

Silica

INTERNATIONAL
SILICA INDUSTRIES

الشركة الدولية لصناعات السيليكا م . ع . م
INTERNATIONAL SILICA INDUSTRIES CO.

للسيد

* السيد /

* السيد /

السيد
السيد

الرقم: silica/2017/ 165

التاريخ: 2017 /08/02

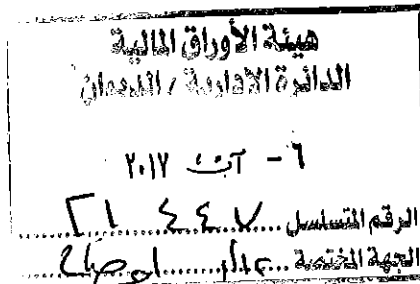
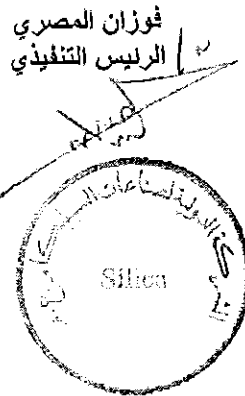
السادة / هيئة الأوراق المالية المحترمين

عمان - المملكة الاردنية الهاشمية

تحية طيبة وبعد،،،

لاحقاً لكتابتنا رقم silica/2017/163 تاريخ 2017/7/31 واستناداً لاحكام المادة 43-2 من قانون الاوراق
المالية رقم (67) لسنة 2002 نرسل لكم المركز المالي السنوي المدققة كما في 30 حزيران 2017
واستناداً لاحكام المادة (6) من تعليمات الافصاح والمعايير المحاسبية ومعايير التدقيق لسنة 2004 نرفق
لكم المركز المالي للشركة لربع الثاني من عام 2017 باللغة الانجليزية ، حيث اننا نعتذر لعدم ارسال
النسخة باللغة الانجليزية قبل هذا التاريخ وذلك لعدم معرفتنا بالانتميم الصادر حيث اننا قد قمنا بتسليم الربع
الاول باللغة العربية فقط .

وتفضلوا بقبول فائق الاحترام،،،



للمراجع

* مراجعة عمان

* السيد عمر
السيد عبد الله

1/7

To: Jordan Securities Commission

Amman Stock Exchange

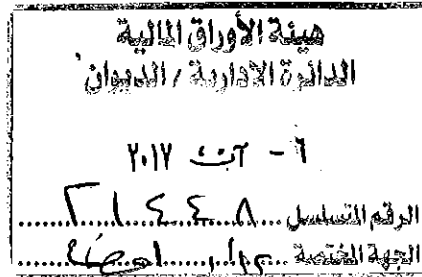
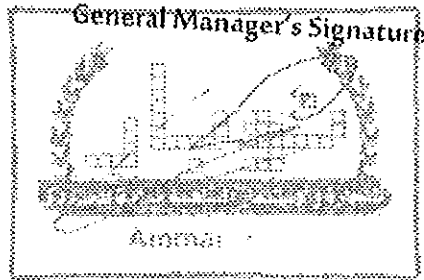
Date: 6/8/2017

Subject: Semi-Annual Report as of 30/06/2017

Attached the company's Semi-Annual Report of (Nopar for Trading and Investment Company Ltd.) As of 30/06/2017.

Kindly accept our highly appreciation and respect

Company's Name Nopar for Trading and Investment Company Ltd.



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

**CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

30 JUNE 2017

INTERNATIONAL SILICA INDUSTRIES (PUBLIC SHAREHOLDING COMPANY)

**CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)**

30 JUNE 2017

	<u>Page</u>
REVIEW REPORT ON THE CONDENSED INTERIM FINANCIAL STATEMENTS	1 - 2
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION	3
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	4
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	5
CONDENSED INTERIM STATEMENT OF CASH FLOWS	6
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS	7 - 11



**THE REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS REPORT
TO THE SHAREHOLDERS OF INTERNATIONAL SILICA INDUSTRIES
(PUBLIC SHAREHOLDING COMPANY)**

Introduction

We have reviewed the accompanying interim statement of financial position of International Silica Industries (Public Shareholding Company) as of 30 June 2017 and the related statements of comprehensive income for the three and six months period ended 30 June 2017, changes in equity and cash flows for the six months period then ended. Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with International Accounting Standard (34). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with 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 assurances 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 is not properly prepared, in all material respects, in accordance with IAS (34).

