(11,269)
Balance at ending of the period/year	6,469	5,208

B. Income tax was accepted for 2017 and self-assessment statements for 2018 and 2019 have not yet been reviewed.

C. Reconciliation of taxable income

	<u>31-Mar-2021</u>	<u>31-Dec-2020</u>
	JD	JD
	(Reviewed)	(Audited)
Recorded profit	5,564	54,886
Non-taxable expenses	13,180	13,658
Taxable income	18,744	68,544
Income tax rate	21%	21%
Income tax for the period / year	3,936	14,394
Netting property tax	(2,675)	(10,702)
Income tax for the period / year	1,261	3,692

7- Retained earnings

- This item consists of :

	<u>31-Mar-2021</u>	<u>31-Dec-2020</u>
	JD	JD
	(Reviewed)	(Audited)
Retained earnings at beginning of the period / year	56,182	104,988
Profit for the profit / year	4,303	51,194
Dividends paid to shareholders	-	(100,000)
Retained earnings at ending of the period / year	60,485	56,182

Pearl Sanitary Paper Converting Co.

(P.S.C)

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

8- Other revenues

This item consists of :

	<u>31-Mar-2021</u>	<u>31-Mar-2020</u>
	JD	JD
Credit interests revenues	921	2,202
Rents revenues	40,100	40,100
Total	<u>41,021</u>	<u>42,302</u>

9- General and administrative expenses

This item consists of :

	<u>31-Mar-2021</u>	<u>31-Mar-2020</u>
	JD	JD
Salaries	1,125	1,125
Social security	160	160
Government fees & subscriptions	17,110	18,923
Depreciations	12,852	12,823
Others	1,210	1,011
Professional fees & technical consulting	-	200
Administrative fees	3,000	3,000
Total	<u>35,457</u>	<u>37,242</u>

10- Basic and diluted earning per share

This item consists of :

	<u>31-Mar-2021</u>	<u>31-Mar-2020</u>
	JD	JD
Profit of the period after tax	4,303	3,937
Weighted average shares (share)	500,000	500,000
Basic and diluted earning per share	<u>0.009</u>	<u>0.008</u>

The diluted earning per share is equal to the basic earning per share .

Pearl Sanitary Paper Converting Co.

(P.S.C)

Amman - The Hashemite Kingdom of Jordan

Notes to the condensed interim financial statements - reviewed not audited

11- Related parties transactions

Related parties include key shareholders , key management personnel , key managers , associates and subsidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

Details of due from related parties appear on statement of income

	<u>Type of transaction</u>	<u>31-Mar-2021</u>	<u>31-Mar-2020</u>
		JD	JD
<u>Sister companies</u>			
Nuqul Automotive Co.	Rents	36,350	36,350
Integrated Automotive Co.	Rents	3,750	3,750
Total		40,100	40,100

12- Risk management

Company is facing finance , credit , liquidity and market risks , in general the main objectives and policies of company in finance risk management which financial statement is faced , it is similar to what declared in financial statements on **December 31, 2020**.

13- Subsequent events

There are no subsequent events may have material affects to financial position .

14- General

General assembly approved on **June 14, 2009** the vision of board of directors about changing company's activities according to intense competition which faced company recently which lead to stop production and lease company's building and decrease all expenses & management expenses to minimum limit , and limited the activities in this stage of exploit its trade mark and lease buildings and real estates , until improve economic situation in jordan and clarity of vision around company's future activities .

15- Comparative figures

Certain comparative figures were reclassified to conform with the presentation of the current period.

تقرير المراجعة حول القوائم المالية المرحلية الموجزة

01 21 01

السادة رئيس وأعضاء مجلس الإدارة المحترمين
شركة اللؤلؤة لصناعة الورق الصحي،
شركة مساهمة عامة محدودة
عمان - المملكة الأردنية الهاشمية

مقدمة:

قمنا بمراجعة القوائم المالية المرحلية الموجزة المرفقة لشركة اللؤلؤة لصناعة الورق الصحي - شركة مساهمة عامة محدودة والتي تتكون من قائمة المركز المالي المرحلية الموجزة كما في 31 آذار 2021 وكل من قائمة الدخل الشامل المرحلية الموجزة وقائمة التغيرات في حقوق الملكية المرحلية الموجزة وقائمة التفتتات التقديرية المرحلية الموجزة للشهور الثلاثة المنتهية بذلك التاريخ، وملخص السياسات المحاسبية الهامة وإيضاحات تفسيرية أخرى.

إن الإدارة مسؤولة عن إعداد وعرض هذه القوائم المالية المرحلية الموجزة وفقاً للمعايير الدولية لإعداد التقارير المالية/ معيار المحاسبة الدولي رقم 34 (التقارير المالية المرحلية الموجزة). إن مسؤوليتنا هي التوصل إلى استنتاج حول هذه القوائم المالية المرحلية الموجزة استناداً إلى مراجعتنا.

نطاق المراجعة:

لقد قمنا بمراجعتنا وفقاً للمعيار الدولي المتعلق بعمليات المراجعة 2410 "مراجعة المعلومات المالية المرحلية من قبل مدقق الحسابات المستقل للشركة". إن عملية مراجعة المعلومات المالية المرحلية الموجزة تتمثل في القيام باستفسارات بشكل أساسي من الأشخاص المسؤولين عن الأمور المالية والمحاسبية وتطبيق إجراءات تحليلية وإجراءات مراجعة أخرى. إن نطاق أعمال المراجعة أقل بكثير من نطاق أعمال التدقيق التي تتم وفقاً لمعايير التدقيق الدولية وبالتالي لا يمكننا أعمال المراجعة من الحصول على تأكيدات حول كافة الأمور الهامة التي من الممكن تحديدها من خلال أعمال التدقيق، وعليه فإننا لا نبي رأي تدقيق حولها.

الاستنتاج:

بناءً على مراجعتنا لم نسترح انتهاها أية أمور تجعلنا نعتقد بأن القوائم المالية المرحلية الموجزة المرفقة لم يتم إعدادها، من كافة النواحي الجوهرية، وفقاً لمعيار المحاسبة الدولي رقم 34 الخاص بالتقارير المالية المرحلية الموجزة.

أمور أخرى:

تم اعداد هذه القوائم المالية المرحلية الموجزة وفقاً لتعليمات إدرج الأوراق المالية في بورصة عمان ولأغراض الإدارة.

عبيدات والصالح وشركاه

نبيل محمد عبيدات

إجازة رقم 877

عمان في 12 نيسان 2021

Report on the review of the condensed interim financial statements

01 21 01

**To the Board of Directors of
Pearl Sanitary Paper Converting Co. (P.S.C)
Amman - The Hashemite Kingdom of Jordan**

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Obeidat&Alsaleh.

**Nabeel Moh'd Obeidat
License No. 877**

**Amman in
1 April 2021**