

**INTERNATIONAL SILICA INDUSTRIES  
COMPANY  
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND  
REVIEW REPORT  
FOR THE PERIOD ENDED SEPTEMBER 30,  
2024**

**INTERNATIONAL SILICA INDUSTRIES COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024**

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## **REPORT ON REVIEWING THE INTERIM FINANCIAL STATEMENTS**

To the president and members of the board of directors  
International Silica Industries Company  
(Public Shareholding Company)

### **Introduction**

We have reviewed the accompanying Interim Statement of Financial Position for International Silica Industries Company As of September 30, 2024, and the related statements of Interim Comprehensive income, Shareholders equity and cash flows for the period then ended, the management is responsible for preparing and presenting the company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim 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". This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures to financial data. The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards. Accordingly, obtaining assurances and confirmations about other significant aspects checked through an audit procedure was not achievable, hence, we do not express an opinion regarding this matter.

### **Basis for Qualified Review**

The company has not conducted an impairment test for property and equipment until the date of issuing the interim financial statements to determine whether or not there is impairment in value of the property and equipment, based on the requirements of International Accounting Standard No. (36) "Impairment of Assets".

### **Attention**

We draw attention to note no. (4) That the accumulated losses exceed the share capital, that required by application of article (75) from Company law number (22) for the year (1997) of company's law. The Company should be liquidated unless the General Assembly decided in its extraordinary meeting to increase its share capital or amortized its accumulated losses consistent with international accounting and auditing standards, on the condition that the remaining accumulated loss should not exceed half of company's capital in both cases.

### Conclusion

Based on our review, except for the effect of the matter addressed in basis for qualified review paragraph above and emphasis of matter, nothing has come to attention that causes us to believe that the accompanying interim financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

### Emphasis of matter

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. The company has a deficit working capital by 2,228,193 JD as of September 30, 2024 that raise substantial doubt about its ability to continue as a going concern.

Modern Accountants

Abdul Kareem Qunais  
License No.(496)

Amman- Jordan  
October 27, 2024

Modern Accountants



A member of  
**Nexia**  
International

الحاسبون المحاسبون

**INTERNATIONAL SILICA INDUSTRIES COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS OF SEPTEMBER 30, 2024 AND DECEMBER 31, 2023**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2024	2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		1,087,969	1,110,260
<b>Total non-current assets</b>		<u>1,087,969</u>	<u>1,110,260</u>
<b>Current assets</b>			
Prepaid expenses and other receivables		6,448	5,785
Accounts receivable and checks under collection		20,463	37,184
Due from related parties		63,431	211
Inventory		22,917	55,293
Cash and cash equivalents		1,517	1,578
<b>Total current assets</b>		<u>114,776</u>	<u>100,051</u>
<b>TOTAL ASSETS</b>		<u>1,202,745</u>	<u>1,210,311</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Shareholders' equity</b>			
Share capital	1	2,366,815	2,366,815
Statutory reserve		109,149	109,149
Accumulated Losses	4	(3,810,761)	(3,760,192)
<b>Total Shareholders' equity</b>		<u>(1,334,797)</u>	<u>(1,284,228)</u>
<b>Non - current liabilities</b>			
Long term - Loans		194,573	228,070
<b>Total non - current liabilities</b>		<u>194,573</u>	<u>228,070</u>
<b>Current liabilities</b>			
Accrued expenses and other payables		800,466	749,671
Short term - loans		62,400	38,640
Due to related parties		1,319,274	1,310,248
Accounts payable		160,829	167,910
<b>Total current liabilities</b>		<u>2,342,969</u>	<u>2,266,469</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<u>1,202,745</u>	<u>1,210,311</u>

The accompanying notes are an integral part of these interim financial statements

**INTERNATIONAL SILICA INDUSTRIES COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024**  
(EXPRESSED IN JORDANIAN DINAR)