Material Uncertainty Related to Going Concern

Without qualifying our opinion, we draw attention to note (2) to the condensed interim financial statements which refers to the financial distress experienced by the Company during the period ended 30 June 2017. The Company's ability to continue as a going concern is dependent on the ability of management to find new customers and markets and secure sufficient funding to provide the necessary liquidity support to the Company to operate and pay its liabilities when they fall due. The Company has a plan to structure its share capital and reduce the current operating expenses. Furthermore, management is currently seeking to increase the credit ceilings of its available bank facilities to provide the necessary liquidity support to enable the Company to continue as a going concern. Moreover, certain major shareholders have provided financial support of JD 145,060 to the Company. The Company's management is exploring alternatives and other markets to continue in operation and improve the operations of the Company.



Other matters

Without qualifying our conclusion, and as mentioned in note (2) to the condensed interim financial statements, The Company's current liabilities exceeded its current assets by JD 462,347, and furthermore, the Company's accumulated losses exceeded more than half of its paid-in capital as at 30 June 2017. According to the Companies Law No. (22) for 1997 and its subsequent amendments, the company should be liquidated unless the General Assembly resolves in an extra-ordinary meeting to either increase its capital or to write-off the losses as per the international accounting standards, provided that the total losses do not exceed half of the capital in either case. Such a meeting was not held up to the date of approving these condensed interim financial statements. However, the Company has provided us with a business plan to ensure the continuity of the Company. Accordingly, Management has prepared these condensed interim financial statements on a going concern basis.

For and on behalf of PricewaterhouseCoopers "Jordan" L.L.C.

Osama Marouf
License No. (7119)

Amman, Jordan
31 July 2017



INTERNATIONAL SILICA INDUSTRIES (PUBLIC SHAREHOLDING COMPANY)
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
As At 30 JUNE 2017

	Note	30 June 2017 JD (Unaudited)	31 December 2016 JD (Audited)
ASSETS			
Non-current Assets			
Property, plant and equipment	5	1,273,900	1,291,672
Projects in progress		1,112	1,112
		<u>1,275,012</u>	<u>1,292,784</u>
Current Assets			
Inventories		344,726	341,832
Trade and other receivables	6	261,308	138,414
Financial assets at fair value through profit and loss		116	116
Cash on hand and at bank		1,923	1
		<u>608,073</u>	<u>480,363</u>
TOTAL ASSETS		<u>1,883,085</u>	<u>1,773,147</u>
SHAREHOLDER'S EQUITY AND LIABILITIES			
SHAREHOLDER'S EQUITY			
Paid-in capital	7	2,366,815	2,366,815
Statutory reserve	8	109,149	109,149
Accumulated losses		(1,663,299)	(1,536,311)
NET SHAREHOLDERS' EQUITY		<u>812,665</u>	<u>939,653</u>
Non-current Liabilities			
Bank loan		<u>34,544</u>	<u>77,467</u>
CURRENT LIABILITIES			
Loan and bank overdraft		517,226	407,351
Due to related parties	13	284,958	137,495
Trade and other payables	9	233,692	211,181
TOTAL LIABILITIES		<u>1,070,420</u>	<u>833,494</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u>1,883,085</u>	<u>1,773,147</u>

The accompanying notes from 1 to 13 form an integral part of these condensed interim financial statements

