



شركة الصناعات البتروكيمياوية الوسيطة المساهمة العامة المحدودة
Intermediate Petrochemicals Industries Co. Ltd

للكم
بورصة عمان

التاريخ: 2019/10/28

الرقم: أع / 272/10 / 2019

الدعوى
كتبت له

السادة هيئة الأوراق المالية المحترمين ،،،

دائرة الإفصاح

الموضوع : البيانات المالية للشركة كما في 30 أيلول 2019

تحية طيبة وبعد ،،،

تطبيقاً لتعليمات الإفصاح الخاصة بالشركات المساهمة العامة ، نرفق لكم طيه نسخة من البيانات المالية المرحلية المختصرة للفترة المنتهية في 30 أيلول 2019 . باللغة العربية والانجليزية ونسخة على CD .

وتفضلوا بقبول فائق الاحترام ،،،

الرئيس التنفيذي
د. تيسير موسى عامر

* نسخة بورصة عمان



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الدائرة الإدارية / الديوان
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Intermediate Petrochemical Industries Co.

"Public Shareholding Company"

Zarqa - The Hashemite Kingdom of Jordan

The Interim Condensed Financial Statements

& Independent Auditor's Report as at September 30, 2019

Intermediate Petrochemical Industries Co.

"Public Shareholding Company"

Zarqa - The Hashemite Kingdom of Jordan

Index

	<u>Page</u>
Review Report	3
The Interim Condensed Statement of Financial Position as at 30 September 2019	4
The Interim Condensed Statement of Comprehensive Income for the Period Ended at 30 September 2019	5
The Interim Condensed Statement of the Changes in Shareholders' Equity for the Period Ended at 30 September 2019	6
The Interim Condensed Statement of Cash Flows for the Period Ended at 30 September 2019	7
Accounting Policies	8-10
Notes to the Interim Condensed Financial Statements	11

No.: 60009/2019/429

To The Shareholders
Intermediate Petrochemical Industries Company
Public Shareholding Company
Zarqa - Jordan

Introduction

We have reviewed the accompanying interim condensed financial statements of **Intermediate Petrochemical Industries Company" Public shareholding limited Co. "**, comprising the interim condensed statement of financial position as at 30, September 2019, and the interim condensed statement of comprehensive income, interim condensed statement of the changes in shareholders' equity and cash flows for the nine-months then ended.

Management is responsible of the preparation and presentation of this interim consolidated financial information in accordance with international financial reporting standard (IAS 34) Interim Financial Reporting. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with the international standard on review engagements (2410) *Review of Interim Financial Information 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 interim condensed financial statements are not prepared, in all material respects, in accordance with international financial reporting standard (IAS 34) Interim Financial Reporting.

Explanatory Note

The financial year ends on the 31st of December and the interim condensed financial statements were conducted to meet the demands of the Jordan Securities Commission and the Management of the Company.

The Scientific Office for Auditing,
Accounting and Consulting

Jamal Mohammad Fatah
License No. 285

 Scientific Office
for Auditing, Accounting
& Consulting
(3/111) Accountants

Amman - Jordan
26/10/2019

Intermediate Petrochemical Industries Co.

Public Shareholding Co.

Zarqa - The Hashemite Kingdom of Jordan

The Interim Condensed Statement of Financial Position at 30 September 2019

	<u>30-Sep-19</u>	<u>31-Dec-18</u>
	<u>JD</u>	<u>JD</u>
<u>Assets</u>		
<u>Non-Current Assets</u>		
Property and equipment	5,361,096	5,629,364
Projects under construction	225,706	226,210
Financial assets at fair value through other comprehensive income	21,302	21,810
Total Non-Current Assets	5,608,104	5,877,384
<u>Current Assets</u>		
Cash on hand and at banks	543,432	273,411
Checks under collection	100,228	150,937
Net accounts receivables	753,522	472,925
Related parties acc.	-	95,915
Net inventory	739,664	1,725,720
Other current assets	495,165	534,292
Total Current Assets	2,632,011	3,253,200
Total Assets	8,240,115	9,130,584
<u>Liabilities and Shareholders' Equity</u>		
<u>Shareholders' Equity</u>		
Capital	7,000,000	7,000,000
Retained losses	(3,695,562)	(3,988,726)
Fair value reserve	(7,698)	(7,190)
Statutory reserve	-	69,486
Voluntary reserve	-	1,009,940
Total Shareholders' Equity	3,296,740	4,083,510
<u>Liabilities</u>		
<u>Current Liabilities</u>		
Banks payable	4,314,294	4,374,274
Accounts payable	148,947	146,029
Other current liabilities	480,134	526,771
Total Current Liabilities	4,943,375	5,047,074
Total Liabilities and Shareholders' Equity	8,240,115	9,130,584