	For the interim period		From the beginning of the year to	
	From July 1, 2024 to September 30, 2024	From July 1, 2023 to September 30, 2023	September 30, 2024	September 30, 2023
Silica Sales	58,677	10,595	160,208	48,844
Cost of sales	(53,774)	(3,494)	(139,532)	(46,431)
<b>Gross profit</b>	<b>4,903</b>	<b>7,101</b>	<b>20,676</b>	<b>2,413</b>
General and administrative expenses	(21,646)	(69,778)	(68,898)	(156,816)
Financial Charges	-	(5,574)	(2,415)	(21,574)
Other revenues	-	(247)	68	30,561
<b>Loss for the period</b>	<b>(16,743)</b>	<b>(68,498)</b>	<b>(50,569)</b>	<b>(145,416)</b>
Other comprehensive income:				
<b>Total comprehensive losses</b>	<b>(16,743)</b>	<b>(68,498)</b>	<b>(50,569)</b>	<b>(145,416)</b>
<b>Loss per share:</b>				
<b>Loss per share-JD / Share</b>	<b>(0,01)</b>	<b>(0.03)</b>	<b>(0,02)</b>	<b>(0.06)</b>
<b>Weighted average of outstanding shares</b>	<b>2,366,815</b>	<b>2,366,815</b>	<b>2,366,815</b>	<b>2,366,815</b>

The accompanying notes are an integral part of these interim financial statements

**INTERNATIONAL SILICA INDUSTRIES COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024**  
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Accumulated losses	Total
Balance at January 1, 2024	2,366,815	109,149	(3,760,192)	(1,284,228)
Comprehensive income of the period	-	-	(50,569)	(50,569)
Balance at September 30, 2024	2,366,815	109,149	(3,810,761)	(1,334,797)
Balance at January 1, 2023	2,366,815	109,149	(3,551,789)	(1,075,825)
Comprehensive income of the period	-	-	(145,416)	(145,416)
Balance at September 30, 2023	2,366,815	109,149	(3,697,205)	(1,221,241)

The accompanying notes are an integral part of these interim financial statements



**INTERNATIONAL SILICA INDUSTRIES COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024**  
(EXPRESSED IN JORDANIAN DINAR)

	<b>For the nine months ended September 30, 2024</b>	<b>For the nine months ended September 30, 2023</b>
<b>OPERATING ACTIVITIES</b>		
Loss of the period	(50,569)	(145,416)
Adjustments on net loss for the period:		
Deprecation	22,291	31,639
Financial charges	2,415	21,574
Changes in operating assets and liabilities:		
Accounts receivable and checks under collection	16,721	(22,216)
Inventories	32,376	(45,542)
Prepaid expenses and other receivables	(663)	25,730
Accounts payable	(7,081)	14,410
Accrued expenses and other payables	50,795	(116,097)
Due from related parties	(63,220)	
Due to related parties	9,026	313,863
<b>Net cash available from operating activities</b>	<b>12,091</b>	<b>77,945</b>
<b>INVESTING ACTIVITIES</b>		
Change in property and equipment	-	(45,905)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(45,905)</b>
<b>FINANCING ACTIVITIES</b>		
Loans	(9,737)	(6,100)
Financial charges paid	(2,415)	(21,574)
<b>Net cash used in financing activities</b>	<b>(12,152)</b>	<b>(27,674)</b>
<b>Net change in cash and cash equivalents</b>	<b>(61)</b>	<b>4,366</b>
Cash and cash equivalents, January 1	1,578	849
<b>Cash and cash equivalent, September 30</b>	<b>1,517</b>	<b>5,215</b>

The accompanying notes are an integral part of these interim financial statements



**INTERNATIONAL SILICA INDUSTRIES COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024**  
(EXPRESSED IN JORDANIAN DINAR)

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**1. ORGANIZATION AND ACTIVITIES**

International Silica Industries Company ("the Company") is a Jordanian public shareholding company registered on April 8, 1997 under no. (329). declared and paid-up capital 2,366,815 JD divided into 2,366,815 shares each for 1JD.

The company's current main activity is the extraction and exploitation of glass sand ores and silica industry.

The Company is located at Amman.

**2. New and Amended International Financial Reporting Standards**

**The following new and amended standards and interpredations have not yet become effective**

**It is valid for annual periods beginning on or after**

Non-Fungibility o Exchange Rates (Amendments to IAS (21))

January 1, 2025

Presentation and Disclosure in Financial Statements (Amendments to IFRS (18))

January 1, 2027

Investments in Associates and Joint ventures (Amendments to IAS (28) and IFRS (10))

The implementation has been postponed indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpolations and amendments, may have no material impact on the financial statement of the Company in the period of initial application.

