JORDAN PHOSPHATE MINES CO. PLC
Amman - The Hashemite Kingdom of Jordan

شركة مناجم الفوسفات الأردنية المساهمة العامة المحدودة
عمان - المملكة الأردنية الهاشمية

Ref :
Date :

الرقم : د م/٨/٨٤/٥
التاريخ : ٢٠١٩/٤/١٧

للاطلاع
يوصح ٤/٦
البدعي
السيد

السادة هيئة الأوراق المالية

تحية واحتراماً،،،

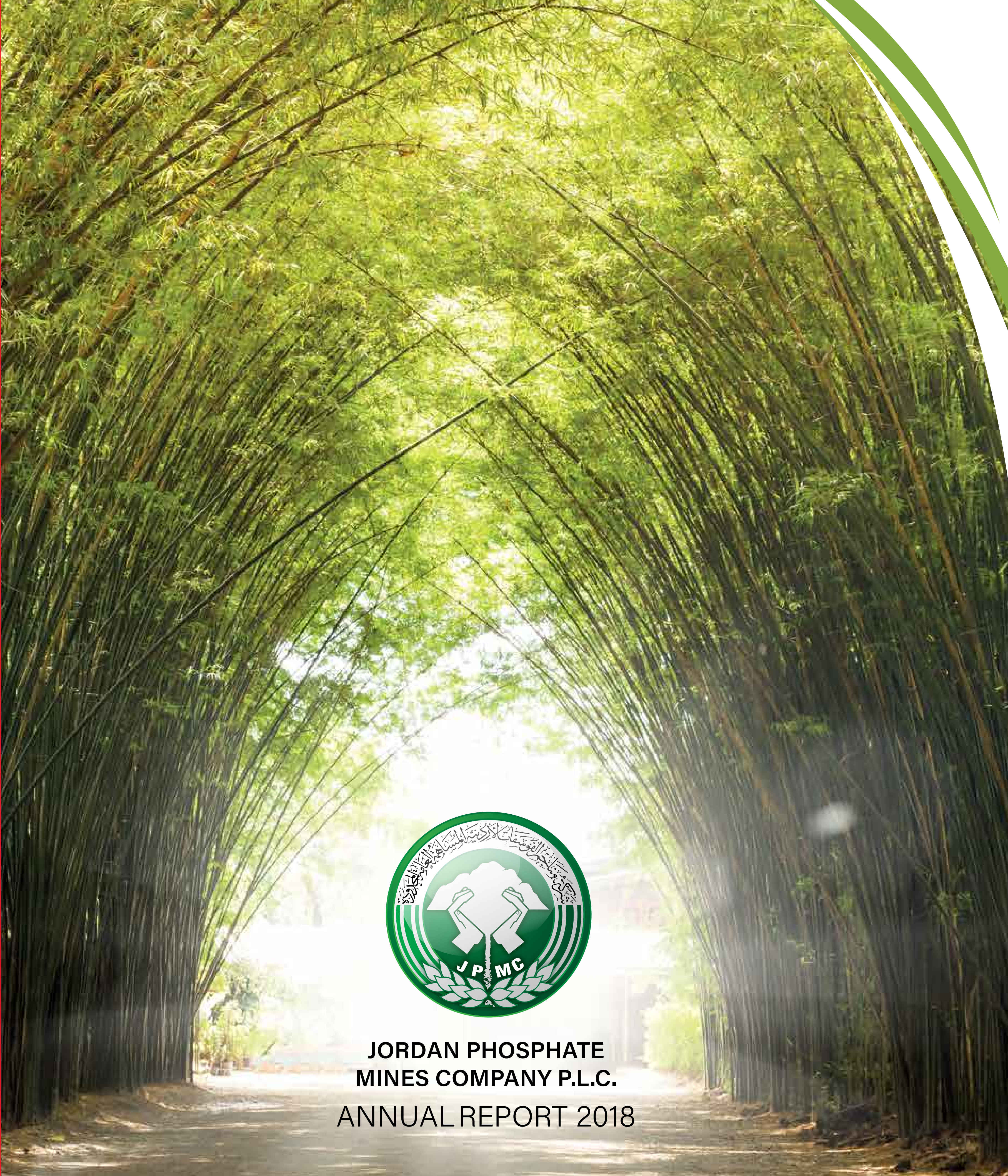
ارفق طياً نسخة من التقرير السنوي لشركة مناجم الفوسفات الاردنية عن نشاطات الشركة، والقوائم المالية الموحدة لعام 2018 المصدقة من مدقق الحسابات الخارجي . ومرفق طياً نسخة ممغنطة (CD) من التقرير السنوي للعام 2018 .

واقبلوا فائق الاحترام

الدكتور شفيق الأشقر

الرئيس التنفيذي

هيئــة الأوراق الماليــة
الدائــرة الإداريــة / الديــوان
١٨ نيسان ٢٠١٩
الرقم المتسلسل ٣٤٣٩٠
الجهة المختصة



JORDAN PHOSPHATE MINES COMPANY P.L.C.

ANNUAL REPORT 2018

His Majesty King Abdullah II Ibn Al-Hussein

His Royal Highness Crown Prince Al Hussein Bin Abdullah II

JORDAN PHOSPHATE MINES CO. PLC.

Head Office: 7 Al-Sharif Al-Radhi St. - Shmeisani - Amman
P.O.Box (30) Amman 11118
Hashemite Kingdom of Jordan

The Sixty Fifth Annual Report of the Board of Directors and
The Consolidated Financial Statements for the Year 2018

www.jpmc.com.jo

Our Vision & Mission

Our Vision:

Working continuously and ambitiously to maintain JPMC's name and worldwide reputation, and to deliver our customers and shareholders with the best of service.

Our Mission:

We aim to be come a market leader in phosphate mining, and in mining and marketing of cost effective fertilizer products; while preserving the environment and the safety of our workers, so as to benefit our shareholders, employees, local communities, and the national economy.

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Board of Directors

Representatives of the private sector:

H.E. Dr. Mohammad Thneibat	Chairman of the BOD
Dr. Eng. Abdelfattah AbuHassan	Member

Representative of Social Security Corporation\ Deputy Chairman of the Board of Directors:

Dr. Adel Al-Sharkas	Deputy Chairman of the BOD

Representatives of INDIAN POTASH LIMITED as of 30th May 2018:

Dr. U.S. Awasthi	Member
Dr. P.S. Gahlaut	Member

Representative of Kisan International Trading FZE as of 30th May 2018:

Mr. Manish Gupta	Member

Representatives of Shareholdings Management Company – The Government of Jordan:

H.E. Mohammad Kreishan	Member as of 15th January 2018
Mr. Salem Al Qudah	Member as of 8th May 2018
Mr. Husam Abu Ali	Member until 8th May 2018
Dr. Mohammad Al-Hazaimeh	Member until 15th January 2018

Representative of Kuwait Investment Authority\ The State of Kuwait:

Eng. Mohammad Al-Munaifi	Member

Representatives of Kamil Holdings Limited until 28th May 2018:

H.E. Eng. Muzahim Muhaisin	Member
Mr. Junaidi Masri	Member
Mr. Mohammed Al-Hmoud	Member

Chief Executive Officer:

Dr. Shafik Ashkar

Auditors:

Messrs. ERNST & YOUNG

The Chairman's letter to Shareholders

In the Name of Allah, Most Gracious, Most Merciful

Dear Distinguished Shareholders,

It is to the pleasure of the Chairman and members of the Board of Directors to welcome you to the Ordinary General Assembly meeting of the Jordan Phosphate Mines Company and to submit to you the sixty fifth annual report on the business and activities of the Company as well as its consolidated financial statements as at 31 December 2018.

The year 2018 marks a new beginning for the Company as it managed to rid from the large amount of losses along the past two years and which had almost raised concerns with regard to the Company existence and its capacity to continue as an ongoing concern.

This beginning has been the result of commitment by both the Board of Directors and the Executive Management to further the procedures to control expenditure at the Company and establish such procedures well to ensure their permanence in line with a practical and SMART plan has been complied with. These procedures have yielded a reduction of production costs of JD 43 million in 2018; thus, reducing the production cost per tonne of sold phosphate to USD 66 in 2018 against USD 78 in 2016. In addition, the amount of sales of DAP and phosphoric acid increased to JD 204.9 million in 2018 against JD 141.5 million in 2017.

The overhead expenses of production have also been reduced at the Industrial Complex in Aqaba for the phosphoric acid at USD 55/tonne and for the Diammonium Phosphate Fertilizer (DAP) at USD 37.7/tonne. Moreover, the DAP production quantities increased to 632 thousand tonnes in 2018 compared to 379 thousand tonnes in 2017; and the sales of the Company of rock phosphate (Rpck Phosphate) reached 8.063 million tonnes in 2018.

Dear Distinguished Shareholders,

The Executive Management has carried further the procedures to reduce the marketing costs at 6.7% when the commissions of the sales agents were reduced at 41% compared with the rates of 2017. Entirely, these procedures have helped the total profits of the Company to grow at 202% with a total of JD 94.2 million; in the meantime, net profits reached JD 47.5 million.

In the domain of mining, the Company targeted its future plans towards reducing the phosphate production cost per tonne to less than fifty Dollars in order to stand the increasing and severe competition worldwide especially that new investors have come into this industry in several countries of the region with a cost of less than USD 50 per tonne. Accordingly, the directive has been to make use of the large quantities previously mined. An investment opportunity has been announced in Eshidiya to process the piles of mined phosphate remainders estimated at 60 million tonnes. About 30-40% of these piles can be extracted in the form of phosphate that can be sold at a quantity of 20 million tonnes as estimated by the Company experts. The Company strives to obtain the licenses necessary for power generation via solar systems or windmills and to replace the fuel oil with natural gas to operate the Company plants. In addition, there is the water desalination project in Aqaba. Once completed, these projects will largely contribute to the reduction of expenses to about USD 50/tonne so that the Company can compete on the international markets. At present, negotiations are held with an investor to establish a new plant of Phosphoric Acid at Eshidiya and for a cost of about USD 300 million and a production capacity of about 200 thousand tonnes/annum. The negotiations will be completed before the end of this year. A memorandum of understanding has been signed with Mitsubishi Corporation to establish the Yellow Phosphorous Plant at Al-Abiad area. Expected to commence operation in 2022, the production capacity of this plant will be about twenty thousand tonnes. A memorandum of understanding was also signed with an Indian company to establish the Alufluoride plant at Eshidiya with a production capacity starting at twenty thousand tonnes up to 40 thousand tonnes. An agreement was signed, as well, with an Australian company to provide it with the low grade Rock Phosphate (remainders of screening operations) for a quantity of one million tonnes/annum and for 30 years.

As the financial management reveals, net sales reached JD 674.4 million in 2018 compared to JD 586.6 million in 2017; i.e. an increase of JD 87.8 million or 15%. The amount of the Company's assets reached JD 1122 million compared to JD 1077 million in 2017. Total equity rights raised to JD 682.7 million in 2018 compared to JD 678.2 in 2017. The Company was able to honor its obligations and could pay back JD 86 million in 2018 and 2017 out of the amount of its obligations towards the lenders and its capital projects. In the same time, the Company could maintain the financial ratios within the safe limits.

In conclusion, it is our duty to extend our thanks and appreciation to the Distinguished Shareholders of the Company for monitoring the Company performance and their belief in its ability to continue its business and productivity despite the circumstances and challenges it has experienced. I also extend my thanks to the members of the Board of Directors and the Executive Management for the efforts they have made and are still making to reconcile the status of the Company. Greetings and appreciation are also extended to those working for the Company no matter where for their continuous work aimed at maintaining a good level of achievement by the Company. Greetings and appreciation are also extended to the General Jordanian Trade Union of Workers in Mining and Metal Industries for their recognition of the position of the Company and the risks surrounding it. They supported the reform efforts and effectively contributed to this process. We all thank them for their rational stands and effective contribution.

We beg the Almighty Allah to inspire us the sound opinion and help us to say the truth and do our work faithfully to serve our company, economy, and country under the leadership of His Majesty King Abdullah II Ibn AL-Hussein May Allah keep him safe.

May peace and blessings of Allah and be upon all of you.

Chairman of Board of Directors

Dr. Mohammad Thneibat

Board of Directors' Report

Distinguished Shareholders,

In accordance with the provisions of Article (171) of the Companies' Law No. (22) for the year 1997 and its amendments, and in application of Disclosure Instructions and Accounting and Auditing Standards for the year 2004 and its amendments, and in compliance with the provisions of Article (62) of the Articles of Association of JPMC, the Board of Directors of the Jordan Phosphate Mines Company PLC. hereby presents its sixty fifth annual report, summarizing of Company's operations and achievements during the fiscal year ending on 31st December, 2018, and future plans. The report also presents the results of JPMC operations, and its financial position as presented by the financial statements lists, which includes the consolidated Statement of Financial Position, the consolidated Statement of Income, The Consolidated Statement of Comprehensive Income, consolidated Statement of Changes in Equity and Consolidated Cash Flow Statement, all of which had been adopted by the Board on 20th March 2019.

Following is JPMC's main activities during the year 2018:

Production:

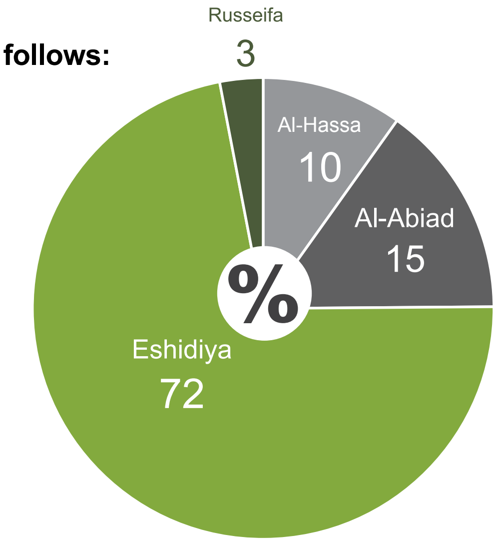
A. Phosphate:

Production of phosphate in 2018 reached (8,022,393) tonnes; compared to (8,687,581) tonnes in 2017; a decrease of (7.7%).

- The dry phosphate quantities which were produced in 2018 distributed as follows:

(tonnes)

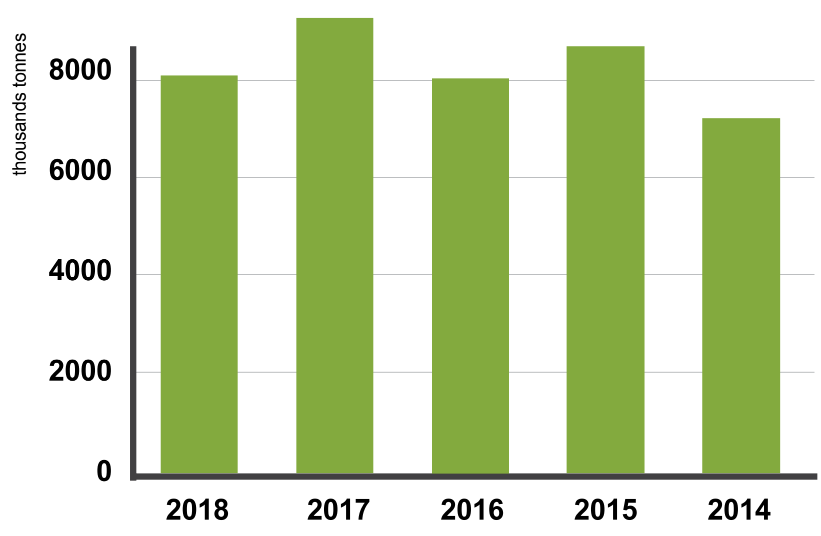
Mine	Production
Al-Hassa	798,740
Al-Abiad	1,204,140
Eshidiya	5,776,948
Russeifa	242,565
Total	8,022,393



- Dry Phosphate Production Quantities of per Company Mines for the period 2014 – 2018:

(thousands tonnes)

Mine	2018	2017	2016	2015	2014
Al-Hassa	799	733	621	992	904
Al-Abiad	1,204	1,602	1,501	2,135	1,182
Eshidiya	5,777	6,353	5,869	5,208	5,058
Russeifa	243	0	0	0	0
Total	8,023	8,688	7,991	8,335	7,144



B. Industrial Fertilizer Complex:

- Production of the Chemical Fertilizers at Industrial Complex in Aqaba in 2018 as follows:

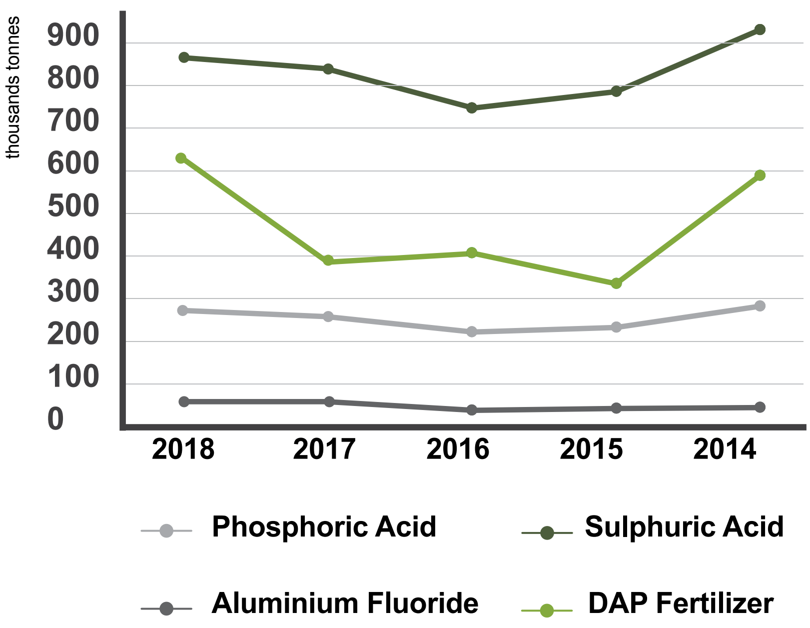
(tonnes)

Product	Production
DAP Fertilizer	632,400
Phosphoric Acid	281,000
Sulphuric Acid	856,000
Aluminium Fluoride	6,180

- Production of the Industrial fertilizer Complex during 2014 - 2018:

(thousands tonnes)

Product	2018	2017	2016	2015	2014
DAP Fertilizer	632	379	396	344	590
Phosphoric Acid	281	264	228	238	292
Sulphuric Acid	856	839	738	780	932
Aluminium Fluoride	6	6	4	8	9



Exploration:

Despite the fact that JPMC has not been granted new drilling licenses since 2011, exploration of the raw materials has been ongoing, with quantities being added to the geological reserve at Al-Hassa and Al-Abiad mines, despite their limitations.

As for the Eshidiya Mine, the exploration work focused on accurate quantity and quality control prior to starting mining operations.

By the end of 2018, the geological reserve (fixed, possible and probable) was as follows: (million m^3)

Mine	Proven	Probable	Possible	Mined Reserve	Total
Al-Abiad	2.167	-	-	-	2.167
Al-Hassa	8.569	-	-	-	8.569
Eshidiya	295.041	68.000	162.000	43.020	568.061
Total	305.777	68.000	162.000	43.020	578.797

Transport:

Quantities of Rock Phosphate transported from JPMC's mines by trucks and railroad reached (8,019,168) tonnes distributed as follows: (tonnes)

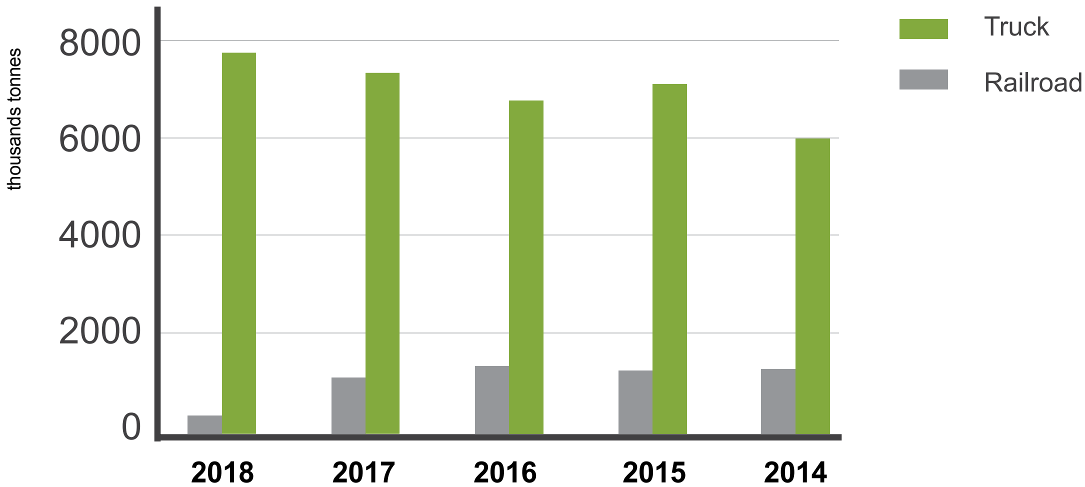
Mine	Export	JFIC	IJCC	JIFCO	Other companies	New Port	Total	Participation (%)
Eshidiya	2,180,203	750,602	989,383	1,801,606	2,999	-	5,724,793	71
Al-Hassa	666,688	153,493	-	-	-	-	820,181	10
Al-Abiad	1,005,909	197,813	-	-	-	-	1,203,722	15
Russeifa	220,384	-	-	-	-	-	220,384	3
Old Port	-	-	-	-	-	50,088	50,088	1
Total	4,073,184	1,101,908	989,383	1,801,606	2,999	50,088	8,019,168	100

A total of (275,200) tonnes (3.4%) were transported by Aqaba railroad, and (7,743,986) tonnes 96.6% transported by trucks (as appose to 8,525,211 tonnes in 2017).

Phosphate Quantities Transported from Mines during 2014-2018:

(thousands tonnes)

Method	2018	2017	2016	2015	2014
Railroad	275	1,257	1,328	1,248	1,287
Trucks	7,744	7,268	6,569	6,906	5,828
Total	8,019	8,525	7,897	8,154	7,115



Marketing:

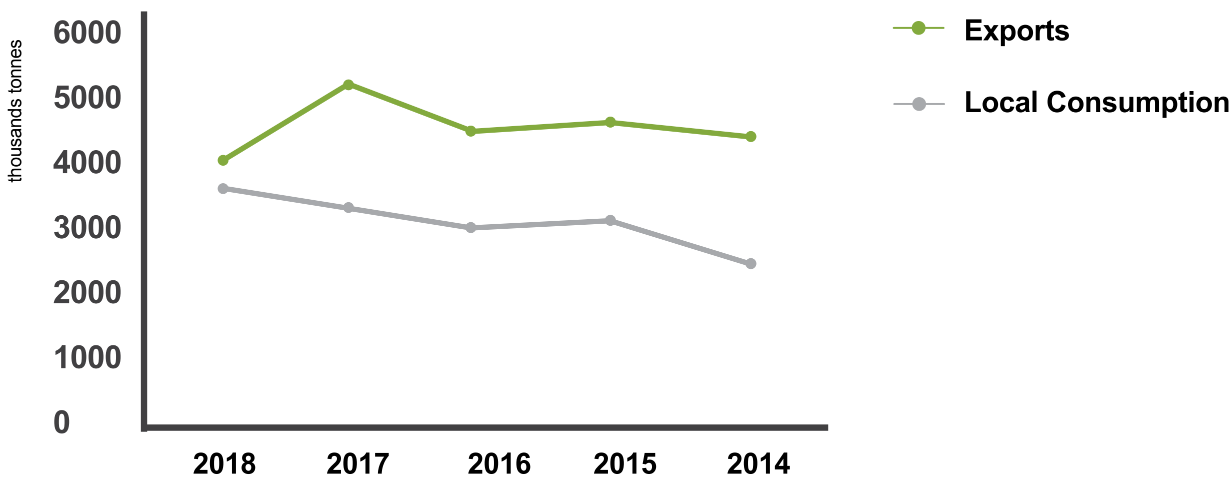
During the year 2018, the Jordanian Phosphate Mines Company was able to expand its marketing reach of phosphate and fertilizer (DAP) products to more than (40) companies located in more than (18) countries. 4.2 million tonnes of phosphate were exported, 3.9 million tonnes of phosphate were supplied to allied and subsidiary companies, and to the Aqaba Industrial Complex. The Company succeeded in achieving 92% of the 2018 marketing plan quantities. During the year, the Company was confronted with the closure of one of the factories of a major customer in India; due to environmental reasons; which resulted in the non-compliance with the 2018 marketing plan. In order to diversify risk, the Company diversified its markets and did not limit itself to specific markets. The Indian market, however, remains the main importer of the Company's phosphate products. The phosphate quantities sold to the Indian market in 2018 amounted to 50% of total sales.