The accompanying notes constitute an integral part of this statement

(4/11)

Intermediate Petrochemical Industries Co.

Public Shareholding Co.

Zarqa - The Hashemite Kingdom of Jordan

The Interim Condensed Statement of Comprehensive Income for the Period Ended at 30 September 2019

	<u>Nine - months ended at 30 September</u>		<u>Three-months ended at 30 September</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Sales	2,570,316	3,733,170	1,040,444	874,132
Cost of sales	(2,870,209)	(3,758,012)	(1,030,212)	(996,514)
Gross profit (loss)	(299,893)	(24,842)	10,232	(122,382)
Sales and distribution expenses	(64,863)	(91,247)	(20,606)	(18,091)
Administrative expenses	(274,266)	(293,225)	(85,520)	(62,272)
Financing expenses	(204,554)	(209,149)	(67,885)	(72,268)
Gain on sale of property and equipment	1,150	-	-	-
Other revenues	937	-	-	-
Add Provision no longer needed	55,227	65,183	55,227	65,183
Period (Losses) Before Tax	(786,262)	(553,280)	(108,552)	(209,830)
Income tax	-	-	-	-
Period (Losses) After Tax	(786,262)	(553,280)	(108,552)	(209,830)
<u>Other Comprehensive Income</u>				
Fair value reserve for financial assets	(508)	-	-	-
Total Comprehensive Income of the Period	(786,770)	(553,280)	(108,552)	(209,830)
Basic and Diluted Earnings Per Share	(0.112)	(0.079)	(0.016)	(0.030)

The accompanying notes constitute an integral part of this statement

(5/11)

Intermediate Petrochemical Industries Co.

Public Shareholding Co.

Zarqa - The Hashemite Kingdom of Jordan

The Interim Condensed Statement of the Changes in Shareholders' Equity for the Period Ended at 30 September 2019

	Share Capital		Statutory Reserve		Voluntary Reserve		Accumulated Losses		Fair Value Reserve		Total	
	ID	ID	ID	ID	ID	ID	ID	ID	ID	ID	ID	ID
Balance at 31-Dec-2017	7,000,000		69,486		1,009,940		(3,988,726)		(7,190)			4,083,510
Period losses	-		-		-		(553,280)		-			(553,280)
Balance at 30-Sep-2018	7,000,000		69,486		1,009,940		(4,542,006)		(7,190)			3,530,230
Balance at 31-Dec-2018	7,000,000		69,486		1,009,940		(3,988,726)		(7,190)			4,083,510
Period losses	-		-		-		(786,262)		-			(786,262)
Amortization of accumulated losses	-		(69,486)		(1,009,940)		1,079,426		-			-
Fair value reserve	-		-		-		-		(508)			(508)
Balance at 30-Sep-2019	7,000,000		-		-		(3,695,562)		(7,698)			3,296,740

The accompanying notes constitute an integral part of this statement

Intermediate Petrochemical Industries Co.
Public Shareholding Co.
Zarqa - The Hashemite Kingdom of Jordan
The Interim Condensed Statement of Cash Flows for the Period Ended at 30 September 2019