**3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim financial statement is presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statements do not include all the information and notes needed in the annual financial statement and must be reviewed with the ended financial statement at December 31, 2023, in addition to that the result for the nine months ended in September 30, 2024 is not necessarily to be the expected results for the financial year ended December 31, 2024.

**INTERNATIONAL SILICA INDUSTRIES COMPANY**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024**  
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**Significant accounting policies**

The accounting policies used in the preparation of the interim financial information are consistent with those used in the audited financial statements for the period ended December 31, 2023.

**Reclassifications**

If the business model under which the Company holds financial assets changes. The financial assets affected are reclassified. The classification and measurement requirements related to the new category applies prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

**Impairment**

IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL.

- Cash and bank balances;
- Trade and other receivables;
- Due from related party.

With the exception of purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date(referred to as stage1); or
- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial Instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

The Company has elected to measure loss allowances of cash and bank balances. Trade and other receivables, and due from a related party at an amount equal to life time ECLs.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
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ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from weighting of multiple future economic scenarios. Discounted at the asset's EIR.

Loss allowance for financial investments measured at amortized costs are deducted from gross carrying amount of assets. For debt securities a FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative information and analysis based on the previous company experience and on the available credit score including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the interim condensed statement of income and interim other comprehensive income.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment.

**Measurement of ECL**

The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward – looking information

**Credit-impaired financial assets**

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to as stage 3 assets. At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt securities at FVTOCI are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact in the estimated future cash flows of the financial asset have occurred.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
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**DE-recognition of financial assets**

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On De recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On De recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

**Presentation of allowance for ECL are presented in the interim financial information**

**Loss allowances for ECL are presented in the interim financial information as follows:**

For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets.

For debt instruments measured at FVTOCI no loss allowance is recognized in the interim condensed statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in re-evaluation reserve and recognized in other comprehensive income.

**Expenses and revenue recognition**

Revenue is recognized when there is a probability of economic benefits for the company in result of interchangeable process that's its measurable in a reliable way.

The expenses are recognized in accrual basis.

**Critical accounting judgments and key sources of estimation uncertainty**

The preparation of interim financial statements requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant Judgments made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the interim financial statements.

**INTERNATIONAL SILICA INDUSTRIES COMPANY**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
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**Critical judgments in applying the Company's accounting policies in respect of IFRS 9**

**Business model assessment:**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how the Company's financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**Significant increase of credit risk:**

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

**Establishing Company's assets with similar credit risk characteristics:**

When ECLs are measured on a collective basis, the financial instruments are Company collected on the basis of shared risk characteristics (e.g., instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that when credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant Increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12 month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

**Models and assumptions used:**

The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

**Key sources of estimation uncertainty in respect of IFRS 9**

The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in condensed interim financial statements.

Establishing the number and relative weightings of forward-looking scenarios for each type of product / market determines the forward-looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
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**Probability of Default**

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of Default over a given time horizon, the calculation which includes historical data, assumptions and expectations of future conditions.

**Loss Given to Default**

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

**Expenses**

General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under Generally Accepted Accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

**Cash and cash equivalents**

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

**Accounts receivable**

Account receivable are stated at original amount less any provision for doubtful and a provision for doubtful debts is taken when there is an indication that the receivable may not be collected, and are written off in the same period when there is impossible recovery of them.

**Accounts payable and accruals**

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

**Related parties**

Transactions with related parties represent the transfer of resources, services or obligations between related parties. The principles and terms of transactions between related parties are approved by the management.

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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024**  
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**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	<u>Annual Depreciation Rate</u>
Tools and equipment	10% - 20%
Furniture	10% - 20%
Machines	15% - 25%
Building and constructions	2% - 4%
Vehicles and fork lift	10% - 15%
Electrical power station	4%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

Impairment test is performed to the value of the property and equipment that appears in the interim Statement of Financial Position. When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets. at the exclusion of any subsequent property and equipment, recognize the value of gains or losses resulting, which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the interim Statement of Financial Position, Gross Profit and loss.