In terms of phosphate fertilizers, 583 thousand tonnes of DAP fertilizer were sold (compared to 400,000 tonnes in 2017), an increase of 45.8% over 2017. The company was able to comply with its production and marketing plans in 2018. It was also able to fulfill its obligations Sell phosphoric acid, and provide the needs of local and allied companies with phosphate and other raw materials.

1. Phosphate Sales during the period 2014 – 2018:

(thousands tonnes)

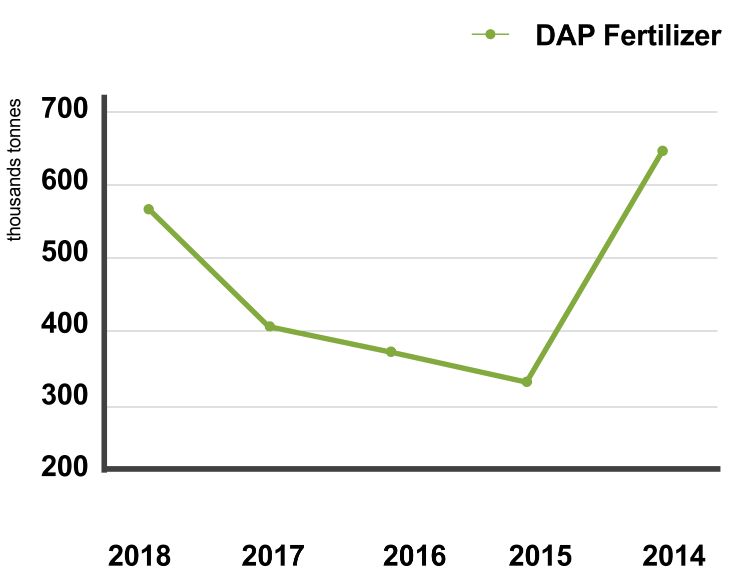
Year	2018	2017	2016	2015	2014
Exports	4,163	5,195	4,704	4,839	4,616
Local Consumption	3,900	3,588	3,231	3,345	2,685
Total	8,063	8,783	7,935	8,184	7,301

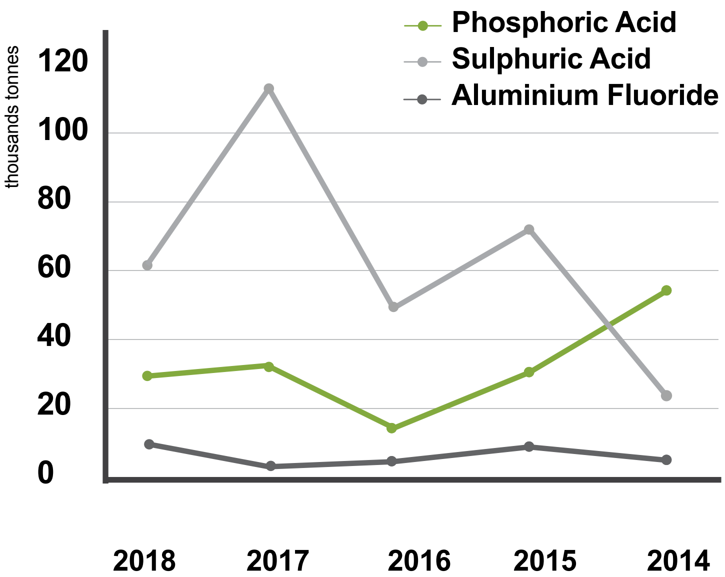


2 . Sales of the Industrial Fertilizer Complex, 2014-2018:

(thousands tonnes)

Product	2018	2017	2016	2015	2014
DAP Fertilizer	582	401	392	318	646
Phosphoric Acid	61	111	47	68	22
Sulphuric Acid	30	33	16	30	55
Aluminium Fluoride	8	3	5	8	6





Joint Ventures

A- Jordan-India Fertilizer Company LLC (JIFCO):

The Jordan Indian Fertilizers Company (JIFCO) was established in Jordan in 2008 to produce phosphoric acid in the Eshidiya area in partnership with the Indian Farmers Fertilizers Cooperative (IFFCO). The Jordan Phosphate Mines Company contributes to 48% of JIFCO's capital which amounts to USD (524.5) million, and 59% of the construction cost has been funded by the shareholders. As for the remaining 41%, it was funded through loans from the International Finance Corporation (IFC) and the European Investment Bank (EIB). JIFCO is expected to utilize about 1.8 million tonnes annually of Rock Phosphate.

B- Jordan Abyad Fertilizer and Chemicals Company Psc. (JAFCCO):

The Jordan Abyad Fertilizer and Chemicals Company (JAFCCO) was established in 2007 to produce fertilizers and chemicals at Al-Wadi Al-Abiad mine, in partnership with JAFCO Bahrain Co., Arab Mining Company, Venture Capital Bank. JPMC's contributes 27.4% of JAFCCO's capital which amounts to JD (51.1) million.

C- PT Petro Jordan Abadi Company (PJA):

The PT Petro Jordan Abadi Company was established in Indonesia in 2010 in partnership with the Indonesian Petrokimia Gresik Company to produce phosphoric acid using (800) thousand tonnes annually phosphate from the Jordan Phosphate Mines Company. JPMC contributes to 50% of PJA's capital which amounts to USD (62) million.

D- PT Kaltim Jordan Abadi Company (KJA):

The PT Kaltim Jordan Abadi Company was established in Indonesia in 2014 in partnership with the Indonesian PT Pupuk Kalimantan Timur Company (PKT) to produce phosphoric acid using phosphate from the Jordan Phosphate Mines Company. JPMC contributes to 40% of KJA's capital paid which amounts to USD (2.5) million.

E- Manajim Mining Development Company:

Manajim Mining Development Company was established in 2007 with Jordanian Trade Development Company, with a capital of JD (1) million. Jordan Phosphate Mines Company holds 46% of the share capital.

F- Arkan for Contracting and Construction Company:

Arkan for Contracting and Construction Company was established in 2011, with Al-Own Modern Contracting with a capital of JD (25) million. Jordan Phosphate Mines Company holds 46% of the share capital. Arkan Company is responsible for the mining activities for JPMC.

G- Jordan Industrial ports Company (JIPCO):

Jordan Industrial Ports Company was established in 2009 for the purpose of managing and operating of Aqaba industrial port with the equal capital share contribution totalling of JD (1) million of both companies Jordan Phosphate Mines and Arab Potash Co., it is increased according to the needs of the project which reached to JD (130) million on 31/12/2018. Project implementation started immediately upon signing the Management and operations agreement with the Aqaba Development Co. JIPCO signed the contract in February 2015, with the consortium (Tecnicas Reunidas, S.A. - PHB Weserhutt, S.A.), and the cost for the project is estimated at USD (200) million.

Subsidiary companies

A- Indo-Jordan Chemicals Company (IJCC)

The Indo-Jordan Chemicals Company (IJCC) was established in 1992 with a capital of USD 63.4 million. IJC annual production capacity is (224) thousand tonnes of phosphoric acid. Fully owned by the Jordan Phosphate Mines Company.

Phosphoric Acid (P_2O_5) Production during 2018 was (238,382) tonnes compared with (205,160) tonnes in 2017. Phosphoric Acid (P_2O_5) Sales in 2018 were (233,559) tonnes compared with (208,166) tonnes in 2017.

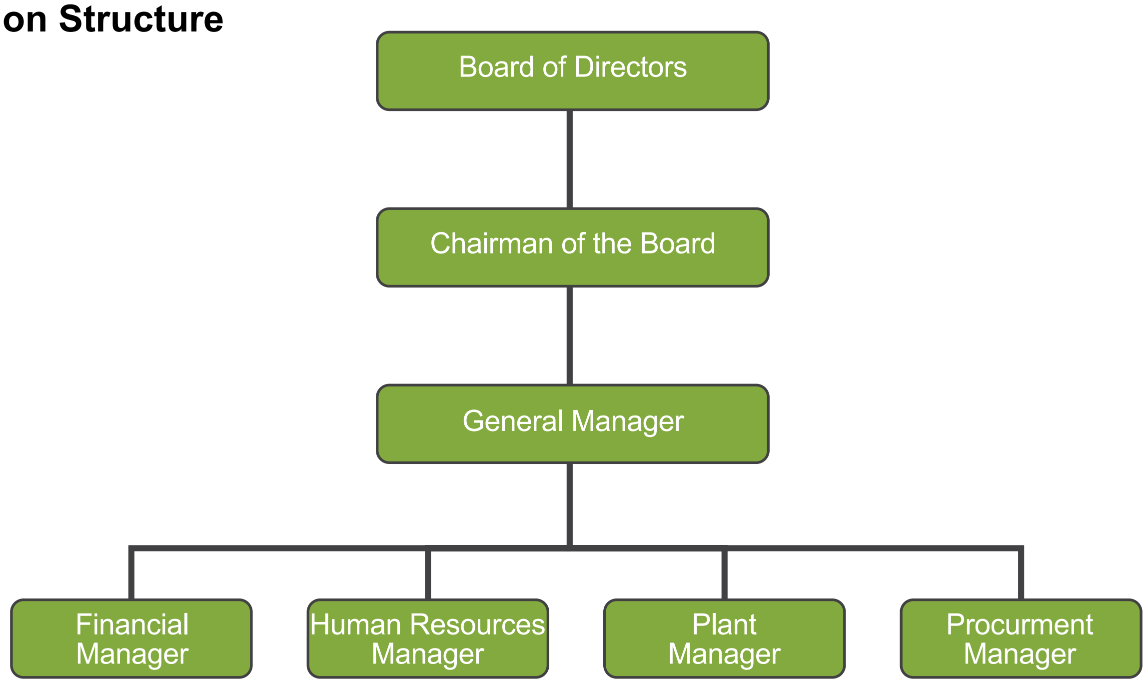
Workforce:

The total number of employees in The Indo-Jordan Chemicals Company (IJCC) was (331) by the end of 2018 distributed by qualification as following:

Employee Details IJCC	University Graduate	Institutes	High School &Below	Total
Engineer	40	-	-	40
Technical	21	54	18	93
Administration	15	8	19	42
Accountants	14	-	-	14
Labrores	30	53	50	133
Drivers	-	-	9	9
Total	120	115	96	331

Amman – AL-Rabia Ghazi Al Dabbas Center
B.O. Box: 17028 Amman 11195 Jordan

Organization Structure



B- Ro'ya Transportation Company (L.L.C.)

The Ro'ya Transportation Company was established in 2010 with a capital of JD 100 thousand, fully - owned by the Jordan Phosphate Mines Company.

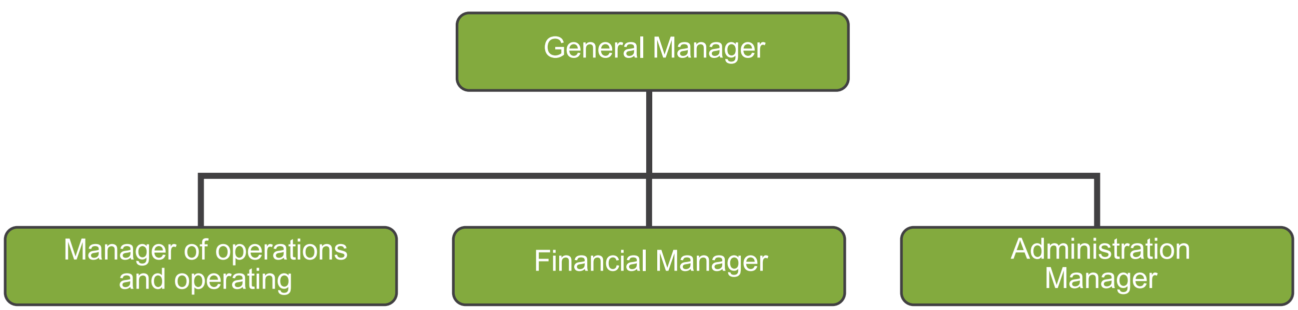
Workforce

The total number of employees in The Ro'ya Transportation Company reached (28) by the end of 2018 distributed by qualification as follows:

Employee Details	University Graduate	Institutes	High School &Below	Total
Administration	4	2	2	8
Laborers	-	4	4	8
Drivers	-	-	12	12
Total	4	6	18	28

Address: Amman Tel: 5686293 – Fax: 5686294

Organization Structure



C - Nippon Jordan Fertilizer Company (NJFC)

The Nippon - Jordan Fertilizer Company (NJFC) was established in 1992 with a capital of USD (24) million and produces compound fertilizers and ammonium phosphate fertilizer with an annual production capacity of 300 thousand tonnes. JPMC contribution is 70% of NJFC's capital.

Production Chemical Fertilizers (NPK&DAP) during 2018 was (249,625) tonnes compared with (316.621) tonnes in 2017. Chemical Fertilizers (NPK&DAP) Sales during 2018 was (229,845) tonnes compared with (316,127) tonnes in 2017.

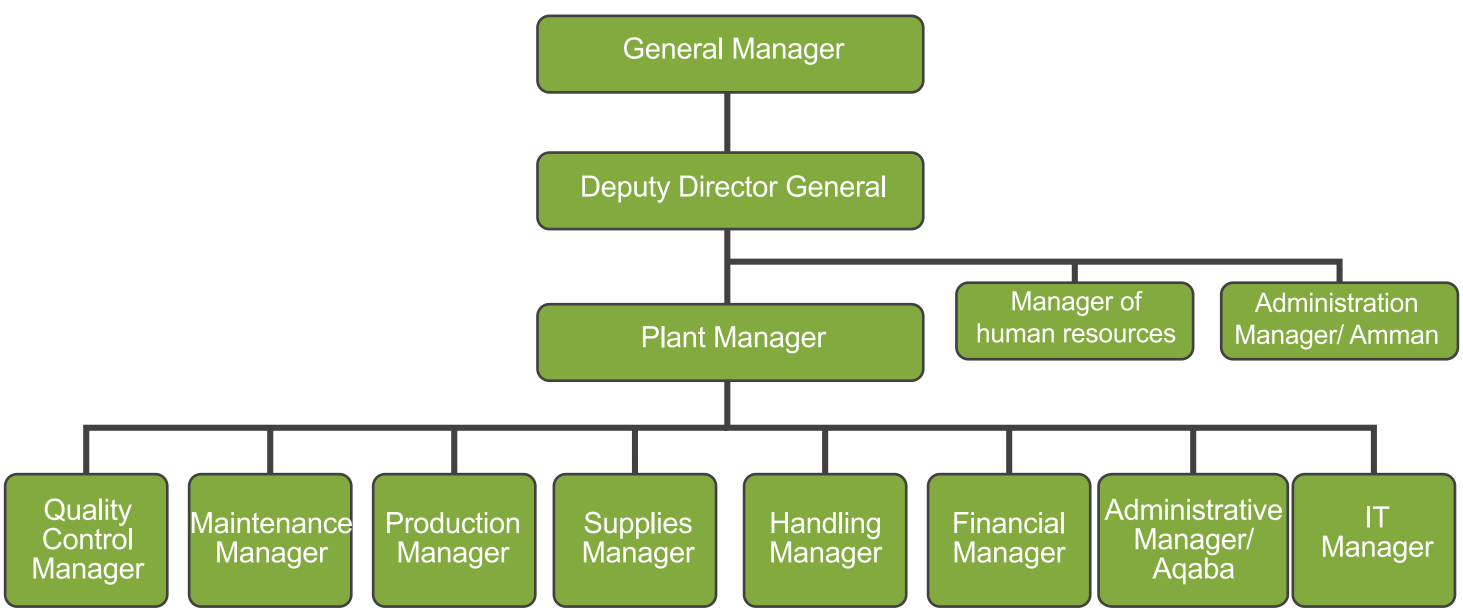
Workforce

The total number of employees in The Nippon-Jordan Fertilizer Company (NJFC) reached (117) by the end of 2018 distributed by qualification as follows:

Engineer	University Graduate	Institutes	High School & Below	Total
Engineer	17	-	-	17
Technical	15	19	24	58
Administration	10	2	5	17
Accountants	4	-	-	4
Laborers	-	-	15	15
Drivers	-	-	1	1
Bulldozer Drivers	-	-	5	5
Total	46	21	50	117

Address: Essam Ajlouni Street Building 59 - Next to the Marriott Hotel, Shmeisani – Amman, P.O.Box 926861 Amman, 11190 Jordan

Organization Structure



Research, Environment and Quality Control

The JPMC's management is keen of doing analysis, studies, researches and developments as well as delivering technical services, to its several sites or the importers of its products of Rock Phosphate or Fertilizers or other Customers. The company is conducting studies in order to evaluate the discovered Ores, and other studies at the pilot laboratory to increase the percentage of all grades of Rock Phosphate produced, however these grades are also evaluated in the producing of Phosphoric Acid at the pilot level. Moreover, JPMC through the extensive support for the local community, other services are delivered to companies, scientific institutions and universities, by supporting some of scientific research projects and graduation projects / dissertations for successful candidates students in the Jordanian universities, It also delivered supervisory programs to train university students and newly graduate engineers at its laboratories, depending on its specialized technical staff members who are enjoying and getting the multidiscipline and extensive experience, JPMC also possesses technical equipment, laboratory sets and several pilot plants.

In term of observing environment and public safety, the company beginning rehabilitation of the phosphate hills at the Russeifa mine since 2018, JPMC's goal is implementing its successful processes and activities in safe and sound environmental conditions. JPMC implements ecological systems and occupational safety and health regulations, in line with the internationally standards applies and maintains ecological elements on the company sites, and the surrounding areas.

JPMC is keen on conserving the natural resources including surface and ground water, it seeks to achieve the best use of such sources and maintain the distinguished marine environment in Aqaba Gulf area.

Workforce and Benefits

Workforce and Benefits:

The total number of employees reached (2570) by 31/12/2018. The following table illustrates the demographics of the JPMC's workforce by qualification and location:

Location	Sex	Engineer	University Graduate Technical	University Graduate Administrative	Middle Technical	Middle Administrative	Technical Less Than Tawjihi	Administrative Less Than Tawjihi	Total
Headquarters		25	13	113	6	14	32	21	224
	Male	11	7	76	5	9	29	18	155
	Female	14	6	37	1	5	3	3	69
Al-Hassa Mine		33	7	23	30	3	143	149	388
	Male	33	6	23	29	2	143	143	374
	Female	0	1	0	1	1	0	6	14
Al-Abiad Mine		24	5	15	26	4	93	104	271
	Male	24	5	15	26	4	93	104	271
	Female	0	0	0	0	0	0	0	0
Eshidiya Mine		47	17	60	84	9	505	125	847
	Male	47	17	60	84	9	505	125	847
	Female	0	0	0	0	0	0	0	0
Industrial Complex		70	13	48	143	22	336	86	718
	Male	60	9	40	141	16	332	83	681
	Female	10	4	8	2	6	4	3	37
Research Department Centre		7	4	8	9	0	7	4	39
	Male	4	3	8	8	0	7	4	34
	Female	3	1	0	1	0	0	0	5
New Port		10	2	10	13	2	22	24	83
	Male	10	2	9	13	1	22	24	81
	Female	0	0	1	0	1	0	0	2
Total		216	61	277	311	54	1138	513	2570
Percentage		8.41%	2.37%	10.78%	12.10%	2.10%	44.28%	19.96%	100.00%

The services of (84) employees ended as of 31/12/2018.

Housing Loans:

Total housing loans granted to the employees since the Fund establishment till the end of 2018 was (JD 37,784,074); with 1942 employees benefiting from them on all sites of JPMC. The loan is as (150) times as the basic salary with a ceiling of (JD 30,000). In 2018, (114) employees benefited from the housing loans for a total value of (JD 3,398,500).

Training and Development:

As part of JPMC's efforts to develop its staff capabilities and skills, and with the support of the Company's board of directors, the Company participated in (23) training workshops in 2018 where 373 employees participated in specialized courses and conferences related to phosphate and fertilizer industry. The training programs as follows:

Nature / Location	Administrative and financial courses	Technical courses on the Company's specialty	Total
Programs held inside Kingdom	22	-	22
Programs held outside Kingdom	-	1	1
Total	22	1	23

During 2018, (50) students from the universities were also trained within their academic specialization for graduating purposes.

In 2018, JPMC granted each worker with a scholarship to one of his sons, in addition to (10) scholarships for the children of retired employees, this was accordance with the grant regulation since 2006. The number of student still undergraduate on 31/12/2018 was (580) students.

Medical and Health Services

Medical and Health Services:

JPMC provides distinct and comprehensive health care to more than (13) thousand beneficiaries including employees and their families. These services are delivered at the clinics of the medical service department all over the sites where JPMC operates. There is a wide medical network that JPMC relies on all over the Kingdom of Jordan.

Since 2015, JPMC has computerized the medical services as some medical agencies operate on-line dealings; which helped build a database to show the medical history of each beneficiary. This base helps save medical expenses and avoids redundant medical interventions and procedures for the treatment phase. JPMC has been keen on continuing its best medical services to employees and their families. It has approved the fees of all medical agencies according to the fees list approved by the Ministry of Health, the Doctors' Association, the Dentists Association, and the laboratories' association. The Company is keen on continuing to provide the best of medical services to employees, their families and to retirees.

Cost of Medical Treatment for Employees and thier Families, 2014-2018: (thousands JD)

Description	2018	2017	2016	2015	2014
A - Cost of Medical treatment for employees	2,688	2,761	2,803	2,291	3,358
B - Cost of Medical treatment for employees Families	2,969	3,230	3,220	3,246	3,277
Total (A + B)	5,657	5,991	6,023	5,537	6,635

Post-Retirement Medical Insurance Fund:

JPMC provides medical insurance to its pensioners due to old age or early pension in compliance with the relevant bylaw. Each year, JPMC pays 50% of the costs incurred in this respect. It also finances the cash deficit in the Fund. JPMC handles the management of the post-retirement health insurance.

In the period from 2014 to 2018 JPMC's expenses on post-retirement was as follows: (thousands JD)

Description	2018	2017	2016	2015	2014
The cost of health insurance after retirement (Retirees, their spouses & their children)	5,995	4.038	3.754	4.017	3.707
Amounts paid from JPMC's contribution to the health insurance fund for post retirement	2,997	2.019	1.877	2.733	1.533
Number of beneficiaries	8,478	7.710	5.961	5.479	4.873

Future plans

Expected Projects

- On February 12, 2019, the Jordan Phosphate Mines Company signed a memorandum of understanding with the Alufluoride Limited of India for the construction of an Aluminum Fluoride plant at Eshidiya with the objective to use the surplus flourosilicic acid to produce 20 thousand tonnes of Aluminum Fluoride annually.
- The Jordan Phosphate Mines Company is working to rehabilitate the Aluminum Fluoride plant located in the Company's Factories in Aqaba to increase production, to improve product quality and to reach the plant design capacity.
- On March 10, 2019, the Jordan Phosphate Mines Company signed a memorandum of understanding with Mitsubishi Corporation to produce 20,000 tonnes of Yellow Phosphorous at Al-Abyad mine.
- As of mid-2018 the Jordan Phosphate Mines Company is working with its technical staff and, with the help of the IFFCO industry experts to rehabilitate the phosphoric acid plant at the Industrial Complex in Aqaba at a cost of about USD 15 million.

The 2019 Production and Marketing Plans

The ambitious plans of the Jordan Phosphate Mines Company in 2019 aim to produce 9.2 million tonnes of phosphate and produce 700 thousand tonnes of DI Ammonium Phosphate (DAP) dark.

The 2019 sales and marketing plans will be based on the sale of 9.1 million tonnes of phosphate, including 5.2 million tonnes in exports, and 3.9 million tonnes to be supplied to allied companies, subsidiaries companies in Jordan, and to the Industrial Complex in Aqaba. JPMC also aims at selling 700 thousand (DAP), and to meet the phosphoric acid and sulfuric acid needs of allied and subsidiaries companies.