INTERNATIONAL SILICA INDUSTRIES (PUBLIC SHAREHOLDING COMPANY)
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	Note	For the Six Months Ended June 30		For the Three Months Ended 30 June	
		2017	2016	2017	2016
		JD (Unaudited)	JD (Unaudited)	JD (Unaudited)	JD (Unaudited)
Sales	10	382,517	260,460	191,196	125,058
Cost of sales		(248,448)	(336,848)	(104,093)	(152,272)
Gross Profit (Loss)		134,069	(76,388)	87,103	(27,214)
Administrative expenses		(224,228)	(82,968)	(137,479)	(41,755)
Sale and distribution expenses		(17,721)	(5,154)	(14,613)	(1,009)
Other income		54	-	54	-
Operating Loss		(107,826)	(164,510)	(64,935)	(69,978)
Finance expenses		(19,162)	(18,140)	(9,887)	(8,859)
Loss for the period		(126,988)	(182,650)	(74,822)	(78,837)
Other comprehensive income items		-	-	-	-
Total comprehensive loss for the period		(126,988)	(182,650)	(74,822)	(78,837)
Basic and diluted earnings per share	11	(0,054)	(0,077)	(0,031)	(0,033)

The accompanying notes from 1 to 13 form an integral part of these condensed interim financial statements

INTERNATIONAL SILICA INDUSTRIES (PUBLIC SHAREHOLDING COMPANY)
CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	<u>Paid-in capital JD</u>	<u>Statutory Reserve JD</u>	<u>Accumulated losses JD</u>	<u>Total JD</u>
2017				
(Unaudited)				
Balance as at				
1 January 2017	2,366,815	109,149	(1,536,311)	939,653
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(126,988)</u>	<u>(126,988)</u>
Balance at				
30 June 2017	<u>2,366,815</u>	<u>109,149</u>	<u>(1,663,299)</u>	<u>812,665</u>
2016				
(Unaudited)				
Balance as at				
1 January 2016	2,366,815	109,149	(1,051,971)	1,423,993
Total comprehensive loss for the period	<u>-</u>	<u>-</u>	<u>(182,650)</u>	<u>(182,650)</u>
Balance at				
30 June 2016	<u>2,366,815</u>	<u>109,149</u>	<u>(1,234,621)</u>	<u>1,241,343</u>

The accompanying notes from 1 to 13 form an integral part of these condensed interim financial statements

INTERNATIONAL SILICA INDUSTRIES (PUBLIC SHAREHOLDING COMPANY, LTD.)
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2017

	30 June 2017	30 June 2016
	JD	JD
	(Unaudited)	(Unaudited)
Operating Activities		
Loss for the period	(126,988)	(182,650)
Adjustments for:		
Depreciation	23,707	22,724
Bank charges	19,162	18,140
Changes in working capital:		
Inventories	(2,894)	173,722
Trade and other receivables	(122,894)	30,774
Trade and other payables	22,511	2,186
Net cash flows (used in) from operating activities	<u>(187,396)</u>	<u>64,896</u>
Investing activities		
Purchase of fixed assets	(5,935)	(9,636)
Projects in progress	-	(3,950)
Net cash flows used in investing activities	<u>(5,935)</u>	<u>(13,586)</u>
Financing activities		
Loan and bank overdraft	66,952	(32,170)
Due to related parties	147,463	-
Financing expenses	(19,162)	(18,140)
Net cash flows from (used in) financing activities	<u>195,253</u>	<u>(50,310)</u>
Net increase in cash on hand and at banks	1,922	1,000
Cash on hand and at banks at beginning of the period	1	-
Cash on hand and in banks at end of the period	<u>1,923</u>	<u>1,000</u>

The accompanying notes from 1 to 13 form an integral part of these condensed interim financial statements

INTERNATIONAL SILICA INDUSTRIES (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
30 JUNE 2017

(1) GENERAL INFORMATION

International Silica Industries (public shareholding company) was established on 8 April 1997 with a share capital of JD 1,500,000 divided into 1,500,000 shares with a par value of JD 1 per share. The company was registered in the public companies register at the Ministry of Industry and Commerce under no. (329). During the previous years, the share capital was increased to reach JD 2,366,815 divided into 2,366,815 shares with a par value of JD 1 per share as of 30 June 2017 and 31 December 2016.