**Sector Report**

The sector is a group of elements in the company that are unique to the risks and rewards that distinguish them from others and participate in the products or services, which is known as the operating sector or participate in the provision of services within a specific economic environment.

**Offsetting**

Financial assets and financial liabilities are offset, and the net amount is reflected in the interim statement of financial position only when there are legal rights to offset the recognized amounts, the Bank intends to settle them on an offset basis, or assets are realized and liabilities settled simultaneously.

**Income tax**

The company is subject to Income Tax Law and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the temporary differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the interim financial statements since it's immaterial.



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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
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**Foreign currency translation**

Foreign currency transactions are translated into Jordanian dinar at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the date. Gains and losses from settlement and translation of foreign currency transactions are included in the interim statement of comprehensive income.

**Inventory**

The cost of the goods is determined by the weighted average method, which includes the cost of materials, labor, direct industrial expenses and a certain proportion of indirect industrial expenses, while the raw materials and other materials are stated at cost and the cost is determined based on the weighted average cost.

**Provisions**

Provisions are made when the Company has any present obligation (legal or potential) arising from past events for which the cost of payment is probable and can be estimated reliably. Provisions are measured to the best of the expected liability to meet the obligation at the interim statement of financial position date, taking into account risks and uncertainties surrounding the obligation. When an allowance is measured using estimated cash flows to settle the present obligation, the receivable is recognized as an asset if the receipt and replacement of the amount is certain and the amount can be measured reliably.

**4. ACCUMULATED LOSSES**

The Company accumulated losses exceeded its capital accordance with article (75) from Company law number (22) for the year (1997) and its amendment. The Company should be liquidated unless the its General Assembly decided in its extraordinary meeting to increase its share capital or amortized its accumulated loss consistent with international accounting and auditing standards, on the condition that the remaining accumulated loss should not exceed half of company capital in both cases.

**5. FINANCIAL INSTRUMENTS**

**Share Capital Risks Management**

The Company manages its capital to make sure that the Company will continue when it is taking the highest return by the best limit for debts and owners' equity balances the Company overall strategy did not change from 2023.

**Debt rate**

The Board of Directors reviews the capital structure periodically. As part of this review, the Board of Directors considers the cost of capital and the risks associated with each category of capital and debt. The Company's capital structure includes debt through borrowing. The Company has not set a maximum debt rate. The Company does not expect an increase in the debt rate through new debt issues during 2024.

**Financial risks management**

Company activities could mainly be exposed to financial risks that arising from the following:

**Foreign currencies risks management**

The company is not exposed to significant risks related to foreign currency price changes, so there is no need for effective management for this exposure.

**INTERNATIONAL SILICA INDUSTRIES COMPANY**  
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**NOTES TO THE INTERIM FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2024**  
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**Interest rate risk management**

Interest rate risk arises mainly from variable rate (floating) interest rate borrowings and short-term fixed rate deposits.

The sensitivity of the interim statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year and is calculated based on financial liabilities bearing floating interest rates at the end of the year.

**Other price risks**

The Company is exposed to price risk arising from its investments in the equity of other companies. The Company maintains investments in the equity of other companies for strategic purposes and not for trading purposes and The Company does not actively trade in those investments.

**Credit risk management**

Credit risk is the risk that a party to a financial instrument will fail to discharge its contractual obligations resulting in financial losses to the Company. As there are no contracts with any counterparty, the Company has no exposure to credit risk of any kind. The company classifies entities with similar characteristics if they are related. Except for amounts relating to cash. The credit risk arising from cash is specific as the entities that are dealt with are local banks with good reputations that are monitored by regulatory authorities.

**Liquidity risk management**

Liquidity risk management is the responsibility of the Board of Directors to manage the Company's cash, short-, and medium- and long-term liquidity requirements. The Company manages liquidity risk by monitoring future cash flows that are permanently valued and corresponding to the maturity profile of monetary assets and liabilities.

**6. COMPARITIVE YEAR FIGURES**

Certain figures for 2023 have been reclassified to conform to the presentation for the nine months ended September 30, 2024.

**7. APPROVAL OF INTERIM FINANCIAL STATEMENTS**

The interim financial statements were approved by the Board of Directors and authorized for issuance on October 27, 2024.