Data Related to Disclosure Instructions Issued by the Board of Commissioners of the Securities Commission

Following are some instructions related to disclosure instructions:

A. General Information

- Jordan Phosphate Mines Company was established in 1949, and became a public shareholding company in 1953. It was registered under No. (16) with the General Controller of Companies, The Company's objectives are to mine and market phosphate rock, produce fertilizers and invest in the establishment of related industries. All other business activities of the Company are located in Jordan. The fertilizers production unit is located in the Industrial Complex in Aqaba. The phosphate rock is extracted, to a large extent, from the mines of Al-Abiad, Al-Hassa, and Eshidiya.
- The Jordan Phosphate Mines Company was got mining rights to mine phosphate at various production locations throughout the Kingdom, including Al-Hassa, Al-Abiad, Russeifa, and Eshidiya, and through official decisions issued by the Natural Resources Authority under Law No. (12) for the year 1968 The Organization of Natural Resources Affairs Law (Mining Rights number 1&2 in Al-Hassa and Eshidiya), and a mining lease agreement for Russeifa, signed with the government of the Hashemite Kingdom of Jordan/Ministry of National Economy prior to that. The Cabinet decided on November 13, 2001 to renew the contract concerning mining rights in Al-Hassa and Al-Abiad for 20 years.
- The Cabinet decided on April 17th, 2013, to amend the regulation of Rock Phosphate Mining for the year 2013, to become effective as of March 7th 2013, to be 5% of the total sales of the Jordan Phosphate Mines Company or (JD 1,420) per tonne, whichever is greater, shall be forwarded to the treasury. This applies to the quantities exports, sold or utilized by JPMC. Proceeds shall be paid monthly during the month following earning.
- The Cabinet on 12th July, 2012 amended the regulations for mining fees, the amended regulations was published in the official GaZette, so that the mining permit fees became five hundred Jordanian Dinars per square kilometre or any part thereof.
- The Fertilizer Industrial Complex in Aqaba obtained the (ISO 14001:2015) Environmental Management System, (OHSAS 18001:2007) Occupational Health & Safety Management System and the (ISO 9001:2015) Quality Management System approved by Lloyd's Register Quality Assurance. Moreover The Export Department in Aqaba obtained the ISO 9001by (SGS).
- The Jordan Phosphate Mines Company is an enterprise, duly registered and licensed/ industrial activities at the Aqaba Special Economic Zone Authority in 2001 under No (1101031410). In light of this, the Fertilizer Industrial Complex enjoys privileges and exemptions contained in the law of the Aqaba Special Economic Zone.
- The Jordan Phosphate Mines Company was re-registered at the Income and Sales Tax Department under the number (49918) as of January 1st 2001.

B- External Audit Remuneration:

The remuneration to external auditors of the Group Messrs Ernst &Young for 2018: (JD)

Company / Description	Annual fees	Sales Tax 16%	Total
Jordan Phosphate Mines Company PLC	70,000	11,200	81,200
Indo- Jordan Chemicals Company L.L. (IJC)	15,000	-	15,000
Nippon Jordan Fertilizers Company L.L. (NJFC)	5,500	-	5,500
Roy'a Transportation Company	3,450	552	4,002

C- Company Sales to Major Customers during 2018:

Country	Phosphate Sales		Fertilizer sales		Percentage of trading in Raw materials (%)
	Percentage of total Exports (%)	Percentage of total sales (%)	Percentage of total Exports (%)	Percentage of total sales (%)	
India	68.97	49.54	52.74	44.79	-
Turkey	-	-	16.71	14.20	-
Indonesia	20.12	14.45	-	-	-
Iraq	-	-	9.95	8.45	-
Lebanon	1.62	1.17	-	-	-
Taiwan	1.30	0.93	-	-	-
Japan	1.13	0.81	-	-	-
Local Sales, Subsidiaries & Affiliated companies	-	28.17	-	15.06	100

D- List of Company Activities According to Geographic Location and Volume of Capital Investment for 2018:

(Thousands JD)

Location	Type of Activity	Capital Investment
Russeifa Mine	Re-processing of stockpiles	4,616
Al Hassa Mine	Production of normal and washed phosphate	63,971
Al Abiad Mine	Production of normal and washed phosphate	30,466
Eshidiya Mine	Production of normal, washed and floated phosphate	283,418
Industrial complex/Aqaba	Production of fertilizers, phosphoric acid, and aluminium Fluoride	304,778
Other Locations		12,621
Total		699,870

E- List of Main Contractors and local Suppliers for 2018:

Description	Amount (Million JD)	Percentage of total purchases (%)
Phosphate Excavation Contractors	170.667	53.88%
Phosphate Transport Contractors	62.832	19.84%
Jordan Refinery Company	23.058	7.28%
Electricity Companies	13.859	4.38%
Water Authority and Aqaba Water Company	9.969	3.15%

F- Contributions of Board Members and Senior Management Personnel and their relatives in JPMC Capital during 2017-2018:

Name of Contributor	Nationality	Shares	
		2018	2017
Directors			
H.E. Dr. Mohammad Thneibat Chairman as of 28/03/2017	Jordanian	44,000	44,000
Dr. Eng. Abdelfattah AbuHassan/ Board member	Jordanian	5,628	5,628
Mr. Mohammed Al-Hmoud/ Board Member until 28/502018	Jordanian	-	1,149
Senior Management:			
Dr. Shafik Ashkar/ CEO	Jordanian	22,000	12,000

Otherwise, Chairman of the Board of Directors or Board members or any of the senior management does not have any shares in JPMC's capital and the subsidiary companies in the year 2017-2018.

G. JPMC's Contract, Projects and Links with the Chairman of the Board of Directors or Board members or CEO, or any employee in JPMC or their relatives:

JPMC has no contracts, projects or connections with the Chairman of the Board, Board members, CEO or any employee in JPMC or their relatives.

H- JPMC's Role in Development and Serving the Local Community:

JPMC is keen on developing local communities in all areas of the Kingdom. The Company seeks to support collective projects in the areas in which it operates aiming to provide employment opportunities to qualified residents. JPMC makes monetary and in-kind contributions to these areas with the aim of developing them and of establishing projects that enhance their social status.

I - Donations:

The total cash and in-kind donations, submitted by JPMC, during 2018, reached JD (349) thousand to development of the local society and support of various activities.

Donations paid by JPMC during 2014-2018: (JD)

2018	2017	2016	2015	2014
349,025	159,977	1,859,126	1,785,520	2,590,807

J- Board of Directors:

Representatives of the Private Sector:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board

H.E. Dr. Thneibat assumed the chairmanship of the Jordan Phosphate Mines Company as of March 28th, 2017 representing the private sector.

Currently serves as the Chairman of the Board of Trustees of Al Hussein bin Talal University

He Previously held several official positions, most recently as Deputy Prime Minister for Services and Minister of Education – and the Chairman of the Board of Trustees of the University of Science & Technology

Dr. Thneibat is a Professor possessing the following academic degrees:

Ph.D. in Administrative Sciences

Master of Science in Management

Master of Political Science

Bachelor's degree in Economics & Administrative Sciences

Date of Election: March 28th, 2017 Date of Birth: Januray 1st, 1950

- Dr. Eng. Abdelfattah AbuHassan: Ph.D. in Science of Mining Engineering

Consultant in Mining Engineering

Previously he was hold the post of: Board of Directors member at the Jordan Phosphate Mines Company (2004-2012), Advisor to the Executive Investment Committee at the Jordan Phosphate Mines Company and Acting General Manager at the Jordan Phosphate Mines Company.

Date of Election: April 14th, 2016 Date of Birth: January 1st, 1942

Representative of Social Security Corporation\ Deputy Chairman of the Board of Directors:

Dr. Adel Al-Sharkas: Ph.D. in Financial Economics, MA in Economics\ Statistics, BSS in Applied Statistics

Current position: Deputy Governor\ Central Bank of Jordan

Date of Appointment: June 16th, 2016 Date of Birth: July 10th, 1966

Representatives of INDIAN POTASH LIMITED:

- Dr. U.S. Awasthi: Ph.D. in Chemical Engineering

Current Position: Managing Director of Indian Farmers Fertiliser Cooperative limited (IFFCO)

Date of Appointment: May 30th, 2018 Date of Birth: July 12th, 1945

- Dr. P.S. Gahlaut: Ph.D. in Business Management, B.Sc. in Chemistry

Current Position: Managing Director of Indian Potash Limited (IPL)

Date of Appointment: May 30th, 2018 Date of Birth: July 27th, 1947

Representative of Kisan International Trading FZE:

Mr. Manish Gupta: Bachelor of Technology - Civil Engineering, Diploma in Management - Development, Marketing, Bachelor of Laws (LLB) - Taxation, Commercial Laws

Current Position: Director, Strategy and Joint Ventures, Indian Farmers Fertilizer Cooperative Ltd (IFFCO)

Date of Appointment: May 30th, 2018 Date of Birth: April 20th, 1967

Representatives of Shareholdings Management Company – The Government of Jordan:

- H.E. Mr. Mohammad Kreishan: B.Sc. in law

Licensed Lawyer

Previously: Occupied multiple senior public position including: Member of the 25th Senate, General prosecutor and Judge at first and appeal courts.

Date of Appointment: January 15th , 2018 Date of Birth: December 12th, 1951

- Mr. Salem Al Qudah: B.A. in Business Administration

Current position : Assistant of Secretary General for Financial Affairs - Ministry of Finance

Date of Appointment: May 8th, 2018 Date of Birth: September 7th, 1961

- Mr. Husam Abu Ali: M.A in Finance and Accounting, B.Sc. in Accounting

Current position: Director General of Income and Sales Tax Department

Previously: Financial expert\ Ministry of Finance Secretary - General Assistant for Fiscal Affairs

Date of Appointment: April 17th, 2016 BOD Membership end date: May 8th, 2018

Date of Birth: 29th March 1962

- Dr. Mohammad Al-Hazaimeh: Ph.D. in Finance, M.A in Economics, B.Sc. in Economics

During his membership in the BOD, he used to work as Director General of General Budget Department

Date of Appointment: August 16th, 2017 BOD Membership end date: January 15th, 2018

Date of Birth: April 1st, 1965

Representative of Kuwait Investment Authority:

Eng. Mohammad Al-Munaifi: B.Sc. in Industrial Engineering

Current position: Director of the Department of development and institutions\ Kuwait Investment Authority

Date of Appointment: From June 23rd, 2015 until April 14th, 2016 and from April 26th, 2016 – Present.

Date of Birth: July 17th, 1959

Representatives of Kamil Holdings Limited: BOD Membership end date May 28th 2018*

- H.E. Eng. Muzahim Muhaisin: B.Sc. in Civil Engineering

Free Lance Engineering Consultation

Previously: Occupied multiple senior public position including: Minister of Agriculture (2007-2009), Minister of Labor (2001-2003), Director General for Vocational Training Corporation and Secretary General at the Ministry of ICT

Date of Appointment: From March 19th, 2015 until April 14th, 2016 and from April 18th, 2016 until May 28th 2018.

Date of Birth: October 26th, 1948

- Mr. Junaidi Masri: B.Sc. in Computer & Management Sciences.

During his membership in the BOD, he used to work as Acting General Manager Brunei Investment Agency (BIA).

Date of Appointment: From March 30th, 2006 until April 14th, 2016 and from April 18th, 2016 until May 28th 2018.

Date of Birth: July 14th, 1963

- Mr. Mohammed Al-Hmoud: B.Sc. in Political Science

Previously: He Worked at JPMC from 1992-2014. He was the Director of the Phosphate sales and Marketing unit during 2006-2014.

Date of Appointment: February 13th, 2017 until May 28th 2018.

Date of Birth: January 4th, 1962

* As Kamil Holdings Limited has sold all its shares in JPMC to INDIAN POTASH LIMITED and Kisan International Trading FZE, a letter was received from Kamil Holdings Limited dated 28.05.2018. The letter informs of the resignation of BOD member who represented Kamil Holdings Limited on the BOD of JPMC and the three seats designated for Kamil Holdings Limited. This membership is represented by H.E. Eng. Muzahim Muhaisin, Mr. Junaidi Masri and Mr. Mohammad Al-Hmoud as from 28.05.2018.

K-Board Meetings Allowances for the year 2018 in (JD):

Board Allowances and Remuneration paid for chairman and members of the Board of Directors for the year 2018:

Board of Director Member	Position	Salaries	Transport Remuneration	Travel Perdiem
Representatives of the Private Sector:				
H.E. Dr. Mohammad Thneibat	Chairman of the Board	160,000	18,000	2,812
Dr. Eng. Abdelfattah Abu Hassan	Member		18,000	-
Representative of Social Security Corporation Deputy Chairman of the board: (1)				
Dr. Adel Al-Sharkas	Deputy Chairman of the Board		18,000	
Representatives of INDIAN POTASH LIMITED as of 30/5/2018:				
Dr. U.S. Awasthi	Member		10,597	3,600
Dr. P.S. Gahlaut	Member		10,597	3,600
Representatives of Kisan International Trading FZE as of 30/5/2018:				
Mr. Manish Gupta	Member		10,597	9,450
Representatives Shareholdings Management Company - The Government of Jordan: (2)				
H.E. Mr. Mohammad Kraishan	Member as of 15th January 2018		17,323	
Mr. Salem Al Qudah	Member as of 8th May 2018		11,661	
Mr. Husam Abu Ali	Member until 8th May 2018		6,339	
Dr. Mohammad Al-Hazaimeh	Member until 15th January 2018		677	
Representative of Kuwait Investment Authority\ The State of Kuwait: (3)				
Eng. Mohammad Al-Munaifi	Member		18,000	7,650
Representatives of Kamil Holdings Limited until 28/5/2018:				
H.E. Eng. Muzahim Muhaisin	Member		7,306	
Mr. Junaidi Masri (4)	Member		7,306	1,350
Mr. Mohammad Al-Hmoud	Member		7,306	

Neither the Chairman of the Board nor the Members of Board of Directors have any housing allowances or cars.

(1) All amounts Paid to the Social Security Corporation.

(2) All amounts Paid to the account of Ministry of Finance at the Central Bank of Jordan.

(3) All amounts Paid to the Kuwait Investment Authority except the Travel Perdiem paid to the board member.

(4) All amounts Paid to Brunei Investment Agency except the Travel Perdiem paid to the board member.

L - Senior Management information:

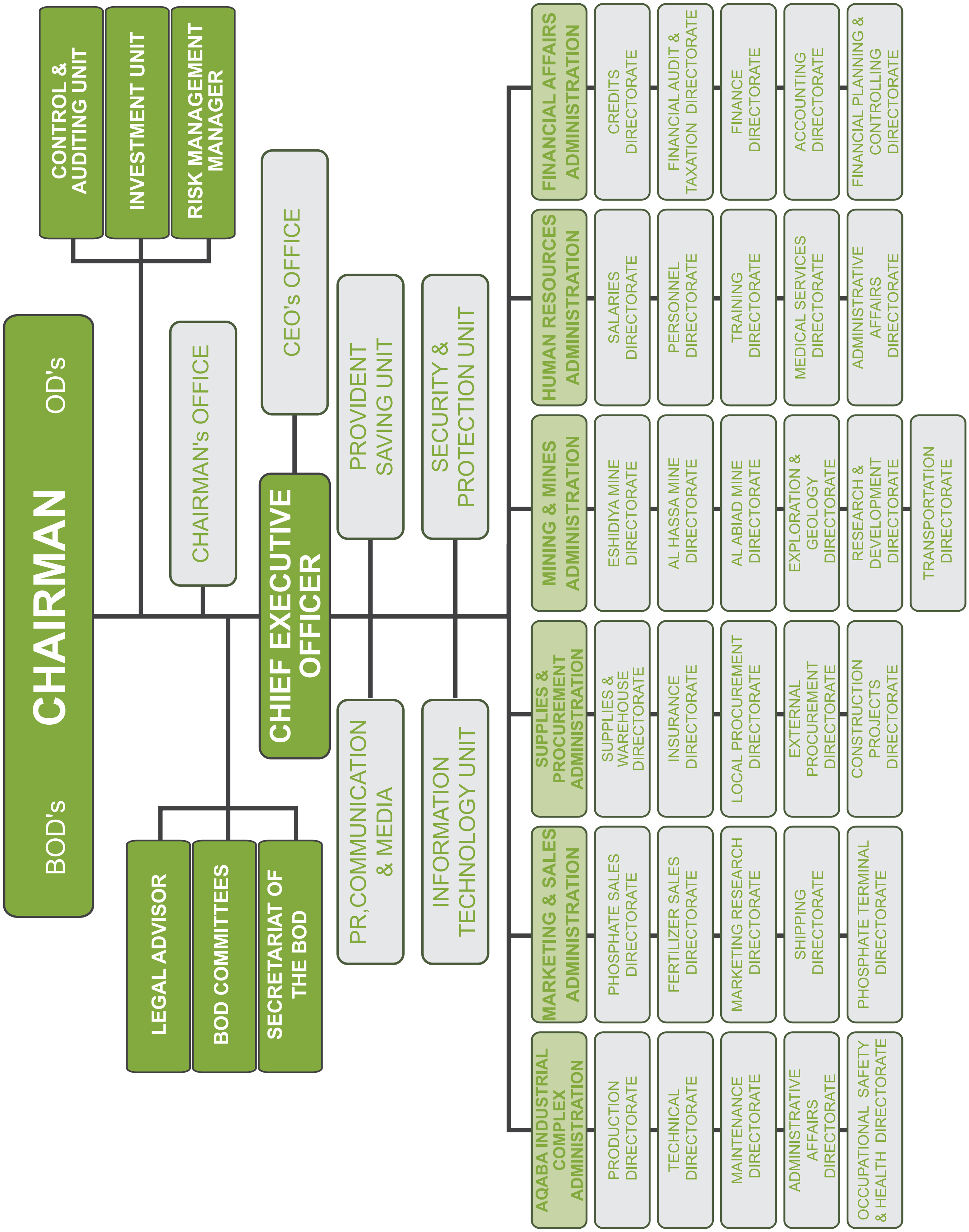
Name	Job Description	Nationality	Date of Appointment	Date of Position	Specialization	Educational Qualification
Dr. Shafik Ashkar	Chief Executive Officer	Jordanian	18/11/2013	18/11/2013	Economic and Industrial Management	PhD
Ms. Sana' Qarain	Director of Finance	Jordanian	21/07/1984	11/05/2007	Accounting	MS
Eng. Naser Abu Oleam	Director of Marketing and Sales	Jordanian	4/4/1989	22/11/2018	Chemical Engineering	BSc.
Geologist Mr. Mohammad Abu Hazeem	Acting of Assistant CEO for Operations	Jordanian	5/6/1995	15/5/2017	Geology	BSc.
Eng. Najwa Al-Qaisi	Director of Supplies and Procurement	Jordanian	8/3/1998	2/1/2017	Chemical Engineering	BSc.
Eng. Bassam Haddad	Director of Aqaba Industrial Complex	Jordanian	1/11/1988	20/7/2018	Mechanical Engineering	BSc.
Dr. Saleh Kasasbeh	Director of HR	Jordanian	19/10/1996	22/11/2018	Business Administration	PhD

M. Salaries and Benefits paid to Senior of Management 2018:

Name	Job Description	Salaries /JD	Travel Perdiems /JD
Dr. Shafik Ashkar (*)	Chief Executive Officer	144,623	20,700
Ms. Sana' Qarain	Director of Finance	62,350	-
Eng. Naser Abu Oleam	Director of Marketing and Sales	45,490	21,300
Geologist Mr. Mohammad Abu Hazeem	Acting of Assistant CEO for Operations	36,108	-
Eng. Najwa Al-Qaisi	Director of Supplies and Procurement	35,300	-
Eng. Bassam Haddad	Director of Industrial Complex until of 31/12/2018	58,674	-
Dr. Saleh Kasasbeh	Director of HR as of 22/11/2018	30,977	-

* Uses a company car

N - Organization Structure



Financial Position as of 31/12/2018

1. Company Capital (82.5 million shares /JD)

JPMC's declared, subscribed and paid up capital is 82.5 million equity shares of stock, with a par value of One JD per share (1 JD/share), distributed as shown in the following table:

Shareholders and the Percentage of their Shares

Name of Shareholders	2018		2017	
	Number of Shares	Percentage %	Number of Shares	Percentage %
Indian Potash Limited	22,588,500	27.380	-	-
Shareholdings Management Company - The Government of Jordan	21,165,569	25.655	21,165,569	25.655
Social Security Corporation	13,634,798	16.527	13,576,428	16.457
State of Kuwait	7,700,000	9.333	7,700,000	9.333
Kisan International Trading FZE	7,936,500	9.620	-	-
Kamil Holdings Limited	-	-	30,525,000	37.000
Other Company's Shareholders Total	9,474,633	11.485	9,533,003	11.555
Total	82,500,000	100.000	82,500,000	100.000

2. Property and Equipment: (JD 816 million at cost, JD 235 million after deducting accumulated depreciation)

Property and equipment were valued at (JD 816 million), (JD 784 million in 2017); a (JD 32 million) increase than 2017 as a result of adding buildings, constructions, machines and equipment, water and electricity networks, vehicle and spare parts reserves, valued at (JD 36 million) (fixed assets purchased for (JD 7 million) and capitalization of under construction projects to fixed assets amounting to (JD 29 million). Conversely, (JD 4 million) of machines and equipment vehicles, furniture and office equipment and spare parts reserves were disposed.

3. Accounts Receivable before deducting provision for doubtful debts (JD 179.1 million)

Accounts receivable balance reached (JD 179.1 million). After deducting a provision of expected Credit loss amounting (JD 43.5 million), the net is (JD 135.6 million), of which accounts receivable resulting from phosphate rock processing activities amounted to (JD 106.5 million), and accounts receivable resulting from fertilizer manufacturing activity amounted to (JD 8.1 million) and accounts receivable resulting from subsidiary companies activities (JD 21.0 million). The following table details shown below:

Description	As at December 31	
	2018	2017
	Amount (JD)	Amount (JD)
Trade Receivables	79,108,064	66,622,674
Due from Associated Companies	90,842,454	92,531,544
Others	9,171,961	8,868,506
Total	**179,122,479**	**168,022,724**
Less: Provision of expected Credit loss	(43,532,998)	(21,231,016)
Net Accounts Receivable	**135,589,481**	**146,791,708**

A- Trade Receivables (JD 79.1 million):

Trade receivables amounted to (JD 79.1) million, (JD 66.6 million in 2017), of which (JD 50.8) million are phosphate rock sales receivables and (JD 7.9) million are processed fertilizers sales and (JD 20.4) million due from Subsidiary Companies.

The receivables due and unpaid that accumulated between 1986 and 2002 amounted to (JD 18.1) million, of which (JD 15.7) are due from Ex. Yugoslavia. As for the remaining balance of (JD 61.0) million will be collected on due date in 2019.

B- Dues from Associated Companies (JD 90.8 million):

Receivables due from associated companies amounted to (JD 90.8) million, of which (JD 48.0) million is due from the Jordan India fertilizer company (JIFCO), (JD 4.7) million is due from the Jordan Industrial ports Company, (JD 5.1) million due from Jordan Abiad Fertilizer Chemical Company (JAFCCO) and (JD 32.9) million due from Petro-Jordan Abadi/Indonesia, and (JD 0.031) million due from Kaltim/Indonesia. The Company's expected credit losses of its Associated companies amounting to (JD 22.3) million in accordance with IAS (9).

4. Inventory (JD 105.5 million)

Inventory was valued in 31 December 2018 (JD 105.5) million (JD 81.2) million on 31 December 2017). Following are the details:

Description	As at December 31	
	2018	2017
A. Finished product stock Amount	Amount (JD)	Amount (JD)
Finished Phosphate Inventory	10,813,233	15,861,705
Finished Fertilizers Inventory	31,918,688	15,247,105
Finished subsidiary companies Inventory	14,982,667	11,307,094
Total Inventory of Finished Products	**57,714,588**	**42,415,904**
B. Inventory in Process	Amount (JD)	Amount (JD)
Phosphate Inventory in Process	19,618,892	20,837,708
Fertilizers Inventory in Process	656,568	833,237
Subsidiary companies Inventory in Process	511,021	726,880
Total Inventory of Products in Process	**20,786,481**	**22,397,825**
C. Raw Materials	26,955,887	16,408,233
Grand Total (A+B+C)	**105,456,956**	**81,221,962**

5. Loans Payable (JD 117.2 million)

Loans payable balance reached (JD 117.2 million). These are presented on JPMC's financial position as long-term loans at (JD 83.1 million), and short-term loans payable in 2019 at (JD 34.1 million). It should be noted that JPMC proceeds of loans (JD 33.8 million) in 2018 and repaid (JD 41.4 million) of the loans given to JPMC of which (JD 35.5 million) the instalments loan and (JD 5.9 million) are interest charges.