The Company's main objectives are to manufacture Silica substance and its derivatives through utilization of the mineral raw materials used in sand glass raw materials industry. The Company has also started manufacturing talc substance.

International Silica Industries is a public shareholding company, and its shares are listed on Amman Stock Exchange.

The registered address of the Company is P.O, Box 840338, Amman 11181, the Hashemite Kingdom of Jordan.

The financial statements of the Company were authorized for issue by the board of directors on 31 July 2017.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied by the Company in the preparation of these condensed interim financial statements are set out below:

2.1 Basis of preparation

The condensed interim financial statements have been prepared in accordance with International Auditing Standards No. 34 ("Interim Financial Statements") and the applicable local laws.

The Jordanian Dinar is the Company's functional and presentation currency of the condensed interim financial statements.

The condensed interim financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit and loss that have been measured at fair value.

These condensed interim financial statements do not include all information and notes required in the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards, and should be read in conjunction with the Company financial statements as at 31 December 2016. The results for the six months period ended 30 June 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

- Going concern

The Company suffers a shortage of cash liquidity due to the political crises in the region, which played a role in increasing the production costs and freight fees. This led to a drop in sales to the neighbouring markets. The Company's management has prepared these condensed interim financial statements on a going concern basis, since the executive management and board of directors have future plans to provide the Company the necessary cash liquidity to continue as a going concern. These plans include borrowing from local banks and searching for alternatives, new products and markets so that Company can continue as a going concern entity.

2.2 Changes in accounting policies and disclosures

The accounting policies used in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the last audited financial statements for of the Company for the year ended 31 December 2016, except for the adoption of new standards and amendments to the existing standards as mentioned below.

(A) New and amended standards and interpretations issued and adopted by the Company for the financial year beginning on 1 January 2017, which do not have a significant impact on the financial statements:

- Amendments to IAS 12 "Income Taxes", effective from 1 January 2017. These amendments clarify the measurement and accounting of the deferred tax assets.
- Amendments to IAS 7, 'Statement of cash flows' effective from 1 January 2017. These amendments require additional disclosures about changes in the liabilities resulted from the financing activities.

(B) New and amended standards and interpretations issued but not effective for the financial year beginning on 1 January 2017 and have not been early adopted by the Company:

- IFRS (9), (Financial instruments), effective as at 1 January 2018, which addresses the classification, measurement and recognition of financial assets and financial liabilities and introduces new rules for hedge accounting.
- IFRS 15, "Revenue from Contracts with Customers", effective from 1 January 2018. This standard will replace IAS 18 which covers goods and services contracts and IAS 11 which covers construction contracts. Based on the new standard, revenues are recognised upon the transfer of control of the goods or services to the customer - thus the idea of control replaces the idea of risks and returns.
- IFRS 16, 'Leases' which will replace IAS 17 'Leases', effective as at 1 January 2019. This standard will replace IAS 17 'Leases', The new standard requires the lessee to book future lease commitments for all lease contracts including "rights to use assets",

There are no other IFRSs or IFRIC interpretations that are ineffective and have a significant impact on the Company's financial statement,

(3) FINANCIAL RISK MANAGEMENT

3-1 Liquidity risk

Liquidity risk management implies maintaining sufficient cash for the payments of the company's liabilities to third parties. As explained in note (2-1) about the going concern basis, the Company suffers a shortage of cash liquidity due to the political crises in the region, which played a role in increasing the production costs and freight fees. This led to a drop in sales to the neighbouring markets. The management of the Company has increased its borrowings to provide the necessary liquidity needed by the Company to run its operations. Management is currently exploring alternatives and other markets to continue in operation and improve the operations of the Company.

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The critical estimates used by management in preparing these condensed interim financial statements and adopted in the accounting policies are consistent with those adopted in preparation of the financial statements for the year ended 31 December 2016.

(5) PROPERTY, PLANTS AND EQUIPMENT

The carrying value of the property and equipment as at 30 June 2017 amounted to JD 2,231,027 (2016: JD 2,225,087), and the accumulated depreciation for the current period amounted to JD 957,127 (2016: JD 933,420).