	<u>30-Sep-19</u>	<u>30-Sep-18</u>
	<u>JD</u>	<u>JD</u>
<u>Cash Flows from Operating Activities</u>		
Period losses	(786,262)	(553,280)
<u>Add-non Cash Items</u>		
Property and equipment depreciation	297,023	126,474
Financing exp.	204,554	209,149
Gain on sale of property and equipment	(1,150)	-
Provisions no longer needed	(83,855)	(65,183)
Operational Losses	<u>(369,690)</u>	<u>(282,840)</u>
<u>Changes in the Working Capital Items</u>		
Checks under collection	50,709	75,907
Accounts receivables	(129,455)	47,911
Inventory	1,014,684	1,164,372
Other current assets	39,127	(128,330)
Accounts payable	2,918	80,058
Other current liabilities	(46,637)	(54,816)
Net Cash from Operating Activities	<u>561,656</u>	<u>902,262</u>
<u>Cash Flows from Investing Activities</u>		
Property and equipment	(28,755)	(4,993)
Exclusion of property and equipment	1,150	-
Projects under construction	504	(40,306)
Net Cash from Investing Activities	<u>(27,101)</u>	<u>(45,299)</u>
<u>Cash Flows from Financing Activities</u>		
Banks payable	(59,980)	(491,729)
Paid financing expenses	(204,554)	(209,149)
Deferred Checks	-	(870)
Net Cash from Financing Activities	<u>(264,534)</u>	<u>(701,748)</u>
Cash Flows from Activities	<u>270,021</u>	<u>155,215</u>
Cash at the beginning of the period	<u>273,411</u>	<u>153,008</u>
Cash at the end of the Period	<u><u>543,432</u></u>	<u><u>308,223</u></u>

The accompanying notes constitute an integral part of this statement

(7 / 11)

Intermediate Petrochemical Industries Co.
"Public Shareholding Company"
Zarqa - The Hashemite Kingdom of Jordan
Accounting Policies

Basic of Preparing the Interim Financial Statements:

- The accompanying interim condensed financial statements for the nine-months ended 30 September 2019 were prepared in accordance with the International Accounting Standard 34 (Interim Financial Reports).
- The interim condensed financial statements have been prepared in accordance with the Historical Cost Principle.
- The interim condensed financial statements are presented in Jordanian Dinar, the functional currency of the Company.
- The accounting policies for the current period are similar with the accounting policies of the previous period.
- The Company did not deduct the statutory reserves in accordance with the provisions of the Companies Law and instructions issued for the nine-months ended September 30, 2019, as these lists are in progress and the deductions are made at the end of the financial year.
- The results of this interim do not necessarily represent the expected results for the whole financial year.

Significant Accounting Policies

- **Applying Estimates:**

Preparing financial statements and applying accounting policies require the Management of the Company to make some estimates and suppositions that may affect the financial statements and the accompanying notes. Such estimates are based on assumptions of different accuracy and certainty. Therefore, actual results in the future may differ from the Management's estimates due to the variations of conditions and circumstances of these assumptions.
Below are the most important estimates applied in the preparation of the financial statements:

- Management periodically reevaluates the useful life of tangible assets for the purpose of calculating the annual depreciation based on the general condition of those assets and estimated useful life in the future. The impairment loss (if any) is taken in the income statement.
- Management periodically reviews financial assets that are presented at cost to estimate any impairment in value and are stated in the consolidated statement of income.
- The Management of the Company estimates the value of the provision for bad debts taking into consideration the possibility of collecting such liabilities.

(8/11)

Intermediate Petrochemical Industries Co.
"Public Shareholding Company"
Zarqa - The Hashemite Kingdom of Jordan
Accounting Policies

Cash on Hand and at Banks: -

Are represented by cash on hand and at banks and they do not involve risks of change in their value.

Date of Financial Assets Recognition: -

The purchase and sale of financial assets are recognized on the trade date (the date on which the Company commits to sell or purchase the financial asset.)

Financial Assets at Fair Value Through Other Comprehensive Income: -

Financial assets are recorded at fair value through statement of comprehensive income when buying at fair value in addition to acquisition expenses and revalued subsequently at fair value; the change is shown at fair value in the statement of comprehensive income and in equity, including the change in fair value that results from exchange differences in non-cash items in foreign currencies. In the case of selling these assets or part of them thereof the results of profits or losses are recorded in the statement of comprehensive income and in equity. And the evaluated sold asset reserve balance is transferred directly to the retained earnings and not through the income statement.