6 -Wages, Salaries and other Payroll Items (JD 93.9 million):

Wages, salaries and benefits extended to Group employees in 2018 amounted to (JD 93.973 million) decrease from 2017 of amount 12.6%. The following table shows their breakdown:

A- Wages, Salaries and benefits extended to the employees for the years 2017-2018:

Description	Amount (JD)	
	2018	2017
Salaries and Allowances	48,156,355	57,106,383
Other Rewards	2,092,939	274.333
Total (A)	50,249,294	57,380,716

B. Company contribution in Benefits Extended to Employees 2017-2018:

Description	Amount (JD)	
	2018	2017
Saving Fund	1,789,463	2,143,751
Social Security	6,120,944	7,187,189
Medical Treatment Expenses for employees	2,688,186	2,761,487
Medical Insurance Expenses for Employee Families	2,968,624	3,229,885
Meal Subsidies	145,912	713,418
Paid End of Service Indemnity	3,914,013	4,960,872
Death and Compensation Fund for 2015	10,302,385	12,453,550
Present value of end-of-service bonus compensation	368,628	200,000
Total (B)	28,298,155	33,650,152
Total (A+B)	78,547,449	91,030,868

C. Wages, Salaries Extended to Subsidiary Companies Employees totalling (JD 15.4 million)

Description	Amount (JD)	
	2018	2017
Salaries and Allowances	15,426,487	16,468,077

7. Results of Closing Operations in 2018 compared with 2017:

- Consolidated net sales revenues reached (JD 674.4) million (JD 327.2 million in rock phosphate sales, (JD 174.6.9) million in fertilizers sales, (JD 164.7) million in Subsidiary companies sales and (JD 7.9) million trading in raw material sales). Compared to (JD 586.7) million in 2017, of which (JD 335.5) million in rock phosphate sales, (JD 101.9) million in fertilizers sales, (JD 142.2) million in Subsidiary companies sales and (JD 7.1) million trading in raw material sales).
- Consolidated total expenses reached (JD 616.1) million, of which (JD 290.6) million for the phosphate unit, (JD 174.9) million for the fertilizers unit, (JD 143.9) million for subsidiary companies and (JD 6.7) million as cost of raw material for trading compared to (JD 631 million, of which JD 350.2 million for the phosphate unit, JD 124.2 million for the fertilizers unit, JD 150.4 million for subsidiary companies and JD 6.2 million as cost of raw material for trading).
- Income tax allocations reached (JD 10.8) million in 2018 compared to (JD 2.3) million in 2017.
- Net profits in 2018 of (JD 47.5) million compared to a losses of (JD 46.6) million in 2017.
- Total equity reached (JD 682.7) million in 2018 (JD 678.1 million in 2017), with a increase of 1% than 2017. This is in after applying IAS (9), which impacted the retained earnings of (JD 42) million.

8 - Some Information and Financial Indicators:

A - Details of Major Financial Indicators for the Years 2014 - 2018:

(Thousands JD)

	2018	2017	2016	2015	2014
Revenues/Sales	674,439	586,666	549,697	750,174	738,429
Total expenses	(626,895)	(633,319)	(639,837)	(715,528)	(717,494)
Net (losses) Profits	47,544	(46,653)	(90,140)	34,646	20,935
Interest on Loans	6,947	4,755	4,216	3,894	2,818
Net Fixed Assets	234,843	228,979	247,197	158,552	160,758
Current Assets	394,930	336,933	362,199	412,902	440,523
Total Assets	1122,336	1077,663	1136,295	1174,183	1211,466
Shareholders Equity	682,659	678,152	724,844	818,218	783,952
Long-Term Loans	83,046	72,971	83,912	59,414	39,871
Current Liabilities	308,509	309,783	302,426	268,402	338,727
Financial Ratios:					
Debt / Equity Ratio	15:85	15:85	14:86	11:89	8:92
Debt Service Ratio (Time)	2.15	0.70	0.71	2.5	2.2
Current Ratio (Time)	1.23	1.09	1.20	1.53	1.3
Earning Per Share / JD	0,573	(0,576)	(1,077)	0,450	0,264
Close Price Share / JD	2.84	2.55	2.14	5.47	6.52

B-Profits (losses) Realized, Dividends Distributed, Net Equity and Issued Securities Prices for the Years 2014-2018:

(Thousands JD)

Year	Net Profits (Losses)	Distributed Dividends	Net Shareholders' Equity
2018	47,544	16,500	682,659
2017	(46,653)	--	678,152
2016	(90,140)	--	724,844
2015	34,646	16,500 (Free Shares)	818,218
2014	20,935	--	783,952

Year	Prices of issued Shares
	JD/ Share
2018	2,84
2017	2,55
2016	2,14
2015	5,47
2014	6,52

C-Transactions with Treasury and Public Corporation during the years 2017 & 2018:

(Thousands JD)

Description	Year	
	2018	2017
Ministry of Finance/ Mining Revenues	26,798	24,120
Ministry of Finance/ Incomes stamps fees	71	42
Customs Department	598	731
Lands and Survey Department (*)	5.845	5,845
Income Tax and sales Tax (**)	14,414	7,131
Income Tax, Deducted from Employee Salaries	1,722	2,044
Company contribution to Social Security	6,328	7,251
Employee Contribution to Social Security	3,333	4,096
Aqaba Railway Corporation	2,646	9,407
Ports Authority	1,045	1,139
Public Security Directorate/Protection of Production Sites	2,180	1,165
Military Retirees Economic and Social Corporation/Protection	1,198	1,133
The General Directorate of the Gendarmerie	708	708
Water Authority	9,545	8,836
Electricity Companies	22,113	25,921
Aqaba special Economic Zone Authority/Lease Lands & Income Tax	3,152	2,332
Natural Resources Authority	-	204
Total	**101.696**	**97,261**

* The company filed a request for amount of (JD 0.946) million and the amount of (JD 4.844) million to settle the sales tax refunds with land rent. The total land rent paid yearly was (JD 5.845) millions for 2018 and 2017 respectively.

** Income tax for 2018 was (JD 10.8) million

D- Summary of Main Data on Company Position for the years 2014-2018:

Year	Total Assets (JD Thousands)	Paid in Capital (JD Thousands)	Total Share-holders equity (JD Thousands)	Net Income (losses) (JD Thousands)	Production (Thousands tonnes)			Sales (Thousands tonnes)			Percentage Of Dividends (%)	Number of Employees as of December 31
					Phosphate	DAP Fertilizer	Phosphoric Acid	Phosphate	DAP Fertilizer	Phosphoric Acid		
2018	1,122,336	82,500	682,659	47,544	8,023	632	519	8,063	582	295	20	2570
2017	1,077,663	82,500	678,152	(46,653)	8,688	379	469	8,793	401	319	--	2871
2016	1,136,295	82,500	724,844	(90,140)	7,991	396	344	7,935	392	162	--	3293
2015	1,174,183	75,000	818,218	34,646	8,335	344	426	8,184	318	252	10 (Free Shares)	3468
2014	1,211,466	75,000	783,952	20,935	7,144	590	498	7,301	646	236	--	4036

E – Risks:

In 2018, JMPC suffered a profound fluctuation in world prices for Raw Materials. This affected the cost of chemical fertilizers at the Aqaba Industrial Complex and caused less competition.

F - Impact:

In 2018 a (JD 20) million settlement was reached with one of the contractors of projects that were implemented at the Industrial Complex before 2012. The cases were investigated by the Commission for Integrity and Anti-Corruption. The amount of (JD 9.9 million) was paid by the end of October 2018, while the remaining balance has not yet been collected.

G- Declaration of the Board of Directors:

G/1- The Board of Directors hereby declares its full responsibility for the preparation of the consolidated financial statements included herein, and which had been adopted by the Board of Directors on 20th March 2019; The Company has an effective Control system.

G/2- The Board of Directors of Jordan Phosphate Mines Company PLC herby declares that according to the best of their information and Knowledge there are no material matters that may affect the continuity of JPMC's during 2019.

H.E. Dr. Mohammad Thneibat
Chairman of the Board

Dr. Adel Al-Sharkas
Deputy Chairman of the Board

Dr. U. S. Awasthi
Member

Dr. P. S. Gahlout
Member

Mr. Manish Gupta
Member

Dr. Eng. Abdulfattah AbuHassan
Member

Mr. Mohammad Kreishan
Member

Mr. Salem Al Qudah
Member

Eng. Mohammad Al-Munaifi
Member

The Chairman of the Board Declares along with Chief Executive Officer and Director of Finance that all the information and data in the annual report 2018 are correct, accurate and complete.

H.E. Dr. Mohammad Thneibat
Chairman of the Board

Dr. Shafik Ashkar
Chief Executive Officer

Sana' Qarain
Director of Finance

Governance

Introduction

In light of the economic developments worldwide, the need for good governance has risen in many emerging economies during the past few decades. This is especially true in the wake of the financial crises that took place in many countries.

Based on the Mission of the Jordan Phosphate Mines Company, and in recognition of its role in strengthening the national economy, JPMC believes that rational governance leads to good management and contributes to achieving the strategic objectives. It also increases trust and confidence among shareholders in our ability to mitigate risk. Corporate governance is an important issue for all public companies in this era, especially in light of the financial crises. Good governance reduces the misuse of administrative powers and increases the role of the Board of Directors, strengthens internal controls and the implementation of strategies and sets the powers of the shareholders, the Board of Directors, the executive management and stakeholders. It emphasizes transparency and the disclosure of information.

Governance Report

Pursuant to the 2017 provisions regarding the Corporate Governance Regulations of Public Companies which were issued according to Articles (12/N) and (118/B) of the Securities Law No. (18), approved by the Commission Resolution No. (146/2017) dated 22/5/2017, the following instructions became mandatory as of the date of approval by the Board of Commissioners in accordance with best practices:

1- Composition of the Board of Directors:

JPMC is managed by a board of nine directors representing the shareholders according to JPMC's bylaws, regulations and instructions. They are elected by the General Assembly to represent all shareholders, manage the company, work with integrity and transparency to achieve JPMC's interests and objectives. All members possess the needed academic qualifications and have sufficient experience in administrative and financial areas.

2- Functions and Responsibilities of the Board of Directors:

The JPMC Board of Directors is committed to the standards of corporate governance in accordance with the best practices. This includes the development of strategies, policies, plans and procedures that will achieve the company's interests and objectives, maximize shareholders' rights, serve the local community and adopt the company's disclosure and transparency policies and implementing them in accordance to the legislation in force.

- **Corporate Governance Liaison Officer:**

Since the appointment of the Corporate Governance Liaison Officer is the responsibility of the Board of Directors, Dr. Saleh Kasasbeh was appointed on 11/7/2018 as a Corporate Governance Liaison Officer to follow up with the Jordan Securities Commission on all matters related to the Company’s governance applications.

- **Board Meetings:**

The Board of Directors shall hold its meetings in accordance with the Companies Law and at least six times a year. Decisions of the Board shall be issued by an absolute majority of the members present. If the votes are equal, the side on which the chairman of the meeting votes shall prevail. In 2018, the Board met eight times.

- **Secretary of the Board of Directors:**

The Secretary shall record the minutes of the meetings and decisions in a designated record numbered in sequence showing the attendees and any reservations on the Decisions.

3- Members of the Board of Directors, whether the member is executive or non-executive and whether independent or non-independent

A. The following table shows the current Directors and those who have resigned in 2018:

Members	Representing	Position	Independence	Membership
H.E. Dr. Mohammad Thneibat	Representative of Private Sector	Chairman of the BOD	Independent	Executive
Dr. Adel Al-Sharkas	Representative of the Social Security Corporation	Deputy Chairman of the BOD	Not independent	Non-executive
Dr. U.S. Awasthi	Representative of INDIAN POTASH LIMITED	Member as of 30/5/2018	Not independent	Non-executive
Dr. P.S. Gahlaut	Representative of INDIAN POTASH LIMITED	Member as of 30/5/2018	Not independent	Non-executive
Mr. Manish Gupta	Representative of Kisan International Trading FZE	Member as of 30/5/2018	Not independent	Non-executive
Dr. Eng. Abdelfattah AbuHassan	Representative of Private sector	Member	Independent	Non-executive
H.E. Mr. Mohammad Kraishan	Representative of Shareholdings Management Company - The Government of Jordan	Member as of 15/1/2018	Not independent	Non-executive
Mr. Salem Al Qudah	Representative of Shareholdings Management Company - The Government of Jordan	Member as of 8/5/2018	Not independent	Non-executive
Eng. Mohammad Al-Munaifi	Representative of Kuwait Investment Authority - The State of Kuwait	Member	Not independent	Non-executive
Mr. Husam Abu Ali	Representative of Shareholdings Management Company- The Government of Jordan	Member until 8/5/2018	Not independent	Non-executive
Dr. Mohammad Al-Hazaimeh	Representative of Shareholdings Management Company- The Government of Jordan	Member until 15/1/2017	Not independent	Non-executive
H.E. Eng. Muzahim Muhaisin	Representative of Kamil Holdings Limited*	Member until 28/5/2018	Not independent	Non-executive
Mr. Junaidi Masri	Representative of Kamil Holdings Limited*	Member until 28/5/2018	Not independent	Non-executive
Mr. Mohammed Al-Hmoud	Representative of Kamil Holdings Limited*	Member until 28/5/2018	Not independent	Non-executive

No other executive position in the company can be combined with the Chairman position; none of the Chairman kinship can occupy the General Director position of the Company.

* As Kamil Holdings Limited has sold all its shares in JPMC to INDIAN POTASH LIMITED and Kisan International Trading FZE, a letter was received from Kamil Holdings Limited dated 28.05.2018. The letter informs of the resignation of BOD member who represented Kamil Holdings Limited on the BOD of JPMC and the three seats designated for Kamil Holdings Limited. This membership is represented by H.E. Eng. Muzahim Muhaisin, Mr. Junaidi Masri and Mr. Mohammad Al-Hmoud as from 28.05.2018.

B. The number of Board meetings in 2018 and a list of the members present:

Name	Meeting No. and Date								Total	
	No.(1) 18/2	No. (2) 15/3	No. (3) 28/4	No. (4) 30/5	No. (5) 5/6	No. (6) 11/7	No. (7) 28/9	No. (8) 22/11	Atten-dance	Absence with excuse
H.E. Dr. Mohammad Thneibat	P	P	P	P	P	P	P	P	8	-
Dr. Adel Al-Sharkas	P	P	P	P	P	P	P	P	8	-
Dr. U.S. Awasthi	NB	NB	NB	NB	P	P	P	P	4	-
Dr. P.S. Gahlaut	NB	NB	NB	NB	P	P	A	P	3	1
Mr. Manish Gupta	NB	NB	NB	NB	P	P	P	P	4	-
Dr. Eng. Abdelfattah AbuHassan	P	P	P	P	P	P	P	P	8	-
H.E. Mr. Mohammad Kraishan	A	P	P	P	P	A	P	P	6	2
Mr. Salem Al Qudah	NB	NB	NB	P	P	P	P	P	5	-
Eng. Mohammad Al-Munaifi	P	P	P	A	A	P	P	P	6	2
Mr. Husam Abu Ali	P	P	P	NB	NB	NB	NB	NB	3	-
Dr. Mohammad Al-Hazaimeh	NB	NB	NB	NB	NB	NB	NB	NB	-	-
H.E. Eng. Muzahim Muhaisin	P	P	P	NB	NB	NB	NB	NB	3	-
Mr. Junaidi Masri	A	A	P	NB	NB	NB	NB	NB	1	2
Mr. Mohammed Al-Hmoud	A	P	P	NB	NB	NB	NB	NB	2	1

NB = Was not a member A = Absent P = Present

C. Attendance percentage of Board members for Board Meeting:

Board members	Position	Board meetings attended during the term of membership	Attendance Percentage
H.E. Dr. Mohammad Thneibat	Chairman of the BOD	8/8	100%
Dr. Adel Al-Sharkas	Deputy Chairman of the BOD	8/8	100%
Dr. U.S. Awasthi	Member as of 30/5/2018	4/4	100%
Dr. P.S. Gahlaut	Member as of 30/5/2018	3/4	75%
Mr. Manish Gupta	Member as of 30/5/2018	4/4	100%
Dr. Eng. Abdelfattah AbuHassan	Member	8/8	100%
H.E. Mr. Mohammad Kraishan	Member as of 15/1/2018	6/8	75%
Mr. Salem Al Qudah	Member as of 8/5/2018	5/5	100%
Eng. Mohammad Al-Munaifi	Member	6/8	75%
Mr. Husam Abu Ali	Member until 8/5/2018	3/3	100%
Dr. Mohammad Al-Hazaimeh	Member until 15/1/2018	-	-
H.E. Eng. Muzahim Muhaisin	Member until 28/5/2018	3/3	100%
Mr. Junaidi Masri	Member until 28/5/2018	1/3	33%
Mr. Mohammed Al-Hmoud	Member until 28/5/2018	2/3	67%

4. JPMC Board members who are members of the Boards of Directors of Other Public Companies:

Dr. Adel Al-Sharkas Deputy Chairman of the BOD is a member of:

a. Industrial Cities Company

b. Al-Rahn Al-Aqari (Mortgage) Company

Otherwise, none of the current members of the JPMC Board of Directors is a board member at another public companies.

5. Executive positions and names of persons who occupy them:

Name	Position
H.E. Dr. Mohammad Thneibat	Chairman of the BOD
Dr. Shafik Ashkar	Chief executive officer
Ms. Sana' Qarain	Director of Finance
Eng. Naser Abu Oleam	Director of Marketing and Sales
Geologist Mr. Mohammad Abu Hazeem	Acting of Assistant CEO for Operations until 9/1/2019
Eng. Najwa Al-Qaisi	Director of Supplies & Procurement
Eng. Bassam Haddad	Director of Industrial Complex until 31/12/2018
Dr. Saleh Kasasbeh	HR Director as of 22/11/2018
Ms. Khawla Nasser	Secretary of the Board of Directors until 31/12/2018

6. Committees of the Board of Directors:

a. The Audit Committee:

a/1 - Members of the Audit Committee:	
On 11/7/2018 the Audit Committee was reformed: **Dr. Adel Al-Sharkas / Head of the Committee** Ph.D. in Financial Economics, Master of Economics / Statistics, B.Sc. in Applied Statistics He is currently the Deputy Governor of the Central Bank of Jordan. **Mr. Salem Al Qudah / Deputy Head of Committee** B.A. in Business Adminsitration, Assistance of Secretary General for Financial Affairs/ Ministry of Finance **Dr. Eng. Abdelfattah AbuHassan / Member** Ph.D. in Science of Mining Engineering. Previously served as a board member of Jordan Phosphate Mines Company from 2004-2012, Advisor to the Executive Investment Committee/ Jordan Phosphate Mines Company, Acting General Manager/ Jordan Phosphate Mines Company.	The Committee Prior to 11/7/2018: **Mr. Husam Abu Ali / Head of the Committee until 8/5/2018** M.A in Finance and Accounting, B.Sc. in Accounting Current position: Director General of Income and Sales Tax Department Previously: Financial expert\ Ministry of Finance Secretary - General Assistant for Fiscal Affairs **Dr. Adel Al-Sharkas / Deputy head of the Committee** **Dr. Eng Abdelfattah AbuHassan / Member**

a/2 The following table shows the attendance of the of the Audit Committee members in 2018:

Meeting No.	Meeting Date	Mr. Husam Abu Ali / Head of the committee Until 8/5/2018	Dr. Adel Al Sharkas / Deputy Head of the Committee	Dr. Eng. Abdulfattah AbuHassan / Member
1/2018	14/3/2018	P	P	P
2/2018	30/4/2018	P	A	P
The Audit Committee Was Reformed on 11/7/2018				
Meeting No.	**Meeting Date**	**Dr. Adel Al-Sharkas/ Head of the Committee**	**Mr. Salem Al Qudah / Deputy Head of the Committee**	**Dr. Eng. Abdulfattah AbuHassan / Member**
3/2018	30/07/2018	P	P	P
4/2018	30/10/2018	P	P	P
5/2018	26/12/2018	P	P	P

P = Present A = Absent

a/3 The Audit Committee held four meetings with the External Auditor in 2018.

a/4 Functions of the Audit Committee:

The Audit Committee shall supervise accounting and auditing activities of the Company, including:

- Discussing matters related to selecting the external auditor while ensuring adherence to the legislation and full independence.
- Follow-up the Company's compliance with the provisions and legislations in force and the requirements of the regulatory bodies.
- Studying the periodic reports before submitting them to the Board of Directors and making recommendations thereon.
- Reviewing internal audit reports and making recommendations to the Board of Directors regarding procedures for internal auditing and the development of policies and strategies to ensure the strengthening of internal control over the company.

B. The Nominations and Remuneration Committee:

B / 1- Members of the Nominations and Remuneration Committee:	
The Nominations and Remuneration Committee was re-constituted on 11/7/2018 as follows: - H.E. Dr. Mohammad Thneibat / Chairman of the BOD / Head of Committee - Dr. Adel Al-Sharkas / Deputy Chairman of the BOD / Deputy Head of Committee - Dr. Eng. Abdelfattah AbuHassan / Member - Eng. Mohammad Al-Munaifi / Member	**The committee prior to 11/7/2018:** - Dr. Eng. Abdelfattah AbuHassan / Head of the committee - Mr. Husam Abu Ali / Deputy head of the committee until 8/5/2018 - H.E. Eng. Muzahim Muhaisin / Member until 28/5/2018 - Eng. Mohammad Al-Munaifi / Member - Mr. Mohammed Al-Hmoud / Member until 28/5/2018

B/2 - The following table shows the attendance of the Nomination and Remuneration Committee members in 2018

Meeting No.	Meeting Date	Dr. Eng. Abdelfattah AbuHassan / Head of the Committee	Mr. Husam Abu Ali / Deputy Head of the Committee until 8/5/2018	H.E. Eng. Muzahim Muhaisin / Member until 28/5/2018	Eng. Mohammad Al-Munaifi / Member	Mr. Mohammed Al-Hmoud / Member until 28/5/2018
1/2018	15/3/2018	P	A	P	P	P
The Nominations and Remuneration Committee was reconstituted on 11/7/2018 as follows:						
Meeting No.	**Meeting Date**	**H.E. Mohammad Thneibat/ Chairman of the BOD/ Head of the Committee**	**Dr. Adel Al-Sharkas / Deputy Chairman of the Board/ Deputy Head of the Committee**	**Dr. Eng. Abdelfattah AbuHassan / Member**	**Eng. Mohammad Al-Munaifi / Member**	
2/2018	18/07/2018	P	P	P	A	
3/2018	22/11/2018	P	P	P	P	

P = Present A = Absent

B/3 - Functions of the Nominations and Remunerations Committee:

- The Nomination and Remuneration Committee shall establish and review the policies for bonuses, benefits, incentives and salaries within the Company.
- Identifying the Company's needs of with regards to senior executive management staff, and the basis of their selection.

C- Risk Management Committee:

C / 1- Members of the Risk Management Committee:	
Includes all board members: H.E. Dr. Mohammad Thneibat Dr. Eng. Abdelfattah AbuHassan Dr. Adel Al-Sharkas Dr. U. S. Awasthi as of 30/5/2018 Dr. P. S. Gahlut as of 30/5/2018 Mr. Manish Gupta as of 30/5/2018 Mr. Mohammad Kreishan as of 15/1/2018 Mr. Salem Al Qudah as of 8/5/2018 Eng. Mohammad Al-Munaifi	**Members of the Board of Directors who have completed their membership:** H.E. Eng. Muzahim Muhaisin until 28/5/2018 Mr. Junaidi Masri until 28/5/2018 Mr. Mohammed Al-Hmoud until 28/5/2018 Mr. Husam Abu Ali until 8/5/2018 Dr. Mohammad Al-Hazaimeh until 15/1/2018

C/2 - The following table shows the attendance of the Risk Management Committee members in 2018

Meeting No.	Meeting Date	H.E. Dr. Mohammad Thneibat	Dr. Eng. Adel Al-Sharkas	Dr. Eng. Abdelfattah AbuHassan	Dr. U.S. Awasthi*	Dr. P.S. Gahlaut*	Mr. Manish Gupta*	Mr. Mohammad Kraishan	Mr. Salem Al Qudah	Eng. Mohammad Al-Munaifi *
1/2018	13/11/2018	P	P	P	-	-	-	P	P	-

* The Chairman of the Board did not extend an invitation to members residing outside Jordan.