(6) TRADE AND OTHER RECEIVABLES

	30 June 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Trade receivables	121,919	83,687
Cheques under collection	24,892	10,831
Term Deposit (*)	82,000	-
Refundable deposits	12,585	12,585
Employee's receivables	7,691	7,132
Prepaid expenses	6,526	20,141
Sales tax deposits	468	3,938
Other	5,227	100
	<u>261,308</u>	<u>138,414</u>

(*) This item represents a restricted term-deposit placed at a local bank against additional bank facilities provided to the Company. This deposit was funded by some of the major shareholders in the Company (Note 13).

INTERNATIONAL SILICA INDUSTRIES (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
30 JUNE 2017

(7) PAID-IN CAPITAL

The authorised share capital of the Company is JD 2,366,815 divided into 2,366,815 shares fully paid with a par value of JD 1 per share.

(8) STATUTORY RESERVE

According to the Jordanian Companies Law and the Company's by-laws, the Company should transfer 10% of its annual net profit to the statutory reserve, and continue do so for each year provided that the total transferred amounts to the reserve do not exceed 25% of the Company's share capital. For the purposes of this law, net profits represent profits before income tax provision. This reserve is not distributable to shareholders. No statutory reserve is deducted during the period ended 30 June 2017, as the deduction is normally made at year end.

(9) TRADE AND OTHER PAYABLES

	30 June 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Trade payables	84,479	133,376
Post-dated cheques	49,623	-
Accrued expenses	47,289	8,050
Accrued expenses – transportation for the Board of Directors	36,121	32,371
Social Security deposits	4,367	26,052
Jordanian universities charges	4,315	4,315
Sales and income tax deposits	3,883	873
Other deposits	3,615	6,144
	<u>233,692</u>	<u>211,181</u>

(10) SALES

	30 June 2017	30 June 2016
	JD	JD
	(Unaudited)	(Unaudited)
Foreign sales	343,993	179,411
Local sales	38,524	81,049
	<u>382,517</u>	<u>260,460</u>

(11) BASIC AND DILUTED EARNINGS PER SHARE

	30 June 2017	30 June 2016
	JD	JD
	(Unaudited)	(Unaudited)
Loss for the period	(126,988)	(182,650)
Weighted average number of shares during the period	2,366,815	2,366,815
Basic earnings per share	<u>(0,054)</u>	<u>(0,077)</u>

INTERNATIONAL SILICA INDUSTRIES (PUBLIC SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)
30 JUNE 2017

(12) INCOME TAX

The Company obtained a final tax clearance from the Income and Sales Tax Department for the year ended of 2012. The company also submitted its income tax return for the years 2013 and 2015 but not yet reviewed by the Income and Sales Tax Department. Management believes that there will be no additional tax liabilities for the period ended 30 June 2017 due to the existence accumulated losses as shown in the statement financial position.

(13) DUE TO RELATED PARTIES

Parties are considered as related parties when they have control over the other party or influence over its financial and operational decisions.

Related parties comprise major shareholders, directors, senior executive management of the Company.

At the end of the period/year, balances resulting from transactions with related parties were as follows:

Due to related parties

	30 June 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Jordan International Insurance Co	75,974	73,571
Jordan International Insurance Co – Finance account (*)	27,000	-
Mr. Fuad Sa'ad Abu Jaber (*)	88,060	-
Jordan Carbonate Co. (*)	60,174	60,174
Mr. Ayman Hatahit (*)	3,750	3,750
Mr. Ayman Hatahit – Finance account*	30,000	-
	<u>284,958</u>	<u>137,495</u>

(*) These balances include the contribution of these shareholders in the form of deposit with a local bank as a guarantee to increase the bank facilities provided to the Company.

The following transactions were carried out with related parties:

	30 June 2017	30 June 2016
	JD	JD
	(Unaudited)	(Unaudited)
Transportation of directors	3,000	6,000
Deposits	<u>3,387</u>	<u>33,140</u>