These assets are not subject to the impairment test. And profit is recognized in the statement of income.

Fair value: -

Closing prices in active markets represent the fair value of financial assets. In the absence of quoted prices or lack of active trading for certain financial assets, their fair value will be estimated by comparing them to the fair value of a similar financial instrument or by calculating the present value of future cash flows. If the fair value of the financial asset cannot be reliably measured, it will be presented at cost after deducting any impairment in value.

Receivable: -

Receivables are presented with the original invoice after deducting the provision for bad debts, debts are written off when there is subjective evidence on the possibility of not collecting liabilities. Bad debts are written-off when there is no possibility of collection.

Inventory: -

Is stated at the lower of cost and net realizable value, and the cost is estimated using first-in, first-out method.

Property and Equipment: -

Property and equipment appear at cost after decreasing the accumulated depreciation, and the depreciated assets (except lands) when they are ready for use on the basis of the straight line method over the expected life span.

Loans and Crediting Banks: -

Loans and crediting banks appear in the balance of utilized amounts and loans interests and crediting banks are allocated to the account of income in the period of allocating these interests.

Intermediate Petrochemical Industries Co.
"Public Shareholding Company"
Zarqa - The Hashemite Kingdom of Jordan
Accounting Policies

Other Accounts Payable: -

Liabilities are recognized for amounts to be paid in the future for received goods or services whether or not they were claimed by the supplier.

Provisions: -

Provisions are recorded when there are legal or expected obligations on the company as a result of previous events where cash amounts are likely to be paid to fulfill such obligations. On the date of the financial position, the allocated provisions are reviewed and adjusted based on the latest information available to the Management.

Setoff

Financial assets and financial liabilities are set-off and the net amount is reflected in the financial statements upon the availability of legally binding rights, and when they are settled on the setoff basis or when assets realization and liabilities settlements take place at the same time

Revenues: -

Revenue from sales is recognized according to the accrual principle.

Foreign Currencies: -

Transactions made in foreign currencies are registered at the current exchange rates on the date of conducting such transactions. Financial liabilities and assets balance are transferred to foreign currency by using current exchange rates on the date of financial statements by the Central Bank of Jordan. Profits and losses arising from balances exchange to foreign currency are registered in foreign currencies in the income statement.

Income Tax: -

Income tax is calculated on the basis of taxable profits. Taxable profits differ from the reported profits in the financial statements because the declared profits include non-taxable income or non-deductible expenses in the fiscal year but sometimes in subsequent years. Also, accumulative losses that are taxable or non-taxable or acceptable for deduction for tax purposes.

Intermediate Petrochemical Industries Co.
"Public Shareholding Company"
Zarqa - The Hashemite Kingdom of Jordan
Notes to the Interim Condensed Financial Statements

1- General:

The Intermediate Petrochemical Industries (IPI) was established under the number (421) after the merge of International Taif Plastics and Colorants LLC, registered under the number (4124) dated August 26, 1995 along with the Intermediate Petrochemical Industries PLC (IPI) that was registered under the number 134 in April 28, 1980. The Ministry of Industry and Trade has approved to consider the balance of January as an opening balance for the merged companies. That is according to the decisions of the Extraordinary General Assembly of the two companies and the merger agreement. During 2007, the capital of the Company was raised to reach seven [7] million JD / share.

- The Extraordinary General Assembly decided on its meeting that was held on 30/4/2019 to amortize part of the retained losses from the year 2018 (3,988,726 JD) by using the compulsory reserve balances with the amount of (69,486 JD) and voluntary reserve balances with the amount of (1,009,940 JD). Noting that, the company is done with the legal procedures of the Companies Control Department on 21/08/2019 .
- The main objectives of the company are petrochemicals manufacturing and product marketing.
- The accompanying interim condensed financial statements were approved by the Board of Directors in its meeting on 26/10/2019 .