C/3 - Functions of the Risk Management Committee:

Responsibilities of the Risk Management Committee include: managing the risks and discussing them with other departments. To monitor and assess the various types of risks and developing plans to manage them. Plans shall be reviewed periodically. The Committee shall develop written procedures to regulate its work and determine its obligations. The Committee shall submit recommendations to the Board.

D – The Governance Committee:

D/1 - Governance Committee members

The Governance Committee was formed on 11/7/2018 as follows:
- H.E. Dr. Mohammad Thneibat / Chairman of the BOD / Head of Committee
- Dr. Adel Al-Sharkas / Deputy Chairman of the BOD / Deputy Head of Committee
- Dr. Eng. Abdelfattah AbuHassan / Member
- Eng. Mohammad Al-Munaifi / Member

D/2 – The committee did not hold meetings in 2018.

D/3 – Functions of the Governance Committee

Have not yet been assigned.

Chairman of Board of Directors

Dr. Mohammad Thneibat

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Jordan Phosphate Mines Company – Public Shareholding Company
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of **Jordan Phosphate Mines Company – Public Shareholding Company** (the "Company") and its Subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. Revenue recognition Refer to note 23 on the consolidated financial statements	
Key audit matter	**How the key audit matter was addressed in the audit**
Revenue from sale of goods is recognized at a point in time when control over the asset is transferred to the customer upon delivery of goods. Revenue recognition is considered a key audit matter because it is material.	The audit procedures included an assessment of the Group's accounting policies for revenue recognition in accordance with the International Financial Reporting Standards. We also tested the Group's controls around revenue recognition and key controls within the revenue cycle. We have selected a sample before and after year-end to ensure proper cut off, we also performed detailed revenue analysis using financial and non-financial information. We selected and tested a sample of the daily journal entries on revenue accounts. We have also gained a detailed understanding of the mechanism used by management to determine the different sources of revenues. The details of revenues are set out in note 23 to the accompanying consolidated financial statements.

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2. **Investments in associates and joint ventures including shareholders long-term receivables and loans** Refer to the notes 5 and 12 on the consolidated financial statements	
Key audit matter	**How the key audit matter was addressed in the audit**
The Company has investments in associates and Joint ventures in addition to the granted loans to these entities. The total amount of investments including loans is JD 376,790 thousand representing 34% of the Group's assets; accordingly, this was considered a key audit matter.	Our audit procedures included, among other things, instructing the statutory auditors to perform an audit on the relevant financial information for the purpose of the consolidated financial statements of Jordan Phosphate mining Company. Obtaining the latest available financial information to recalculate the carrying value of the investments in associates and joint ventures according to the equity method. We have received confirmations for shareholders long-term receivables and loans that are related to associates and joint ventures. In addition, We have assessed management's considerations of the impairment indicators of these investments and receivables.

Other information included in the Company's 2018 annual report.

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Those Charged with Governance for the consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018
(In Thousands of Jordanian Dinars)

		2018	2017
ASSETS	Notes		
Non-current assets			
Property, plant and equipment	3	234,843	228,979
Projects in progress	4	4,861	31,480
Investments in associates and joint ventures	5	273,088	271,996
Intangible assets	6	149,227	155,586
Deferred tax assets	22	18,944	4,941
Employees' housing loans	7	4,850	5,520
Financial assets at fair value through other comprehensive income	8	389	413
Long term loans receivable	9	22,510	16,033
Long term accounts receivable	12	16,376	5,076
Other current assets	13	1,313	1,313
Production and development stripping cost	9	16,622	19,393
		743,023	740,730
Current assets			
Inventories, spare parts and supplies	11	193,008	161,235
Accounts receivable	12	119,214	141,716
Other current assets	13	39,407	27,820
Short term loans receivable	9	2,817	-
Financial assets at fair value through profit and loss		197	194
Cash on hand and at banks	14	24,670	5,968
		379,313	336,933
TOTAL ASSETS		**1,122,336**	**1,077,663**
EQUITY AND LIABILITIES			
Equity			
Paid-in-capital	15	82,500	82,500
Statutory reserve	15	75,000	75,000
Voluntary reserve	15	75,000	75,000
Special reserve	15	75,000	75,000
Fair value reserve		(290)	(266)
Retained earnings		368,587	363,544
Equity attributable to Company's shareholders		**675,797**	**670,778**
Non – controlling interests	39	6,862	7,374
Total Equity		682,659	678,152
Non-current liabilities			
Long-term loans	16	82,161	72,791
Compensation and end-of-service indemnity provision	17	2,827	2,394
Assets deferral provision	6	15,295	14,543
Other long term credit balances		30,000	-
		130,283	89,728
Current liabilities			
Accounts payable	18	106,949	106,541
Accrued expenses	19	39,775	40,116
Other current liabilities	20	29,471	22,662
Due to banks	21	85,677	92,136
Employees incentives and retirees grants provision	33	1,168	744
Current portion of long-term loans	16	35,017	46,111
Income tax provision	22	11,337	1,473
		309,394	309,783
Total Liabilities		**439,677**	**399,511**
TOTAL EQUITY AND LIABILITIES		**1,122,336**	**1,077,663**

The attached notes 1 to 43 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2018
(In Thousands of Jordanian Dinars)

	Notes	2018	2017
Net Sales	23	674,439	586,666
Cost of sales	23	(508,985)	(496,099)
Gross profit		**165,454**	**90,567**
Selling and marketing expenses	24	(8,246)	(8,332)
New phosphate port terminal expenses	36	(11,577)	(11,405)
Aqaba port fees		(4,452)	(5,090)
Transportation expenses		(48,967)	(57,185)
Administrative expenses	25	(26,887)	(25,198)
Russiefah mine expenses	26	(1,330)	(1,660)
Mining fees costs	27	(18,169)	(18,266)
Provision for slow-moving spare parts	11	(1,591)	(594)
Other provisions	33	(781)	(283)
Provision for expected credit loss	12	-	(270)
Other income, net	28	26,651	9,343
Foreign currency exchange differences		966	756
Operating loss		71,071	(27,617)
Finance costs	29	(17,228)	(11,452)
Finance income	30	2,971	1,706
Group's share of profit (loss) from associates and joint ventures	5	1,612	(6,093)
Other fees		(43)	-
Gain from revaluation of financial assets at fair value through profit and loss		3	12
Goodwill impairment loss	6	-	(1,000)
Profit (loss) before income tax		58,386	(44,444)
Income tax expense	22	(10,842)	(2,209)
Profit (loss) for the year		**47,544**	**(46,653)**
Profit (loss) Attributable to:			
Equity holders		47,276	(47,532)
Non – controlling interests	39	268	879
Profit (loss) for the year		**47,544**	**(46,653)**
		JD/Fils	**JD/Fils**
Basic and diluted profit (losses) per share attributable to the equity holders	**31**	**0/573**	**(0/576)**

The attached notes 1 to 43 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018
(In Thousands of Jordanian Dinars)

	Notes	2018	2017
Profit (loss) for the year		**47,544**	**(46,653)**
Add: Other comprehensive income not to be reclassified to profit or loss in subsequent periods			
Changes in fair value of financial assets at fair value through other comprehensive income	8	(24)	(39)
Total comprehensive income for the year		47,520	(46,692)
Total comprehensive income attributable to:			
Equity holders		47,252	(47,571)
Non – controlling interests		268	879
Total comprehensive income for the year		**47,520**	**(46,692)**

The attached notes 1 to 43 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018
(In Thousands of Jordanian Dinars)

	Paid-in capital	Reserves			Fair value reserve	Retained earnings		Non-controlling interest	Total equity
		Statutory	Voluntary	Special		Unrealized*	Realized**		
For the year ended 31 December 2018									
Balance at 1 January 2018	82,500	75,000	75,000	75,000	(266)	25,965	337,579	7,374	678,152
Impact of the adaption of IFRS 9 (Note 2)	-	-	-	-	-	-	(42,233)	-	(42,233)
Balance at 1 January 2018 (Adjusted)	82,500	75,000	75,000	75,000	(266)	25,965	295,346	7,374	635,919
Profit for the year	-	-	-	-	-	3	47,273	268	47,544
Total comprehensive income items	-	-	-	-	(24)	-	-	-	(24)
Dividends payments	-	-	-	-	-	-	-	(780)	(780)
Balance at 31 December 2018	**82,500**	**75,000**	**75,000**	**75,000**	**(290)**	**25,968**	**342,619**	**6,862**	**682,659**
For the year ended 31 December 2017									
Balance at 1 January 2017	82,500	75,000	75,000	75,000	(227)	25,953	385,123	6,495	724,844
Loss for the year	-	-	-	-	-	12	(47,544)	879	(46,653)
Total comprehensive income items	-	-	-	-	(39)	-	-	-	(39)
Total comprehensive income for the year	-	-	-	-	(39)	12	(47,544)	879	(46,692)
Balance at 31 December 2017	**82,500**	**75,000**	**75,000**	**75,000**	**(266)**	**25,965**	**337,579**	**7,374**	**678,152**

* An amount of JD 26,179 thousands is restricted and represents the unrealized gain from the revaluation of investment and acquisition of Indo-Jordan Chemical Co. and Nippon Jordan Fertilizer Co. during 2010 and 2011.

** Included in retained earnings an amount of JD 19,445 thousands which are restricted, it includes JD 18,944 thousands which represents deferred tax assets, an amount of JD 290 thousands restricted against the negative balance of fair value reserve for financial assets at fair value through other comprehensive income as of 31 December 2018, and an amount of JD 211 thousands is restricted against the negative balance of fair value through profit or loss as of 31 December 2018.

The attached notes 1 to 43 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018
(In Thousands of Jordanian Dinars)

	Notes	2018	2017
OPERATING ACTIVITIES			
Profit (loss) for the year before income tax		58,386	(44,444)
Adjustments for:			
Depreciation	3	25,803	27,687
Amortization of new phosphate port terminal	6	6,359	6,359
Goodwill impairment loss		-	1,000
Amortization of production stripping costs	10	11,183	17,983
Employees compensation fund and end-of-service indemnity		13,354	15,165
Finance costs		13,179	10,219
Finance income		(2,971)	(1,706)
Mining fees costs		20,460	20,391
Group's share of (profit) loss from associates and joint ventures		(1,612)	6,093
Provision for slow-moving spare parts		1,591	594
Provision for expected credit loss		-	270
Other non-cash items		2,929	4,040
Working capital changes:			
Accounts receivable		(11,100)	(18,303)
Employees' housing loans		(94)	(504)
Other current assets		(11,587)	(2,329)
Inventories, spare parts and supplies		(33,364)	38,065
Production stripping costs		(8,412)	(7,316)
Accounts payable		408	27,326
Accrued expenses		4,998	(10,474)
Other current liabilities		26,783	(5,767)
Employees' compensation, end-of-service indemnity and death fund paid		(36,453)	(23,158)
Mining fees paid		(26,798)	(24,120)
Income tax paid	22	(1,821)	(3,687)
Net cash flows from operating activities		51,221	33,384
INVESTING ACTIVITIES			
Property, plant and equipment and payments on projects in progress – net		(4,723)	(10,823)
Cash refund from contractors		4,198	-
Loans receivable		(15,000)	(9,252)
Investment in associates and joint ventures		(12,500)	(12,500)
Dividends received		16,330	14,260
Interest received		317	573
Net cash flows used in investing activities		(11,378)	(17,742)
FINANCING ACTIVITIES			
Proceeds from loans		33,772	23,151
Repayments of loans		(35,496)	(26,869)
Dividends of subsidiaries		(780)	-
Finance costs paid		(12,178)	(10,325)
Net cash flows used in financing activities		**(14,682)**	**(14,043)**
Net increase in cash and cash equivalents		**25,161**	**1,599**
Cash and cash equivalents at 1 January		(86,168)	(87,767)
Cash and cash equivalents at 31 December	**14**	**(61,007)**	**(86,168)**

The attached notes 1 to 43 form an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1- GENERAL

Jordan Phosphate Mines Company was established in 1949, and became a public shareholding company in 1953. The Company's objectives are to mine and market phosphate rock, produce fertilizers and invest in the establishment of related industries. All other business activities of the Company are located in Jordan. The fertilizers production unit is located in the Industrial Complex in Aqaba. The phosphate rock is extracted, to a large extent, from the mines of Al-Abiad, Al-Hasa, and Shidiya. In respect of the mining rights granted to the Company, it is subject to annual mining rights fees of JD 500 / squared Kilo meter or any part of squared Kilo meter per mined area payable to the Natural Resources Authorities. The Company produces chemical fertilizers and related by-products through its subsidiaries that are listed in (Note 2-2).

The head office of the Company is located in Shmeisani, Amman - Jordan.

The Consolidated financial statements were authorized for issue by the Board of Directors in their meeting held on 20 March 2019 and they are subject to the approval of the Company's General Assembly.

(2-1) BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income which have been measured at fair value as of the date of the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements are presented in Jordanian Dinars and all values are rounded to the nearest thousand except when otherwise indicated.

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Jordan Phosphate Mines Company "JPMC" and the following subsidiaries:

Company name	Nature of activity	Ownership	Country
Indo-Jordan Chemicals Company Limited	Phosphoric Acid and other chemicals production	100%	Jordan
Ro'ya for Transportation Company Limited	Transportation services	100%	Jordan
Nippon Jordan Fertilizers Company Limited	Fertilizers and chemicals production	70%	Jordan

The control exists when the Group controls the subsidiaries' significant and relevant activities, and is exposed, or has the rights, to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee.
- Rights resulting from other contractual arrangements.
- The Group's current and future voting rights in the investee.

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group gains control, and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the statement of profit or loss and other comprehensive income
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Investors with significant influence on the Group:

Indian Potash Limited, Government Contribution Management Company, Jordanian Social Security Corporation, Kisan International Trading and Government of Kuwait own 27.3%, 25.7%, 16.5% 9.6%, and 9.3% of the Company's issued shares, respectively.

(2-3) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective approach. The effect of adopting IFRS 15 was as detailed below:

(a) Sale of goods:

The Group contracts with customers for the sale of goods generally include performance obligations. The Group has concluded that revenue from sale of goods should be recognised at the point in time when control of the asset is transferred to the customer. The adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

Variable consideration:

Some contracts for the sale of goods provide customers with a right of return and volume rebates. Prior to the adoption of IFRS 15, the Group recognised revenue from the sale of goods measured at the fair value of the consideration received or receivable, net of returns. If revenue could not be reliably measured, the Group deferred revenue recognition until the uncertainty was resolved.

Under IFRS 15, rights of return and volume rebates give rise to variable consideration. The variable consideration is estimated at contract inception and constrained until the associated uncertainty is subsequently resolved.

Rights of return:

When a contract provides a customer with a right to return the goods within a specified period, the Group previously estimated expected returns using a probability-weighted average amount approach similar to the expected value method under IFRS 15.

Under IFRS 15, the consideration received from the customer is variable because the contract allows the customer to return the products.

(b) Rendering of services

Under IFRS 15, the Group concluded that revenue from services will continue to be recognised over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy, because the customer simultaneously receives and consumes the benefits provided by the Group. Revenue from the sale of the equipment will continue to be recognised at a point in time, upon delivery of the equipment.

(c) Advances received from customers

Generally, the Group receives short-term advances from its customers. However, from time to time, the Group also receives long-term advances from customers. Prior to the adoption of IFRS 15, the Group presented these advances as deferred revenue in the statement of financial position.

Upon the adoption of IFRS 15, for short-term advances, the Group used the practical expedient. As such, the Group will not adjust the promised amount of the consideration for the effects of a financing component in contracts, where the Group expects, at contract inception, that the period between the time the customer pays for the good or service and when the Group transfers that promised good or service to the customer will be one year or less. If the period between the time the customer pays for the good or service and when the Group transfers that promised good or service to the customer is more than one year, the Group shall adjust the promised amount of consideration for the effects of the time value of money.

(d) Other adjustments

In addition to the adjustments described above, upon adoption of IFRS 15, other items of the primary financial statements such as deferred taxes, assets held for sale and liabilities associated with them, profit or loss after tax for the period from discontinued operations, investments in associate and a joint venture, share of profit of an associate and a joint venture, income tax expense, and retained earnings, were adjusted as necessary. Furthermore, exchange differences on translation of foreign operations were also adjusted.

(In Thousands of Jordanian Dinars)

The amendments do not have any impact on the Group's consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and, in line with IFRS 9, comparative amounts have not been restated.

Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

For all debt instruments, the Group has applied the standard's simplified approach and has calculated ECL based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The adoption of the ECL requirements of IFRS 9 resulted in increases in impairment allowances of the Group's debt financial assets. The increase in allowance resulted in adjustment to opening Retained earnings.

The effect of the change in accounting policy on the items of the statement of financial position as at 1 January 2018 is as follows:

	IAS 39	IFRS 9	Change
Assets	Thousand JD	Thousand JD	Thousand JD
Loans receivable	16,033	12,765	(3,268)
Deferred tax assets	4,941	18,278	13,337
Long term accounts receivable	5,076	-	(5,076)
Total non-current assets	26,050	31,043	4,993
Accounts receivable	141,716	124,490	(17,226)
Total assets	167,766	155,533	(12,233)
Liabilities			
Other current liabilities (Off balance sheet items – bank guarantees)	-	30,000	30,000
Total liabilities	-	30,000	30,000
Equity			
Retained earnings	363,544	321,311	(42,233)
Total Equity	678,152	635,919	(42,233)

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

This Interpretation does not have any impact on the Group's consolidated financial statements.

Amendments to IAS 40 Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into or out of investment property.

The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met.

These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instrument standard, IFRS 9, before implementing IFRS 17 insurance contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing contracts: a temporary exemption from applying IFRS 9 and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.

These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries.

This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

These amendments do not have any impact on the Group's consolidated financial statements.

(2-4) USE OF ESTIMATES

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. 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 changes in such provisions.

Useful life of properties, plant and equipment

The Group's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Management reviews the remaining book value and useful life annually. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

Impairment of goodwill

The Group's management performs an annual impairment test for the goodwill resulted from the purchase of the fertilizers unit at the date of the consolidated financial statements. Goodwill is impaired if there are indications of impairment, i.e. if the estimated recoverable amount for the fertilizers unit is less than the book value. Impairment is recorded in the consolidated statement of income.

The fair value of recoverable amounts for the fertilizers unit is valued using the discounted value of future cash flows. All assumptions used in the goodwill impairment calculation are indicated in (Note 6).

Provision for slow moving spare parts

The Group's management performs an annual study which categorizes all spare parts by age groups. Based on the results of the study, a provision is taken against spare parts which have surpassed, at the date of the Group's financial statements, a certain age from the date of purchase.

Stripping Cost in the Production Phase of Surface Mine

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of phosphate in that period or the creation of improved access and mining flexibility in relation to phosphate to be mined in the future.

Production stripping costs are included as part of the costs of inventory, while the stripping costs incurred in the creation of improved access and mining flexibility in relation to phosphate to be mined in future periods are capitalised as a stripping activity non-current asset that is amortized using units of production method.

Costs paid for the removal of overburden in the stripping or the production stages are capitalised as non-current assets at cost and is amortized using the units of production method at each location when the following conditions are met:

- It is probable that the future economic benefit improved access to the phosphate associated with the stripping activity will flow to the entity.
- The entity can identify the amount and type of phosphate for which has been improved; and
- The cost relating to the striping activity associated with the component can be measured reliably.

Significant judgment is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of phosphate and what relates to the creation of a stripping activity asset. The Group's management calculates the stripped quantities of overburden for any of the locations based on geological and specialized technical studies conducted on a quarterly basis. Stripping costs are capitalized as a stripping activity asset when the actual stripping ratio is higher than the contracted stripping ratio estimated by geologists and specialised professionals.

The capitalised stripping costs are amortized using the units of production method estimated based on the updated geological studies for the period for each location when the actual stripping ratio is lower than or equal to the contracted stripping ratio.

Expected credit losses

For all debt instruments, the Group has applied the standard's simplified approach and has calculated ECL based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Income tax provision

The Group calculates tax expense for the year based on reasonable estimates, for possible consequences of audit by the Income and Sales tax department. The amount of tax provision is based on various factors, such as experience of previous tax audits. Additionally, the Group engages an independent tax specialist to review the tax provision calculations.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the loses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Details of income tax provision and deferred tax are disclosed in (Note 22).

Indemnity and end-of-service provisions

Indemnity and end-of-service costs are measured using the Projected Unit Credit Method that is calculated by an actuary. All actuarial assumptions are disclosed in (Note 17).

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. The cost and accumulated depreciation for a sold or disposed of asset is derecognized and the gain or loss associated is booked in the consolidated statement of income. Depreciation is calculated on a straight-line basis using the following depreciation rates, (land is not depreciated):

Type of property, plant and equipment	Depreciation rate %
Buildings	2 - 8
Roads and yards	25
Machinery and equipment	5 - 20
Water and electricity networks	5
Furniture and office equipment	9
Medical and lab equipment	10
Communication equipment	12
Computers	12
Vehicles	15
Spare parts reserves	10
Software and programs	20

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

When the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated statement of income.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognised.

Projects in progress

Projects in progress are stated at cost, and include the cost of construction, equipment and other direct costs and it is not depreciated until it is available for use.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

Intangible assets

- **New phosphate port terminal**

This item represents the license to use and operate the new phosphate port terminal for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Intangible assets are amortized over the period in which they are expected to be available for use by the Group and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets is recognized in the consolidated statement of income starting on the opening date of the new phosphate port terminal until 28 February 2040.

- **Goodwill**

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Asset deferral cost

The Company recognises and measures asset deferral provision for movable assets as a consequence of the use of the new phosphate port terminal during the operating period in accordance with IAS 37, using the best estimate of the expenditures required to settle the present obligation at the consolidated statement of financial position date.

Financial assets at fair value through other comprehensive income

These are financial assets limited to equity instruments and the management intends to retain those assets in the long term. These financial assets are initially recognized at fair value plus attributable transaction costs and subsequently measured at fair value. The change in fair value of those assets is presented in the consolidated statement of comprehensive income within owners' equity, including the change in fair value resulting from the foreign exchange differences of non-monetary assets.

In case those assets - or part of them - were sold, the resultant gain or loss is recorded in the consolidated comprehensive income statement within owners' equity and the fair value reserve for the sold assets is directly transferred to the retained profit or loss and not through the consolidated statement of income.

- Those financial assets are not subject to impairment testing.
- Dividends income is recorded in the consolidated income statement.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the IFRS 9.

Loans receivable

After initial measurement, loans receivable are subsequently measured at amortised cost using the effective interest rate method, less any impairment.

Inventories and spare parts

Inventories are valued at the lower of cost or net realizable value.

Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials	Purchase cost using the weighted average cost method.
Finished goods and work in process	Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs, using the weighted average cost method.
Spare parts and supplies	Cost using the weighted average cost method.

Accounts receivable

Accounts receivable are stated at original invoice amount less any provision for any uncollectible amounts or expected credit loss. The Company applies a simplified approach in calculating ECLs. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in accordance with IFRS 9.

Financial assets at fair value through profit and loss

Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.

Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the income statement at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of income.

Dividend and interest income are recorded in the consolidated statement of income.

It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.

Cash and cash equivalents

Cash and cash equivalent in the consolidated statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less. If original maturity of deposits exceeds three months, they are classified as short–term investments. For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Long term loans

All term loans are initially recognized at net consideration received and interest is recognized using the effective interest rate method.

Interest on long term loans is recorded during the year when earned. Interest on long term loans for the purpose of financing projects in progress, is capitalized as a part of the project cost.

Employees' benefits

1- End-of-service indemnity

The liability is valued by professionally qualified independent actuaries. The obligation and costs of pension benefits are determined using a Projected Unit Credit Method. The Projected Unit Credit Method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Past service costs are recognized on a straight-line basis over the average period until the amended benefits become vested. Gains or losses on the curtailment or settlement of pension benefits are recognized when the curtailment or settlement occurs. Actuarial gains or losses are recognized as other comprehensive income item when it occurs. Gain or loss is realized from amendment or payment of the benefits when it occurs. The pension obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

2- Death and Compensation Fund

Death and Compensation Fund represents a defined contribution plan; the Company calculated its contribution of 25% of gross monthly salaries subject to social security and transfers this contribution to the Fund's bank account. The Fund is independent from the Company (financially and administratively), accordingly, the Company is not legally obligated in case the Fund was not able to pay its obligations. The contribution is recognized as an expense in the consolidated statement of income.

Accounts payable and accruals

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

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Revenue and expense recognition

Revenue from the sale of goods is recognized when significant risks and rewards of ownership of goods have passed to the buyer, usually when goods are shipped and invoices are issued.

Interest income revenue is recognized as interest accrues using the effective interest rate method.

Dividends are recognized when the shareholder's right to receive payment is established.

Other revenues are recognized on an accrual basis.

Mining Fees

Mining fees paid in respect of phosphate rock used by the Fertilizers Unit are charged to cost of sales. Other mining fees on exported and locally sold phosphate are shown as a separate item in the consolidated statement of income.

Operating Lease

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments made under an operating lease are recognized as an expense over the lease term on a straight-line basis, in the consolidated statement of income.

Income tax

Income tax expense represents current year income tax and deferred income tax.

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, non-deductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

Current income tax is calculated based on the tax rates and laws that are applicable at the consolidated statement of financial position date and according to IAS 12.

Deferred income taxation is provided using the liability method on all temporary differences at the consolidated financial statement date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on laws that have been enacted at the financial position date. The carrying values of deferred income tax assets are reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date, based on the rates declared by the Central Bank of Jordan.

Fair value

The Group evaluates its financial instruments such as financial assets at fair value through other comprehensive income at the date of the financial statements. Also, the fair value of financial instruments is disclosed in (Note 40).

Fair value represents the price received in exchange for financial assets sold, or price paid to settle a sale between market participants at the date of financial statements.

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Group needs to acquire opportunities to access the active market or the best fit market.

The Group measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

The fair value measurement of non-financial assets considers the ability of market participants to utilize the assets efficiently in order to generate economic benefits, or to sell them to other participants who will utilize them in the best way possible.

The Group uses valuation techniques that are appropriate and commensurate with the circumstances, and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable, and minimizes the use of inputs that are not directly observed.

The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

All assets and liabilities for which fair value is measured or disclosed in the financial statements or have been written off are categories within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1- Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have accrued between levels in the hierarchy by reassessing categorization (based on the lowest level input that significant to the fair value measurement as a whole) at the end of each reporting period.

For the disclosure of fair value, the Group classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

Segment reporting

For the purpose of reporting to management and the decision makers in the Group, a business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

Offsetting

Offsetting between financial assets and financial liabilities and presenting the net amount on the consolidated statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

(In Thousands of Jordanian Dinars)

3- PROPERTY, PLANT AND EQUIPMENT

2018	Land	Buildings	Roads & Yards	Machinery & equipment	Water & electricity network	Furniture & Office equipment
Cost:						
At 1 January 2018	**1,299**	**130,001**	**25,311**	**466,415**	**82,844**	**6,345**
Additions	1,802	3,331	50	788	95	64
Transfers from projects in progress (Note 4)	-	8	-	28,613	51	-
Cash refunds from contractors	-	-	-	(4,198)	-	-
Adjustments	-	-	-	32	-	-
Disposals	-	-	-	-	-	(248)
At 31 December 2018	3,101	133,340	25,361	491,650	82,990	6,161
Accumulated Depreciation:						
At 1 January 2018	-	84,449	16,999	366,902	36,476	4,222
Depreciation for the year	-	5,207	3,570	9,848	2,556	380
Adjustments	-	-	-	24	-	-
Related to disposals	-	-	-	-	-	(223)
At 31 December 2018	-	89,656	20,569	376,774	39,032	4,379
Net book value						
At 31 December 2018	3,101	43,684	4,792	114,876	43,958	1,782

The value of fully depreciated property, plant and equipment is JD 554,667 thousand as at 31 December 2018.

(In Thousands of Jordanian Dinars)

Medical equipment	Communication equipment	Computers	Vehicles	Spare parts reserves	Software and programs	Total
1,090	**1,374**	**3,760**	**13,839**	**50,239**	**1,913**	**784,430**
-	6	7	40	1,121	-	7,304
-	-	-	-	-	-	28,672
-	-	-	-	-	-	(4,198)
-	-	-	333	(169)	-	196
(24)	(27)	(258)	-	-	-	(557)
1,066	1,353	3,509	14,212	51,191	1,913	815,847
881	1,321	3,375	11,845	27,069	1,912	555,451
28	15	143	647	3,409	-	25,803
-	-	-	254	-	-	278
(22)	(26)	(257)	-	-	-	(528)
887	1,310	3,261	12,746	30,478	1,912	581,004
179	43	248	1,466	20,713	1	234,843

(In Thousands of Jordanian Dinars)

3- PROPERTY, PLANT AND EQUIPMENT

2017	Land	Buildings	Roads & Yards	Machinery & equipment	Water & electricity network	Office equipment
Cost:						
At 1 January 2017	**1,299**	**130,027**	**25,404**	**475,552**	**82,329**	**6,440**
Additions	-	49	-	112	49	68
Transfers from projects in progress	-	194	-	3,182	221	23
Adjustments	-	-	-	(173)	245	-
Disposals	-	(269)	(93)	(12,258)	-	(186)
At 31 December 2017	1,299	130,001	25,311	466,415	82,844	6,345
Accumulated Depreciation:						
At 1 January 2017	-	79,333	13,266	367,545	33,850	3,990
Depreciation for the year	-	5,347	3,758	11,516	2,626	401
Adjustments	-	33	(8)	2	-	-
Related to disposals	-	(264)	(17)	(12,161)	-	(169)
At 31 December 2017	-	84,449	16,999	366,902	36,476	4,222
Net book value						
At 31 December 2017	1,299	45,552	8,312	99,513	46,368	2,123

The value of fully depreciated property, plant and equipment is JD 494,188 thousand as at 31 December 2017.

(In Thousands of Jordanian Dinars)

Medical equipment	Communication equipment	Computers	Vehicles	Spare parts reserves	Software and programs	Total
1,017	**1,324**	**3,785**	**14,122**	**44,772**	**1,913**	**787,984**
73	2	14	125	5,694	-	6,186
-	-	-	-	-	-	3,620
-	64	70	33	100	-	339
-	(16)	(109)	(441)	(327)	-	(13,699)
1,090	1,374	3,760	13,839	50,239	1,913	784,430
857	1,297	3,482	11,292	23,963	1,912	540,787
26	21	157	891	2,944	-	27,687
(2)	18	(162)	-	184	-	65
-	(15)	(102)	(338)	(22)	-	(13,088)
881	1,321	3,375	11,845	27,069	1912	555,451
209	53	385	1,994	23,170	1	228,979

(In Thousands of Jordanian Dinars)

Depreciation in the consolidated statement of income is as follows:

	2018	2017
Cost of sales	25,036	26,769
Administrative expenses	565	608
Selling and marketing expenses	94	89
Russiefah mine expenses	98	113
Others	10	108
	25,803	**27,687**

4- PROJECTS IN PROGRESS

Movement on the projects in progress is as follows:

	Balance at 1 January 2018	Additions	Transferred to property plant & equipment	Transferred to expenses and others	Balance at 31 December 2018
Aqaba Industrial Complex Projects	27,572	32	(27,459)	-	145
Shidiya Mine Projects	119	14	-	-	133
Indo-Jordan Chemicals Company Projects	2,914	1,609	(1,099)	-	3,424
Head Office, Hasa & Abiad mines	618	101	(51)	-	668
Nippon Jordan Fertilizers Company Projects	257	308	(63)	11	491
	31,480	**2,064**	**(28,672)**	**11**	**4,861**

The estimated cost to complete the projects in progress as of 31 December 2018 amounted to JD 200 thousand for JPMC related projects, JD 3,090 thousand for Indo-Jordan's related projects and JD 303 thousand for Nippon's related projects.

5- INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The below schedule summarizes the Group's investment in associates and joint ventures:

	2018	2017
Investment in associates (A)	204,296	211,387
Joint ventures (B)	68,792	60,609
	273,088	**271,996**

(In Thousands of Jordanian Dinars)

A. INVESTMENTS IN ASSOCIATES:

The below schedule summarizes financial information for the Group's investment in associates:

	Country of incorporation	Nature of activity	Ownership %	2018	2017
Manajim for Mining Development Company "Manajim"	Jordan	Mining services	46	30,849	37,057
Jordan Abyad Fertilizer Company "JAFCCO" *	Jordan	Fertilizers production	27.38	-	-
Jordan India Fertilizer Company "JIFCO"	Jordan	Phosphoric acid production	48	163,022	156,935
Kaltime Jordan Abdi Company	Indonesia	Phosphoric acid production	40	454	540
Arkan Company for Construction "Arkan"	Jordan	Mining contracting	46	9,971	16,855
				204,296	**211,387**

Movements on the investment in associates were as follows:

	2018	2017
At 1 January	211,387	228,567
The Group's share of current year profit (loss)	5,889	(4,629)
Dividends received from Manajim for Mining development	(12,880)	(7,820)
Dividends received from Arkan constructions services	(3,450)	(6,440)
Addition (elimination) of Group's share of JIFCO income related to transactions between the Group and associate	(817)	603
Addition of Group's share of JAFCCO's income related to transactions between the Group and associate	-	26
Group share of JAFCCO accumulated losses in excess of the investment value	4,167	1,080
At 31 December	204,296	211,387

Group's share of associate companies' results:

	2018	2017
Group's share of profit (loss) for the year	5,889	(4,629)
Addition (Elimination) of Group's share of associate's income related to transactions between the Group and associate	57	466
	5,946	(4,163)

(In Thousands of Jordanian Dinars)

The below schedules summarize financial information for the Group's investment in associates:

2018	Manajim for Mining Development	Jordan Abyad Fertilizers and Chemicals Company	Jordan India Fertilizers Company	Arkan Company for Construction	Kaltime Jordan Abdi Company	Total
Group's share in net equity:						
Current assets	48,116	3,438	57,994	20,498	5,548	135,594
Non-current assets	21,324	92,998	509,853	26,093	46	650,314
Current liabilities	(23,801)	(22,398)	(90,043)	(15,913)	(4,458)	(156,613)
Non-current liabilities	-	(55,791)	(137,309)	(1,540)	-	(194,640)
Elimination of the Group's portion of application of IFRS 9 related to the transactions between the Group and associates-	10,333	-	-	-	-	10,333
Partners current account	-	(49,401)	-	-	-	(49,401)
Adjustment resulted from settlement	3,000	-	-	(7,397)	-	(4,397)
Net equity	58,972	(31,154)	340,495	21,741	1,136	391,190
Percentage of ownership	46%	27.38%	48%	46%	40%	
Group's share in net equity	27,127	(8,530)	163,438	10,001	454	192,490
Elimination of Group's share of association related to transaction between the Group and associate	-	-	(416)	-	-	(416)
Adjustments due to change in ownership percentage	(4,078)	(93)	-	14	-	(4,157)
Group's net share in partner's current account	-	3,375	-	-	-	3,375
transfer of excess losses on investment to other liabilities	-	5,248	-	-	-	5,248
Imbedded goodwill	7,800	-	-	(44)	-	7,756
Net investment as at 31 December	**30,849**	**-**	**163,022**	**9,971**	**454**	**204,296**
Group's share from associates revenues and profits:						
Revenues	111,719	14,289	226,560	42,204	9,428	404,200
Cost of sales	(96,539)	(18,078)	(127,400)	(40,112)	(9,357)	(291,486)
Administrative, selling and distribution expenses	(811)	(1,229)	(85,676)	(1,202)	(240)	(89,158)
Interest income	201	80	-	-	119	400
Finance expenses	(12)	(3,755)	-	(795)	(51)	(4,613)
Other revenues	(230)	-	-	-	-	(230)
Profit (loss) for the year before income tax	14,328	(8,693)	13,484	95	(101)	19,113
Income tax expense	(2,824)	-	-	(4)	-	(2,828)
Profit (loss) for the year	11,504	(8,693)	13,484	91	(101)	16,285
Percentage of ownership	46%	27.38%	48%	46%	40%	
Group's share from current year income	5,292	(2,380)	6,472	42	(40)	9,386
Group's share from prior years income*	-	(1,787)	432	(73)	(46)	(1,474)
Group's share of hedging	1,380	-	-	(3,403)	-	(2,023)
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	-	57	-	57
Group's share of associates' profit (loss)	**6,672**	**(4,167)**	**6,904**	**(3,377)**	**(86)**	**5,946**

(In Thousands of Jordanian Dinars)

2017	Manajim for Mining Development	Jordan Abyad Fertilizers and Chemicals Company	Jordan India Fertilizers Company	Arkan Company for Construction	Kaltime Jordan Abdi Company	Total
Group's share in net equity:						
Current assets	66,407	1,891	57,838	21,664	2,126	149,926
Non-current assets	22,529	100,032	525,552	30,012	35	678,160
Current liabilities	(16,468)	(18,943)	(96,736)	(10,789)	(810)	(143,746)
Non-current liabilities	-	(55,788)	(160,541)	(4,180)	-	(220,509)
Partners current account	-	(43,123)	-	-	-	(43,123)
Net equity	72,468	(15,931)	326,113	36,707	1,351	420,708
Percentage of ownership	46%	27.38%	48%	46%	40%	
Group's share in net equity	33,335	(4,362)	156,534	16,885	540	202,932
Elimination of Group's share of association related to transaction between the Group and associate	-	-	401	-	-	401
Adjustments due to change in ownership percentage	(4,078)	(93)	-	14	-	(4,157)
Group's net share in partner's current account	-	3,375	-	-	-	3,375
transfer of excess losses on investment to other liabilities	-	1,080	-	-	-	1,080
Imbedded goodwill	7,800	-	-	(44)	-	7,756
Net investment as at 31 December	**37,057**	**-**	**156,935**	**16,855**	**540**	**211,387**
Group's share from associates revenues and profits:						
Revenues	100,318	233	169,779	43,884	1,114	315,328
Cost of sales	(89,457)	(2,205)	(97,359)	(40,618)	(1,102)	(230,741)
Administrative, selling and distribution expenses	(999)	(3,456)	(85,082)	(1,196)	(267)	(91,000)
Interest income	146	-	-	-	45	191
Finance expenses	(17)	(4,194)	-	(706)	(1)	(4,918)
Other revenues	25	-	-	-	46	71
Profit (loss) for the year before income tax	10,016	(9,622)	(12,662)	1,364	(165)	(11,069)
Income tax expense	(2,007)	-	-	(68)	-	(2,075)
Profit (loss) for the year	8,009	(9,622)	(12,662)	1,296	(165)	(13,144)
Percentage of ownership	46%	27.38%	48%	46%	40%	
Group's share from current year income	3,684	(2,635)	(6,078)	596	(66)	(4,499)
Group's share from prior years income*	-	(97)	(485)	457	(5)	(130)
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	-	466	-	466
Group's share of associates' profit (loss)	**3,684**	**(2,732)**	**(6,563)**	**1,519**	**(71)**	**(4,163)**

* Prior year adjustments represent the differences between draft financial statements and final audited financial statements of the associate companies.

(In Thousands of Jordanian Dinars)

B- JOINT VENTURES:

The below schedule presents the Group's investment in joint ventures:

	Country of incorporation	Nature of activity	Ownership %	2018	2017
Indonesian project – Petro Jordan Abadi Company	Indonesia	Phosphoric Acid production	50	957	6,664
Jordan Industrial Ports Company	Jordan	Shipping services	50	67,835	53,945
				68,792	**60,609**

The movement on the investment in joint ventures is as follows:

	2018	2017
Balance at 1 January	60,609	44,899
Group's share of (loss) for the year	(4,334)	(1,930)
Increase in investment in Industrial Ports Company**	12,500	17,500
Addition Group's share of Petro Jordan Abadi income related to transactions between the Group and joint venture	17	140
Balance at 31 December	68,792	60,609

** Industrial Ports Company increased its paid in capital during 2018 by JD 25,000 thousand to reach JD 130,000 thousand. JPMC's share of the increase amounted to JD 12,500 thousand.

(In Thousands of Jordanian Dinars)

The below schedules summarizes financial information for the Group's major joint ventures:

2018	Indonesian project – Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
Current assets	22,070	28,169	50,239
Non-current assets	127,709	116,081	243,790
Current liabilities	(37,741)	(8,581)	(46,322)
Non-current liabilities	(95,187)	-	(95,187)
Partners current account	(14,601)	-	(14,601)
Net equity	2,250	135,669	137,919
Percentage of ownership	50%	50%	
Group's share in net equity	1,125	67,835	68,960
Elimination of group's share of the income related to transactions between the Group and joint ventures	(168)	-	(168)
Group's share in net equity	**957**	**67,835**	**68,792**
Group's share from joint ventures and profits			
Revenues	65,143	16,125	81,268
Cost of sales	(71,650)	(13,703)	(85,353)
Administration, selling and distribution expenses	(1,069)	(1,192)	(2,261)
Interest income	-	1,473	1,473
Finance expense	(4,273)	(4)	(4,277)
Other revenues, net	2,807	352	3,159
(Loss) profit for the year	(9,042)	3,051	(5,991)
Percentage of ownership	50%	50%	
Group's share of the year results	(4,521)	1,526	(2,995)
Group's share of prior year results***	(1,203)	(136)	(1,339)
Group's share of (loss) profit from joint ventures	**(5,724)**	**1,390**	**(4,334)**

(In Thousands of Jordanian Dinars)

2017	Indonesian project – Petro Jordan Abadi Company	Jordan Industrial Ports Company	Total
Current assets	30,903	18,301	49,204
Non-current assets	138,900	101,710	240,610
Current liabilities	(41,446)	(12,121)	(53,567)
Non-current liabilities	(114,659)	-	(114,659)
Net equity	13,698	107,890	121,588
Percentage of ownership	50%	50%	
Group's share in net equity	6,849	53,945	60,794
Elimination of group's share of the income related to transactions between the Group and joint ventures	(185)	-	(185)
Group's share in net equity	**6,664**	**53,945**	**60,609**
Group's share from joint ventures and profits			
Revenues	73,485	14,772	88,257
Cost of sales	(78,078)	(12,672)	(90,750)
Administration, selling and distribution expenses	(1,637)	(694)	(2,331)
Interest income	50	801	851
Finance expense	(4,681)	(3)	(4,684)
Other revenues, net	(24)	1,110	1,086
(Loss) profit for the year	(10,885)	3,314	(7,571)
Percentage of ownership	50%	50%	
Group's share of the year results	(5,443)	1,657	(3,786)
Group's share of prior year results***	2,016	(160)	1,856
Group's share of (loss) profit from joint ventures	**(3,427)**	**1,497**	**(1,930)**

*** Prior year adjustments represent differences between draft financial statements and final audited financial statements of the joint ventures companies.

(In Thousands of Jordanian Dinars)

6- INTANGIBLE ASSETS

The details of this item are as follows:

	2018	2017
Fertilizers unit goodwill*	15,680	15,680
New phosphate port**	133,547	139,906
	149,227	155,586

* FERTILIZERS UNIT GOODWILL:

During 1986 the Group acquired Jordan Fertilizers Industry Company ("JFIC" or "the Fertilizers Unit") as agreed by the Economic Security Committee decision no. 16/86 dated 15 June 1986, whereby all assets and certain liabilities have been transferred to the Group.

Goodwill represents the excess of the cost of purchase over the Group's interest in the net fair value of the JFIC identifiable assets and liabilities that have been recorded 1986.

Impairment test of goodwill

The recoverable amount of the Fertilizers Unit has been determined using the projected cash flows based on financial budgets and projections prepared by the Group. The pre-tax discount rate applied is 15.9% the projections were prepared based on the production capacity and the expected prices of raw material and finished goods as published by specialized international organization. The test did not result any impairment in goodwill.

Key assumptions used:

The key assumptions to calculate the value in use for the Fertilizers Unit and which were used by management to prepare the projected cash flows for the impairment test of goodwill were as follows:

Projected sales:

The quantities sold during 2018 were used to build up the projected 5 years future sales.

Projected costs:

The costs incurred during 2018 except for raw material prices, were used to build up the projected 5 years cost.

Discount rate:

The discount rate used reflects the management's estimate of the risks specific to the fertilizer unit and to the industry to determine the weighted average cost of capital which represent the discount rate used of 15.9%.

Raw materials and selling prices:

Estimated selling prices and prices of raw materials are based on management expectations. Fertilizers chemical products prices are obtained from published information issued from international specialized organization and it has been adjusted on historical cost to reflect the purchase prices including Cost and Freight (CFR) Aqaba / Jordan.

Sensitivity to changes in assumptions:

With regard to the assessment of value in use of the fertilizer unit, management believes that no reasonably possible changes in any other above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(In Thousands of Jordanian Dinars)

** NEW PHOSPHATE PORT:

During 2014, the Company capitalized the new Phosphate Port Project as intangible assets in accordance with IFRIC 12 (Service Concession Arrangements), where the total cost of the project represents the license to use and operate the new port for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation / Aqaba Special Economic Zone Authority. The Company started to amortize the intangible assets related to the new phosphate port terminal from the first of January 2014. The amortization expense for the year ended 31 December 2018 amounted to JD 6,359 thousand (2017: JD 6,359 thousand) was recorded within new phosphate port terminal expenses (Note 36).

Movement on new phosphate port is as follows.

	2018	2017
Balance at 1 January	139,906	146,265
Amortization for the year	(6,359)	(6,359)
Balance at 31 December	133,547	139,906

The asset deferral provision when the license to use and operate the new port expires is JD 15,295 thousand as 31 December 2018 (2017: JD 14,543 thousand). The obligation is measured at the present value of estimated future cash flows using an average interest rate of 6.5%.

The movement on the asset deferred provision is as follows:

	2018	2017
Balance at 1 January	14,543	13,775
Present value discount (note 29)	752	768
Balance at 31 December	15,295	14,543

7- EMPLOYEES' HOUSING LOANS

Movement on the employee's housing loans is as follows:

	2018	2017
Balance at 1 January	5,520	5,481
Net movement during the year	94	504
Present value discount (note 29)	(764)	(465)
Balance at 31 December	4,850	5,520

The Group grants its classified employees, who have been in service with the Group for a minimum of seven years, interest-free housing loans at a maximum amount of JD 30 thousand per employee. The loans are repaid in monthly installments, deducted from the employees' monthly salaries over a period of maximum 15 years. These loans are guaranteed by a mortgage over the real estate.

Housing loans are initially recorded at fair value which is calculated by discounting the monthly installments to their present value using an interest rate which approximates the interest rate for similar commercial loans, and is subsequently measured at amortized cost using the effective interest rate method.

(In Thousands of Jordanian Dinars)

8- FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2018	2017
Quoted shares	110	134
Unquoted shares	279	279
	389	413

9- LOANS RECEIVABLE

The balance represents loans granted to associated companies of the Group (Jordan Abyad Fertilizers and Chemicals Company and Jordan India Fertilizers Company). Long-term loans receivable are subject to annual interest rates between 0% and 8.25%.

		2018	2018	2017
		Loan payments	Loan payments	Loan payments
	Currency	Short-term	long-term	long-term
Jordan India Fertilizers Company	USD	-	6,536	6,536
Jordan Abyad Fertilizers and Chemicals Company – net *	USD	-	3,564	3,564
Jordan Abyad Fertilizers and Chemicals Company – net*	JD	-	6,028	5,933
Compensation and death fund**	JD	2,817	9,650	-
		2,817	25,778	16,033
Provision for expected credit loss		-	(3,268)	-
		2,817	**22,510**	**16,033**

* The balance represents the net present value of the loans receivable of Jordan Abyad Fertilizers and Chemicals Company after deducting an amount of JD 2,498 thousand, which represents the net present value of the expected future cash inflows using the market weighted average interest rate.

** The balance represents the net present value of the debit loan of the death and compensation fund after deducting an amount of JD 2,533 thousands, which represents the net present value of the expected future cash inflows using the market weighted average interest rate.

(In Thousands of Jordanian Dinars)

10- PRODUCTION AND DEVELOPMENT STRIPPING COSTS

Movement on the production stripping cost is as follows:

	2018	2017
Balance at 1 January	19,393	30,060
Additions for the year	8,412	7,316
Amortization for the year	(11,240)	(18,449)
Addition of Group's share of associate's income related to transactions between the Group and associates	57	466
Balance at 31 December	**16,622**	**19,393**

11- INVENTORIES, SPARE PARTS AND SUPPLIES

	2018	2017
Finished goods	57,714	42,416
Work in progress (Note 34)	20,787	22,398
Raw materials	26,955	16,408
Inventory held by contractors	13,717	8,128
Spare parts and supplies	98,729	95,188
	217,902	184,538
Provision for slow moving spare parts*	(24,894)	(23,303)
	193,008	**161,235**

* Movement in the provision for slow-moving spare parts was as follows:

	2018	2017
Balance at 1 January	23,303	22,709
Provision for the year	1,591	594
Balance at 31 December	**24,894**	**23,303**

(In Thousands of Jordanian Dinars)

12- ACCOUNTS RECEIVABLE

	2018	2017
Trade receivables	79,108	66,622
Due from associated companies (Note 38)	90,842	92,532
Other	9,173	8,869
	179,123	**168,023**
Provision of expected credit loss	(43,533)	(21,231)
	135,590	**146,792**

The following is the movement for the provision of expected credit loss:

	2018	2017
Balance at 1 January	21,231	20,961
Impact of adoption of IFRS 9	22,302	-
Beginning balance (Adjusted)	43,533	20,961
Provision for the year	-	270
Balance at 31 December	**43,533**	**21,231**

The Group's policy with regard to trade receivables and related parties' receivables is a collection period that does not exceed 90 days.

During 2018, the Group has reclassified the dues from Petro Jordan Abadi Company (Joint venture) to long-term accounts receivables, after deducting an amount of JD 16,376 thousand which represents an allowance for credit losses anticipated under IFRS 9, where the Company will pay the outstanding debit after payment of the full amount of loan due in 2027.

As at 31 December, the aging analysis of trade receivables is as follows:

	Neither past due nor impaired			
	Less than 90 days	90 – 180 days	More than 180 days	Total
2018	67,050	-	68,540	135,590
2017	54,260	-	92,532	146,792

The management of the Group expects unimpaired receivables, on the basis of past experience, to be fully recoverable. The majority of the Group's sales are made through letter of credits.

(In Thousands of Jordanian Dinars)

13- OTHER CURRENT ASSETS

	2018	2017
Payments on letters of credit	12,829	12,091
Contractors deposits	9,759	-
Advance payments on sales tax	2,369	7,514
Prepaid expenses	6,013	5,585
Accrued interest revenue*	5,943	3,592
Prepaid death and compensation fund expenses	2,984	-
Others	823	351
	40,720	**29,133**

* Included in this item an amount of JD 1,313 thousand which represents the net present value of the accrued interest of loans receivable related to Jordan Abyad Fertilizers and Chemicals Company, which is classified under non-current assets in the statement of financial position as at 31 December 2018 (2017: JD 1,313 thousand).

14- CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of the following amounts which appears in the consolidated statement of financial position:

	2018	2017
Cash at banks*	24,609	5,908
Cash on hand	61	60
Cash on hand and at banks	**24,670**	**5,968**
Less: Bank overdrafts (Note 21)	(85,677)	(92,136)
Cash and cash equivalents	**(61,007)**	**(86,168)**

* Cash at banks include current accounts in US Dollars bearing annual interest rate of maximum 1.25% for the years ended 31 December 2018 and 2017.

Cash at banks include short-term deposits accounts in Jordanian Dinars bearing annual interest rate between 3% and 4.5% for the year ended 31 December 2018 (2017: Between 3% and %5%).

(In Thousands of Jordanian Dinars)

15- EQUITY ATTRIBUTABLE TO EQUITY HOLDERS

Paid-in capital

The Group's authorized, subscribed and issued capital amounted to JD 82,500 thousand which comprises of 82,500 thousand shares at par value of JD 1 per share.

Statutory reserve

As required by the Jordanian Companies Law, 10% of the annual net income for the year before income tax is to be transferred to the statutory reserve until it reaches 25% of the Group capital. However the Group may continue transferring to the statutory reserve up to 100% of the Group capital if general assembly approval is obtained. This reserve is not available for distribution to the shareholders.

Voluntary reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

Special reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

16- LOANS

	Currency	2018		2017	
		Due within one year	Long-term	Due within one year	Long-term
International Finance Corporation	USD	-	-	11,625	-
Arab Bank loan (1)	USD	5,168	55,153	5,168	47,790
Arab Jordanian Investment Bank	USD	531	930	531	1,460
Housing Bank for Trade and Finance loan (1)	USD	7,080	7,080	7,080	14,160
Housing Bank for Trade and finance Loan (2)	USD	826	2,891	826	3,717
Union Bank Loan	USD	2,832	2,832	2,832	5,664
Arab Banking Corporation revolving loan	USD	7,075	-	7,075	-
Arab Bank revolving loan (2)	USD	7,080	-	7,080	-
Capital Bank (1)	USD	4,425	13,275	-	-
Capital Bank (2)	USD	-	-	3,894	-
		35,017	**82,161**	**46,111**	**72,791**

International Finance Corporation (IFC) Loan

On 26 March 2010, the Group signed a loan agreement with the International Finance Corporation (IFC) in the amount of USD 110 million, the loan is divided into two parts: loan (A) in the amount of USD 50 million and loan (B) in the amount of USD 60 million. The purpose of the loan agreement is to finance the construction and operation of the new rock phosphate terminal in the southern industrial zone in the port of Aqaba on (Building Operating and Transfer) BOT basis. The new terminals total cost was JD 153,144 thousand at an interest rate of six months LIBOR +3.5%, the loan period is nine years including two years grace period that is payable in 14 equal semi-annual installments amounting to JD 5,840 thousand for each installment, the first installment for both loans was paid on 15 June 2012, and the last installment will be due on 15 December 2018.

Arab Bank Loan (1)

Jordan Phosphate Mining Company signed a USD 96 Million loan agreement with Arab Bank. On 5 January 2016, the first part of the loan agreement with the amount of USD 50 Million was signed between the group and Arab Bank. On 21 July 2016, the second part of the loan agreement with the amount of USD 46 Million was signed between the Group and the Arab Bank to finance 100% of Jordan Phosphate Mining Company's share in Jordan Industrial Ports Company to develop and update the industrial port in Aqaba. The loan holds a LIBOR interest rate of 6 months + 2.75% for the first 7 years of the loan period and LIBOR price of 6 months +2.8% from the 8th year until the end of loan period, the loan has a 15 years period including 2 years grace period. The loan is payable through equal semiannual installments amounted to USD 3.65 Million. The first installment is due on 15 January 2018, and the last installment is payable on 15 July 2030. The first part of the loan was utilized during the first quarter of 2016. Additionally an amount of USD 24.8 Million was utilized from the second part of the loan during the fourth quarter of 2017. An amount of USD 17.7 Million was utilized during 2018 from the second part of the loan.

Arab Bank Loan Agreement requires that Jordan Phosphate Mining Company shall not borrow from any other entity without the Bank's prior approval for amounts above USD 50 million. As well as maintaining a specific rate of debt service not less than one and a quarter times for any financial year, and the ratio of current assets to current liabilities to not less than 1.2 times for any financial year, as well as maintaining the ratio of liabilities to net equity not more than one and a half for any year. The agreement also requires that the Group does not sell its share in the capital of the Industrial Ports Company to any other party without obtaining an approval of the bank, in addition to not distributing dividends in the event of any accrued installments on the loan and that the dividend distribution does not exceed 75% of the company's capital. The Group has committed to the debt service ratio of 1.25 times and the ratio of assets to current liabilities of 1.2 times.

Arab Jordanian Investment Bank

On 27 December 2016, a loan agreement was signed with Arab Jordanian Investment Bank with an amount of USD 3 Million, having an interest rate of 3 months LIBOR with a minimum annual interest rate of 3% for a period of 4 years that includes a one year grace period. The loan is payable through quarterly installments, that starts after 12 months from the agreement signing date. The first installment was due on 31 January 2017 and the last installment is due on 30 September 2021.

Housing Bank for Trade and Finance Loan (1)

On 22 December 2015, the Group signed a loan agreement with Housing Bank (Bahrain Branch) with an amount of USD 50 million to finance employees end-of-service expenses bearing an rate of 5.75% annually fixed and without commission for a period of 6 years including a one year grace period. The loan is payable in 10 equal semiannual installments of USD 5 million. The loan was fully utilized on 6 January 2015. The first installment was paid on 22 December 2015 and the last installment will be due on 15 July 2020. The Bank is entitled to claim for guarantees if the average price per phosphate tonne decreased by less than USD 60.

Housing Bank for Trade and Finance Loan (2)

On 6 April 2017, the Group signed a loan agreement with Housing Bank in the amount of USD 7 million bearing an interest rate of 5.75% annually fixed and without commission. The loan period is 6 years including a grace period of 6 months. The loan is payable through 12 equal semiannual installments of USD 583 thousand. The first installment was due on 6 October 2017 and the last installment will be due on 6 April 2023.

Union Bank Loan

On 6 October 2015, the Group signed an agreement with Union Bank in the amount of USD 20 million to finance the compensation and end-of-service fund bearing an interest rate of 6 months LIBOR + 2.25%. The loan's period is 6 years including a grace period of 1 year. The loan is payable in 5 annual installments of USD 4 million each. The first installment was payable on 6 October 2016 and the last installment will be due on 6 October 2020.

Arab Banking Corporation Revolving Loan

On 22 May 2014, the Group signed a revolving loan agreement with Arab Banking Corporation with a ceiling of USD 10 Million to finance the working capital, at an annual interest rate of one month LIBOR + 2.75%. The loan was fully utilized during 2014 and should be fully paid within a maximum of 13 months from the utilization date.

Arab Bank Revolving Loan (2)

On 3 July 2014, the Group signed a revolving loan agreement with Arab Bank with a ceiling of USD 10 Million to finance letters of credit at an annual interest rate of one month LIBOR +2%. The loan was fully utilized during 2014 and should be fully paid within 1 month from the utilization date and / or the collection date of the letter of credit from customers, whichever is earlier.

Capital Bank Loan (1)

On 28 February 2018, the Group signed a loan agreement with Capital Bank in the amount of USD 25,000 thousand to finance the operating liabilities of the Group bearing a fixed interest rate of 6%. The loan has a 5 years period including 1 year grace period. The loan is payable through 16 equal quarterly installments amounted to USD 1,563 thousands. The first installment is due on 28 February 2019.

Capital Bank Loan agreement requires maintaining current assets to current liabilities ratio to be not less than 1.1 times and that the ratio of liabilities to net shareholders' equity not to exceed 1.5 times. The Group complied with the ratios as at 31 December 2018.

Capital Bank Loan (2)

On 8 June 2016, the Group signed a revolving loan agreement with Capital Bank to renew and raise the ceiling by USD 30,000 thousand bearing an annual interest of period LIBOR + 2%. On 9 February 2017, the Group has utilized an amount of USD 5,000 thousand with 6% interest rate. The loan is due within a period of maximum one year from withdrawal date. On 14 December 2017, the Group utilized an amount of USD 500 thousand with 3.7% interest rate. The loan is due within one year from the withdraw date.

Loans repayments schedule:

The aggregate amounts of annual principal maturities of long-term loan are as follows:

Year	Amount in
2019	35,017
2020	20,862
Thereafter	61,299
	117,178

(In Thousands of Jordanian Dinars)

17- COMPENSATION AND END-OF-SERVICE INDEMNITY PROVISIONS

The movement on the end-of-service indemnity provision is as follow:

	2018				
	Compensation Fund*	Engineers Specialty Allowances**	End of Service Bonus Compensation***	Six months Bonus compensation	Total
Balance at 1 January	278	18	1,797	301	2,394
Provision during the year (company contribution)	83	-	369	42	494
Employee's contribution	34	-	-	-	34
Payments during the year	(4)	-	(72)	(19)	(95)
Balance at 31 December	**391**	**18**	**2,094**	**324**	**2,827**

	2017				
	Compensation Fund*	Engineers Specialty Allowances**	End of Service Bonus Compensation***	Six months Bonus compensation	Total
Balance at 1 January	183	18	10,822	315	11,338
Provision during the year (company contribution)	65	-	200	83	348
Employee's contribution	37	-	-	-	37
Payments during the year	(7)	-	(25)	(97)	(129)
Transfers	-	-	(9,200)	-	(9,200)
Balance at 31 December	**278**	**18**	**1,797**	**301**	**2,394**

* Starting on 1 January 1981, all employees became entitled to be included in the Compensation Fund (ESCF). The Funds contributions were divided between the employee and the employer. Effective 1 August 1999, the employer's share was amended to become JD 310 and the employee share JD 140 as the total entitlement became JD 450 annually. The Fund's balance as of 31 December 2018 represents the accumulated funds that have vested to some employees; the Company's contributions are recognized as an administrative expense when incurred.

** During 1999 the Company calculated the engineers specialty allowances provision, per a value form count of cassation that includes a final verdict to previous Company's employee that makes the Company pay a premium for spatiality for employees as part of end of service indemnity.

*** during 2011, the Company calculated the provision for employees' end-of-service bonus based on JD 1,000 per each service year for each employee in accordance with the signed agreement with the Jordanian Mines Employees Labor Union on 9 June 2011 and according to the Board of Directors decisions made on the 2 July 2011 and 28 July 2011 which set the end of service bonus basis. The Board of Directors decided in 2018 to grant employees who are included in this program and are still on their jobs, if they wish to terminate their services before 31 December 2018, an incentive by increasing the compensation to become JD 2,000 for each year of service, the additional provision is amounted to JD 169 thousand as of 31 December 2018.

End-of-service bonus is earned based on years of service. The Company determined its liability for defined end of service bonus as the present value of the obligation at the date of the consolidated financial statements. The obligation resulting from the end-of-service bonus compensation plan is determined using the projected unit credit method and it is computed by an actuarial expert.

(In Thousands of Jordanian Dinars)

Details of employees end-of-service indemnity expense as presented on the consolidated statement of income is as follows:

	2018	2017
Interest cost	100	100
Cost of current service	100	100
Addition to provision	169	-
	369	**200**

18- ACCOUNTS PAYABLE

	2018	2017
Due to associates (Note 38)	52,459	45,610
Due to contractors	10,275	20,408
Due to foreign suppliers	29,038	16,326
Due to local suppliers	1,295	5,711
Electricity company	4,385	3,473
Other	9,497	15,013
	106,949	**106,541**

19- ACCRUED EXPENSES

	2018	2017
Inventory in transit in custody of contractor (Note 11)	13,717	8,128
Accrued contractors expense	7,034	6,665
Fuel, electricity and water expenses	5,675	2,691
Accrued agriculture service fees	4,940	3,967
Accrued production bonus	1,879	-
Interest expense	1,372	371
Demurrage and unloading expense	1,363	1,313
Sales rebates	1,261	1,516
Freight and transportation fees	794	4,314
Accrued medical insurance	708	1,312
Sales agents' commissions	469	870
Port fees	266	1,185
Accrued rent	-	139
Mining fees	-	5,116
Other	297	2,529
	39,775	**40,116**

(In Thousands of Jordanian Dinars)

20- OTHER CURRENT LIABILITIES

	2018	2017
Deposits and other provisions	10,931	7,924
Settlement with contractors provision	6,000	-
Cash received under letters of guarantees	2,357	2,357
Contractor retention	2,216	2,216
Payments received in advance	480	2,090
Death and compensation fund*	-	5,081
Other	7,487	2,994
	29,471	**22,662**

* The movement on the Death and Compensation Fund is as follows:

	2018	2017
Balance at 1 January	5,081	2,982
Company's contribution	12,490	14,817
Employees contribution	674	921
Transferred from compensation and end-of-service provision (Note 17)	-	9,200
Transferred from other provisions and adjustment	-	(124)
Prepaid fund expenses (Note 13)	2,984	-
Loan receivable**	15,000	-
Paid during the year	(36,229)	(22,715)
Balance at 31 December	**-**	**5,081**

During March 2015, the Group established a Death and Compensation Fund in accordance with the Board of Directors resolution dated 12 March 2015. The Fund is independent from the Group (financially and administratively) and is effective starting 1 April 2015.

The Fund resources consist of the following:

- Employees' contribution of 1% of gross salary subject to social security with a minimum annual contribution of JD 240.
- Company's contribution of 25% of gross monthly salaries subject to social security.
- Donations and grants.

(In Thousands of Jordanian Dinars)

The Fund grants the employees included in this Fund upon their end-of-service, an average of two-month salary bonus for each service year with a maximum of 23 service years. The salary bonus is determined based on the last salary subject to social security with a maximum salary of JD 4,000.

The Company's financial obligations toward the Fund is limited to the contribution of 25% of gross monthly salaries subject to social security. Accordingly, the Company has no legal obligation to pay in case the Fund was not able to pay its obligations.

** The Group has agreed to grant the fund a one time only Loan receivable of JD 15,000 thousand to the Death and Compensation Fund to settle its obligations. The loan will be settled in five annual installments where the first installment is due on 1 December 2019 and the last installment on 1 December 2023 (note 9).

21- DUE TO BANKS

This balance represents the utilized amount of overdraft facilities granted by local banks. The utilized balance exceeded the ceiling of JD 34,500 thousand as of 31 December 2018 (2017: JD 34,500 thousand) for the JD accounts, and USD 71,500 thousand as of 31 December 2018 (2017: USD 71,500 thousand) for the USD accounts. Average interest rates on those overdrafts facilities ranged between 7.5% to 9.5% in 2018 (2017: between 7.25% and 9%) for the JD accounts, and LIBOR plus 1% to 3.25% for the USD accounts with a maximum of 5.5%.

22- INCOME TAX

Income tax expense (benefit) presented in the consolidated income statement represents the following:

	2018	2017
Current year income tax	10,736	474
Amount released from deferred tax asset	18	1,721
Prior year income tax	772	139
Deferred tax assets	(684)	(125)
	10,842	**2,209**

(A) Income tax provision

Movement on the provision for income tax is as follows:

	2018	2017
Balance at 1 January	1,473	520
Income tax expense for the year	10,736	474
Prior year's income tax	772	139
Prior year provision adjustments	-	4,027
Fees and fines	177	-
Income tax paid	(1,821)	(3,687)
Balance at 31 December	**11,337**	**1,473**

(In Thousands of Jordanian Dinars)

(B) Reconciliation of the accounting profit to taxable profit

The details of computed income tax is as follows:

	2018						
	Phosphate	Fertilizer	Indo Jordan*	Nippon Jordan*	Al Ro'ya	Reconciliations between subsidiaries	Total
Accounting profit (loss)	35,061	2,000	23,087	894	2,835	(5,491)	58,386
Non-taxable profits	(3,983)	-	(23,087)	(894)	-	-	(27,964)
Non-deductible expenses	10,398	1,011	-	-	-	5,491	16,900
Taxable income	41,476	3,011	-	-	2,835	-	47,322
Provision for income tax	10,020	149	-	-	567	-	10,736
Effective income tax rate	29%	8%	-	-	20%	-	-
Enacted income tax rate	24%	5%	-	-	20%	-	-

	2017						
	Phosphate	Fertilizer	Indo Jordan*	Nippon Jordan*	Al Ro'ya	Reconciliations between subsidiaries	Total
Accounting profit (loss)	(20,205)	(21,292)	(8,041)	2,931	2,295	(132)	(44,444)
Non-taxable profits	(6,344)	(3,301)	8,041	(2,931)	-	-	(4,535)
Non-deductible expenses	15,748	602	-	-	-	132	16,482
Taxable income	(10,801)	(23,991)	-	-	2,295	-	(32,497)
Provision for income tax	-	-	-	-	474	-	474
Effective income tax rate	-	-	-	-	21%	-	
Enacted income tax rate	24%	5%	-	-	20%	-	-

* No income tax is calculated on Indo-Jordan's and Nippon Jordan's results because both companies are registered in the free zone which is exempted from the income tax at 100%.

(C) Deferred tax assets

Movement in the provision for income tax was as follows:

	2018	2017
Balance at 1 January	4,941	6,537
Effect of the adoption of IFRS 9	13,337	-
Balance at 1 January (adjusted)	18,278	6,537
Additions during the year	684	125
Released during the year	(18)	(1,721)
Balance at 31 December	18,944	4,941

(In Thousands of Jordanian Dinars)

The income tax provision for the year ended at 31 December 2018 and 2017 has been calculated in accordance with the Income Tax Law No. (34) of the year 2014 and in accordance with the Aqaba Special Economic Authority Law (32) of the year 2000 for the Fertilizers Unit. The tax rate has been amended from January 2019 to 24% + 7% national contribution in accordance with the Jordanian income tax law No. (34) of the year 2014 amended by law No (38) of the year 2018.

Phosphate Unit

The Company submitted its' tax declarations for the Phosphate Unit for the years 2017, 2016 and 2012. The Income and Sales Tax Department has reviewed the records of the Phosphate Unit for the years 2016, 2012 and reached to a final settlement up to the year 2016. The income and Sales Tax Department claimed a tax of JD 300 and 544 thousand for the years 2012,2016 respectively however, the company filed a lawsuit to reach for a final settlement.

The Income Tax return for the year 2014 was accepted as presented based on the samples system. As for the year 2017, the income and Sales Tax Department did not review the company's records up to the date of the consolidated financial statement.

Fertilizer Unit

The Company submitted its' tax declarations for the Fertilizers Unit for the years 2017, 2016, 2015. The Company reached a final settlement with the income tax department / Aqaba Special Economic Zone Authority for the fertilizers Unit up to 2014. The income and Sales Tax Department / Aqaba Special Economic Zone Authority has not reviewed the records for the years 2017, 2016 and 2015 up to the date of the consolidated financial statements.

23- SALES/ COST OF SALES

	Sales	Cost of sales	Gross profit
Phosphate unit	327,195	189,727	137,468
Fertilizers unit	174,635	178,416	(3,781)
Indo Jordan	98,716	72,829	25,887
Nippon	65,991	61,331	4,660
Trading in raw materials	7,902	6,682	1,220
	674,439	**508,985**	**165,454**

	2018	2017
Finished goods as at 1 January	42,416	54,081
Production costs (Note 34)	524,283	484,434
Finished goods as at 31 December	(57,714)	(42,416)
	508,985	**496,099**

Fertilizer Unit's production costs include the amounts of JD 2,291 thousand and JD 2,125 thousand for 2018 and 2017 respectively, which represent mining fees on rock phosphate used in the fertilizer unit production (Note 27).

(In Thousands of Jordanian Dinars)

24- SELLING AND MARKETING EXPENSES

	2018	2017
Sales commissions	1,346	2,283
Governmental fees on agriculture services	972	977
Export department expenses	968	1,145
Packaging materials	682	765
Bank charges on letters of credit	598	498
Income tax on marine freight	543	432
Demurrage and unloading expenses	115	15
Other sales and marketing expenses	3,022	2,217
	8,246	**8,332**

25- ADMINISTRATIVE EXPENSES

	2018	2017
Salaries and wages	8,696	9,144
Legal expenses and lawyer fees	5,230	1,901
End-of-service benefits and compensation fund contributions	3,946	5,129
Post-Retirement Health Insurance contributions	2,997	2,028
Employer’s Social Security contributions	703	935
Depreciation	565	608
Scientific research and development	545	992
Employees’ Health Insurance Fund contributions	528	424
Fees, taxes and stamps	502	283
Medical expenses	316	485
Employees Saving Fund contributions	251	344
Travel and per-diems	237	218
Maintenance and administrative expenses	195	319
Utilities	176	207
Hospitality	102	151
Subscriptions and exhibitions	109	109
Stationery	85	106
Post and telephone	69	93
Rent	67	76
Advertising	48	43
Insurance fees	162	41
Paid vacations and end-of-service benefits	-	120
Other	1,358	1,442
	26,887	**25,198**

(In Thousands of Jordanian Dinars)

26- RUSSIEFAH MINE EXPENSES

	2018	2017
Scientific research and development	967	1,179
Salaries and wages	133	217
Depreciation	98	113
Employer’s Social Security contributions	14	21
Employees Health Insurance Fund contributions	5	16
Medical expenses	5	10
Employees Saving Fund contributions	4	8
Other	104	96
	1,330	**1,660**

27- MINING FEES

The Group is subject to mining fees to the Jordanian Government on each tonne of phosphate rocks exported, sold locally or used in the Group's projects. Mining fees are calculated as 5% of gross revenue or JD 1.42 per tonne of phosphate, whichever is higher.

Mining fees incurred for the years 2018 and 2017 are as follows:

	2018	2017
Mining fees on sold Phosphate	18,169	18,266
Mining fees on Phosphate used by the Fertilizers Unit (Note 23)	2,291	2,125
	20,460	**20,391**

(In Thousands of Jordanian Dinars)

28- OTHER INCOME, NET

	2018	2017
Settlement of insurance claims	229	1,520
Net income from sales of water and energy	3,316	4,335
Claim settlement expenses *	15,706	(3,100)
Early vessels revenue	675	794
Dividends income	188	112
Handling income from associates	3,882	4,238
Other	2,655	1,444
	26,651	9,343

* This balance includes an amount of JD 9,922 thousand, which is a part of the value of the settlement with one of the project contractors carried out in the industrial complex before 2012.

29- FINANCE COSTS

	2018	2017
Interest on loans	6,947	4,754
Bank interest – Due to Banks	6,232	5,465
Present value discount on death and compensation fund (Note 9)	2,533	-
Present value discount for asset replacement cost (Note 6)	752	768
Present value discount on employees housing loan (Note 7)	764	465
	17,228	**11,452**

30- FINANCE INCOME

	2018	2017
Interest income on banks' current accounts and deposits	317	572
Interest on loans receivable	2,654	1,134
	2,971	**1,706**

(In Thousands of Jordanian Dinars)

31- EARNINGS PER SHARE

	2018	2017
Profit (loss) for the year attributable to Company's shareholders (thousand JD's)	47,276	(47,532)
Weighted average number of shares during the year (thousand shares)	82,500	82,500
	JD/Fils	**JD/Fils**
Basic earnings (losses) per share*	0/573	(0/576)

* The diluted losses / earnings per share attributable to Company's shareholders are equal to the basic earnings per share.

32- SEGMENT INFORMATION

The operating segments are organized and managed separately according to the nature of the products and services provided. Each segment represents a separate unit which is measured according to the reports used by the chief operating decision maker of the Group.

The Phosphate Unit extracts mines and sells phosphate to local and international markets and to associated companies.

The Fertilizer Unit purchases the phosphate from the Phosphate Unit and uses it in the production of Fertilizers, Phosphoric Acid and Aluminum Fluoride to be sold to international and local markets and to associated companies.

Indo-Jordan (Subsidiary) produces phosphoric acid and other chemical by-products and sells them to international markets and associated companies.

Nippon (Subsidiary) produces fertilizers and other chemical by-products and sells to international and associated companies.

The raw material trading unit purchases raw materials and explosives and uses them in mining and fertilizers production as well as selling them in local and international markets and to associated companies.

(In Thousands of Jordanian Dinars)

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Trading in Raw Materials	Eliminations	Total
31 December 2018								
Revenues								
External sales	327,195	174,635	98,716	65,991	-	7,902	-	674,439
Inter-segment sales	81,991	30,288	16,134	-	-	12,720	(141,133)	-
Total Sales	409,186	204,923	114,850	65,991	-	20,622	(141,133)	674,439
Gross profit (loss)	137,468	(3,781)	25,887	4,660	-	1,220	-	165,454
Segment results								
Non-recurring profit	8,415	9,922	-	-	-	-	-	18,337
Profit (loss) before income tax	35,010	831	23,087	894	2,835	1,220	(5,491)	58,386
Profit (loss) for the year	24,897	740	23,087	894	2,268	1,149	(5,491)	47,544
Group share of loss of associ-ates and joint ventures	1,555	-	-	-	-	-	57	1,612
Non-controlling interest	268	-	-	-	-	-	-	268
Other segment information								
Capital expenditures	552	1,562	1,868	741	-	-	-	4,723
Depreciation	8,614	13,141	2,997	1,041	10	-	-	25,803

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Trading in Raw Materials	Eliminations	Total
31 December 2017								
Revenues								
External sales	335,507	101,883	70,358	71,830	-	7,088	-	586,666
Inter-segment sales	72,309	39,573	5,731	844	-	14,535	(132,992)	-
Total Sales	407,816	141,456	76,089	72,674	-	21,623	(132,992)	586,666
Gross profit	108,552	(19,927)	(5,274)	6,295	-	921	-	90,567
Segment results								
Non-recurring losses	(4,027)	-	-	-	-	-	-	(4,027)
(Loss) profit before income tax	(20,185)	(22,232)	(8,041)	2,931	2,295	921	(133)	(44,444)
(Loss) profit for the year	(21,633)	(22,432)	(8,041)	2,931	1,782	873	(133)	(46,653)
Group share of loss of associ-ates and joint ventures	(6,559)	-	-	-	-	-	466	(6,093)
Non-controlling interest	-	-	-	879	-	-	-	879
Other segment information								
Capital expenditures	897	6,172	3,561	193	-	-	-	10,823
Depreciation	10,072	10,252	6,233	1,022	108	-	-	27,687

(In Thousands of Jordanian Dinars)

Assets and Liabilities as at 31 December 2018	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total
Assets	490,764	226,133	97,163	33,172	2,016	849,248
Investment in associates and joint ventures	273,088	-	-	-	-	273,088
Liabilities	385,209	44,704	4,276	3,958	1,530	439,677

Assets and Liabilities as at 31 December 2017	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total
Assets	497,324	207,601	75,388	24,228	1,126	805,667
Investment in associates and joint ventures	271,996	-	-	-	-	271,996
Liabilities	348,176	37,409	11,844	744	1,338	399,511

Geographical segments

Following is a summary of sales by geographical areas:

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Raw Materials	Total
2018						
Asia	235,946	154,008	95,899	17,542	-	503,395
Australia	-	-	-	27,191	-	27,191
Europe	857	-	-	6,586	-	7,443
Africa	-	20,057	2,817	14,672	-	37,546
South America	620	-	-	-	-	620
Associated and joint ventures companies in Jordan	89,760	-	-	-	121	89,881
Other	12	570	-	-	7,781	8,363
	327,195	**174,635**	**98,716**	**65,991**	**7,902**	**674,439**
2017						
Asia	239,607	89,136	65,479	46,233	-	440,455
Europe	8,882	6,135	-	19,332	-	34,349
Africa	-	5,987	1,131	6,117	-	13,235
Associated and joint ventures companies in Jordan	87,013	-	-	-	-	87,013
Others	5	625	3,748	148	7,088	11,614
	335,507	**101,883**	**70,358**	**71,830**	**7,088**	**586,666**

The Group operates in the Hashemite Kingdom of Jordan, accordingly all of its assets and liabilities are within the territory of Jordan, except for the Indonesian project – Petro Jordan Abadi Company which is located in Indonesia.

(In Thousands of Jordanian Dinars)

33- OTHER PROVISIONS

The details of other provisions included in the consolidated statement of income are as follows:

	2018	2017
End-of-service bonus compensation provision (Note 17)	369	200
Bonus compensation – six months for subsidiaries (Note 17)	42	83
Others***	370	-
	781	**283**

The details of employees' incentives and retirees' grants provision included in the consolidated statement of financial position are as follows:

	2018	2017
Employees' incentives provision*	193	193
Retirees' grants provision**	551	551
Others***	424	-
	1,168	**744**

* The employees' incentives provision for the year 2011 was calculated based on the Company's Board of Directors decision on 2 July 2011 approved an Early Retirement Incentive Plan for the year 2011 and its associated by-laws (the "Plan"). The Plan is applicable only to those employees who meet its conditions, whereby the Plan may not be combined with either the early retirement incentive plan for the year 2000 or with the end of service bonus. The Plan provides the following benefits to those employees who meet the conditions of the plan:

1. Granting a JD 1,000 bonus for each year of service as of the hiring date and until the termination date.
2. Granting a JD 1,000 bonus for each year of service as of the termination date until attaining the age of seniority (60 years of age for males and 55 years of age for females).
3. Granting a bonus equivalent to four salaries for each year in respect of the first five years of service, a bonus equivalent to three salaries for each year in respect of the second five years of service, a bonus equivalent to two salaries for each year in respect of the third five years of service. For purposes of computing the incentive provided for under the Plan, the remaining years of service must not, in all cases, exceed 10 years for females and 15 years for males.
4. Benefiting from the medical insurance coverage after retirement. Additionally, the employee who does not meet the conditions of the Plan, or the employee who chooses to leave the company and not take advantage of the early retirement program, still has the right to subscribe to the medical insurance coverage after retirement provided that the subscription must be paid in advance.

Whereby eligibility to the plan and its entitlements shall not affect the eligible employee's rights to receive his/her end-of-service benefits including the six-month bonus, the compensation and death fund entitlements, or the savings fund entitlements.

(In Thousands of Jordanian Dinars)

Movement on the employees' bonus provision is as follows:

	2018	2017
Balance at 1 January	193	489
Paid during the year	-	(296)
Balance at 31 December	193	193

** On 29 February 2012, the Company's Board of Directors approved the decision to grant the Company's early retirees who retired on early retirement plan for the year 2000 an amount of JD 5,000 for each retiree.

On 20 February 2012, the Company's Board of Directors approved the decision to grant the Company's retirees who retired between the period from 1 January 2002 and 4 June 2011. The amount is calculated based on the following formula and the minimum amount is JD 8,000 for each retiree:

((50% x salary subject to social security x years of service) + (25% x salary subject to social security x remaining years from the termination date until the age of seniority)).

*** The Board of Directors has decided to give an incentive for workers whose services in the Company is less than eight years as at 31 December 2018 if they wish to terminate their services in the company, by paying 5 times of their monthly salary subject to Social Security or JD 5 thousand whichever is bigger for each year of service. Movement on the provision is as follows:

	2018	2017
Balance at 1 January	-	-
Expense during the year	370	-
Employees' contribution	183	-
Paid during the year	(129)	-
Balance at 31 December	**424**	**-**

Movement on the employees' grants provision is as follows:

	2018	2017
Balance at 1 January	551	569
Paid during the year	-	(18)
Balance at 31 December	**551**	**551**

(In Thousands of Jordanian Dinars)

34- PRODUCTION COSTS

	2018	2017
Work in progress beginning balance	22,398	35,775
Add:		
Mining contractors	169,316	176,120
Raw materials	159,502	92,071
Raw materials purchases	6,682	6,167
Salaries and other benefits	73,054	82,931
Utilities	32,323	28,977
Spare parts and consumables	18,716	21,984
Fuel and oil	16,901	9,972
Depreciation	25,036	26,769
Other	21,142	26,066
Less: Work in progress ending balance	(20,787)	(22,398)
	524,283	**484,434**

35- SALARIES AND EMPLOYEES BENEFITS

	2018	2017
Salaries and allowances	60,857	69,020
End-of-service and indemnity Fund	12,573	14,882
Social security	7,374	8,545
Paid end-of-service indemnity	3,873	4,978
Employees families health insurance	3,104	3,371
Employees medical expenses	3,167	3,284
Saving Fund	2,194	2,228
Employees meals subsidy	462	991
Present value of end-of-service bonus compensation	369	200
	93,973	**107,499**

(In Thousands of Jordanian Dinars)

36- NEW PHOSPHATE PORT TERMINAL EXPENSES

	2018	2017
Salaries, wages and other benefits	2,125	2,665
Water and electricity	1,417	1,258
Amortization (Note 6)	6,359	6,359
Property and equipment insurance	519	500
Rent	867	333
Other	290	290
	11,577	**11,405**

37- COMMITMENTS AND CONTINGENCIES

Guarantees and letters of credit

As of 31 December 2018, the outstanding letters of credit and letters of guarantee were JD 27,155 thousand and JD 3,220 thousand respectively (2017: JD 33,137 thousand and JD 2,835 thousand; respectively).

The Group has guaranteed 27.38% (Group’s share of investment) of the syndicated loans and credit facilities managed by Jordan Ahli Bank, given to Jordan Abyad Fertilizers and Chemicals Company (Affiliate Company), amounting to JD 13,688 thousand as of 31 December 2018. On 16 November 2016, Jordan Ahli Bank credited JD 7,639 thousand to the Company’s account, which represents the Company’s share of the syndicated loan installment, the credit facilities granted and the accrued interest on Jordan Abyad Fertilizers and Chemicals Company. The company do not have any accounts at Al-Ahli Bank as of 31 December 2017 and 31 December 2018.

An agreement was signed between Jordan Abyad Fertilizers and Chemicals Company and Jordan Ahil Bank, to reschedule loan installments, the shareholders and the bank agreed to consider the installment that credited to the Jordan Phosphate Mine Company by Jordan Ahil Bank on 16 November 2017 as part of debt that scheduled and due on Jordan Abyad Fertilizers and Chemicals Company. The Group has recorded a provision of its share of the capital of the Company as per IFRS 9 requirements as stated in note (2).

The Group and the other shareholders of the Jordanian Indian Fertilizer Company, each in accordance with its contribution, signed a guarantee agreement in 2011 to guarantee the loans of IFC and European Bank of Investment amounting to USD 335.5 million. The Group's share as at 31 December 2018 amounted to a total of JD 62,304 thousand.

The Group has guaranteed 50% of a guarantee issued to Aqaba development Company form Jordanian Industrial Ports Company (affiliate Company) as of 31 December 2018 amounting to JD 36,829 Thousand.

Operating Leases

During 2008, the Group had renewed the agreement with Aqaba Development Company by entering into an operating lease agreement for an area of 3,043 square meters for a period of forty nine years with an annual lease of JD 570 thousand. At the beginning of 2017, the leased area was reduced to 3,022 square meters under the same conditions. The annual rent reached JD 567 thousand, which changes every five years according to the inflation rate announced by the Central Bank of Jordan. The value of the land leased on the new phosphate port project amounts to JD 432 thousand, which varies each year according to the inflation rate announced by the Central Bank of Jordan. The value of the lease of the mine lands amounted to JD 5,846 thousand as of 31 December 2018.

Litigation

The Group is a defendant in a number of lawsuits and claims in the ordinary course of business of approximately JD 2,334 thousand. The management of the Group believes that these lawsuits will not have a material effect on the financial statements.

During 1999, the Group withdrew the cash received under letters of guarantee that were issued by the German KHD Company in favor of the Group due to KHD's noncompliance with the terms and conditions of the contract agreement. KHD is the prime contractor of the Company's beneficiation and flotation plant project in the Shidiya.

During January 2000, KHD initiated a lawsuit in a Jordanian court against the Group's withdrawal of the amount of the letters of guarantee and during February 2000, the Group filed a counter suit. Further, during March 2000, KHD started an arbitration procedure to be heard by the International Chamber of Commerce. The Jordanian Supreme Court had decided that KHD had waived its right to arbitration in the International Chamber of Commerce and, accordingly, Jordanian Courts are the relevant legal jurisdiction to hear the lawsuit and the case is still pending.

During October 2004, KHD filed a lawsuit against the Group, claiming amounts under the contract signed between the two parties in respect of the beneficiation and flotation plant project at Shidiya mine.

The total amount of claims relating to lawsuits relating to KHD is JD 12,564 thousand. The Group filed a counter-claim that has reached JD 27,659 thousand representing the cost incurred by the Group in fixing the errors made by KHD during the construction of the project.

In August 2017, the Company filed a lawsuit against Manjem for Mining Development in the amount of JD 99,046 thousand as a result of breaching the execution of Phosphate Mining Contract (removal of overburden, Mining and crushing Phosphate A1, A2, A3) in area number (1) which located in Mine number (2) North of Shidya Mine) in addition to compensation of damages as a result of contract breach which is estimated based on technical experience. The Company notified Manjem for Mining Development of the contract termination by the expiry of the specified period of time, the contract was extended for a further period of three months which ended on 1 September 2014. The case is still pending at the civil proceedings Court judge.

Manjem for Mining Development filed a lawsuit against Jordan Phosphate Mines Company in November 2017 in respect of compensation of damages as a result of the contract termination, the penalty is estimated at JD 91,461 thousand which represents 20% of the mining contract amounted to JD 457,306 thousand approximately. In 2018, the court decided to conduct the required experience and calculate the value of the 20% of the contract value and decided to appoint an expert and ask him to carry out the task entrusted to him.

In November 2017, Manjem for Mining Development filed a lawsuit against Jordan Phosphate Mines Company claiming several amounts related to Phosphate Mining Contract (removal of overburden, Mining and crushing Phosphate A1, A2, A3) in area number (1) which is located in Mine number (2) North of Shidya Mine) in an amount of JD 15,533 thousand, the case is still pending at the Court of first instance in Amman.

Manjem filed a lawsuit against Jordan Phosphate Mines Company in December 2017 claiming several amounts related to work performed during the months (May, June, and July) 2017 as per the mining contract signed by Jordan Phosphate Mines Company and Manjem with a total amount of JD 20,814 thousand, that was overdue, the case is still pending at the Court of First Instance in Amman. The Group's management believe that the provision recorded against Manjem claims are sufficient.

There is an arbitration case registered in the International Court of Arbitration, which was formed between Jordan Phosphate Mines Company and AFCON Infrastructure Limited, where AFCON filed its claim on 22 August 2017 which represents the remaining due amounts related to the new Phosphate port construction contract with an amount of JD 79,551 thousand.

On 29 October 2017, Jordan Phosphate Mines Company filed a counter claim for the uncompleted works for the new Phosphate port amounting to JD 16,364 thousand.

There is an arbitration case which was formed between Jordan Phosphate Mines Company and Site Group, where Site Group filed its claim in the amount of JD 1,494 thousand which represents the remaining due amount related to the Wells Project Construction Contract. Jordan Phosphate Mines Company filed a counter- claim for uncompleted works amounted to JD 6,212 thousand.

There are disputed amounts between Jordan Phosphate Mines Company and Arkan Company for Construction on the removal of inter-waste and phosphate mining contract in the area of draglines cutters with an amount of JD 7,397 thousand as at 31 December 2018.

Obligations related to rehabilitation of mines and factories

The Group's activities are represented in industrial and mining rights, which may have an impact on the environment. The Group does not have a reliable estimate of this impact. The Group will perform a study to determine the environmental obligations "if any" as a result of the Group's business.

38- RELATED PARTY TRANSACTIONS

Related parties represent balances with associated companies, major shareholders, directors and key management of the Group and the companies in which they are major shareholders in.

The Group entered into transactions with the associates, related parties and the Hashemite Kingdome of Jordan government in its normal course of business with pricing, policies and term.

(In Thousands of Jordanian Dinars)

The following is a summary of related parties' transactions for the years ended 31 December 2018 and 2017:

	Related parties			Total	
	Associated Companies and Joint Ventures	Government of Jordan*	Others**	2018	2017
Consolidated statement of financial position items:					
Accounts receivable	90,842	-	19,459	110,301	99,346
Accounts payable	52,459	-	838	53,297	56,124
Debit loans	12,860	-	-	12,860	16,033
Accrued expenses	-	5,383	-	5,383	10,392
Off consolidated statement of financial position items:					
Guaranteed loans	112,821	-	-	112,821	129,197
Consolidated statement of income items:					
Sales	89,881	-	141,445	231,326	210,560
Purchases	127,367	-	2,240	129,607	158,581
Mining fees	-	20,460	-	20,460	20,391
Port fees	-	4,452	-	4,452	5,090
Other income	23,002	-	210	23,212	22,052
Land lease	-	7,312	-	7,312	6,493

The following transactions have been entered into with related parties:

* The Group purchases goods and services from companies /institutions owned by the Government of Jordan (Major shareholders). The total amounts paid to these companies / institutions amounted to JD 101,696 thousand and JD 102,105 thousand for the years ended 31 December 2018 and 2017 respectively.

** Others include balances and transactions with Jordan Phosphate Mines Company partners in associated companies and projects.

Compensation of the key management personnel was as follows:

	2018	2017
Benefits (Salaries, wages, and other benefits) of senior executive management	628	787
Board of Directors reward	322	369

End-of-service indemnity paid to key management personnel for the year 2018 amounted to JD 747 thousand (2017: JD 673 thousands).

(In Thousands of Jordanian Dinars)

Main transactions with the Government of Jordan:

The nature of the main transactions with related parties was as follows:

- The Company is liable to pay mining fees to the Government of Jordan at rates determined by the government from time to time.
- The Company has an operating lease with the Government of Jordan / Aqaba Special Economic Zone Authority for the land which the Industrial Complex is built on.
- The Company has an operating lease with the Government of Jordan / Aqaba Special Economic Zone Authority for the land which the New Phosphate Port is built on (Note 6).

39- MATERIAL PARTY-OWNED SUBSIDIARIES

Financial information of subsidiaries in which non-controlling interest is material is as follows:

Company name	Country of incorporation	Nature of activity	Non-controlling interest	
			2018	2017
Nippon Jordan Fertilizers Company Limited	Jordan	Production and sale of fertilizers and chemical by-products	30%	30%

Summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company elimination.

Accumulated balances of material non-controlling interest	2018	2017
Nippon Jordan Fertilizers Company Limited	6,862	7,374

Profit attributable to material non-controlling interest	2018	2017
Profit of Nippon Jordan Fertilizers Company Limited	268	879
Dividends of Nippon Jordan Fertilizers Company Limited	(780)	-

A. Summarized statement of financial position

	Nippon Jordan Fertilizers Company Limited	
	2018	2017
Current assets	27,172	18,082
Non-current assets	6,822	7,122
Current liabilities	(11,229)	(430)
Non-current liabilities	-	(301)
Difference between book and market value at acquisition	**107**	**107**
Total equity	**22,872**	**24,580**
Non-controlling interest in equity	**6,862**	**7,374**

(In Thousands of Jordanian Dinars)

B. Summarized statement of profit and loss

	Nippon Jordan Fertilizers Company Limited	
	2018	2017
Sales revenue	65,991	72,674
Cost of sales	(61,945)	(67,049)
Gross profit	**4,046**	**5,625**
Sales and marketing expenses	(1,519)	(1,451)
Administrative expenses	(1,863)	(1,809)
Operating profit	**664**	**2,365**
Interest revenue	255	536
Finance cost	(15)	(8)
Other (expense) revenue	(10)	38
Net income for the year	**894**	**2,931**
Other comprehensive income	-	-
Total comprehensive income	**894**	**2,931**
Total comprehensive income attributable to non-controlling interest	**268**	**879**

C. Summarized statement of cash flow

	Nippon Jordan Fertilizers Company Limited	
	2018	2017
Operating activities	1,956	(5,723)
Investing activities	(226)	448
Financing activities	(2,615)	(8)
Net decrease in cash and cash equivalents	(885)	(5,283)

40- FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments include financial assets and financial liabilities.

Financial assets include cash on hand and at banks, trade receivables, debt loans and selected other current assets as well as employee housing loans, financial liabilities include due to banks, accounts payable and other current liabilities.

Book values of financial instruments do not materially vary from their fair value.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

(In Thousands of Jordanian Dinars)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Level 1	Level 2	Level 3	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
2018				
Financial assets				
Financial assets at fair value through other comprehensive income	110	-	279	389
Financial assets at fair value through profit and loss	197	-	-	197
2017				
Financial assets				
Financial assets at fair value through other comprehensive income	134	-	279	413
Financial assets at fair value through profit and loss	194	-	-	194

41- RISK MANAGEMENT

Interest rate risk

Credit risk is the risk that results from the changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, bank overdraft and term loans).

The following table summarizes the sensitivity analysis for the changes in the interest rates over the profit and loss for the Group as of 31 December computed on the Group's assets and liabilities bearing a variable interest rate, with all other variables held constant, on the consolidated statement of income:

2018	Increase in interest rates	Effect on profit
Currency	Basis points	JD ('000)
JOD	100	(227)
USD	100	(1,451)
Euro	100	-

(In Thousands of Jordanian Dinars)

2017	Increase in interest rates	Effect on profit
Currency	Basis points	JD ('000)
JOD	100	(292)
USD	100	(1,616)
Euro	100	-

The effect of the decrease in the interest rates by 100 basis points is expected to be equal and opposite to the effect of the increases shown above.

Share price risk

The following table demonstrates the sensitivity of the Group's consolidated statement of income (for financial assets at fair value through profit and loss) and cumulative changes in fair value (for financial assets at fair value through other comprehensive income to reasonably possible changes in equity prices, with all other variables held constant.

2018	Change in Index	Effect on Profit	Effect on Equity
Index	%	JD ('000)	JD ('000)
Amman Stock Exchange	5	10	6
2017	Change in Index	Effect on Profit	Effect on Equity
Index	%	JD ('000)	JD ('000)
Amman Stock Exchange	5	10	7

The effect of decreases in equity prices with the same percentages is expected to be equal and opposite to the effect of the increases shown above.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The majority of the Group's sales are carried out through letters of credit.

The Group sells its products to a large number of phosphate and fertilizers customers. Its largest 8 customers account for 69% of outstanding accounts receivable at 31 December 2018 (2017: largest 8 customers 60.7%).

(In Thousands of Jordanian Dinars)

Liquidity risk

Liquidity risk is defined as the Group failure to provide the required funding to cover its obligations at their respective due dates.

The Group limits its liquidity risk by ensuring bank facilities are available.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2018 and 2017, based on contractual payment dates and current market interest rates.

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
As of 31 December 2018					
Due to banks	1,956	91,544	-	-	93,500
Accounts payable	106,949	-	-	-	106,949
Term loans	-	35,841	65,129	30,852	131,822
Total	108,905	127,385	65,129	30,852	332,271

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
As of 31 December 2017					
Due to banks	1,958	98,009	-	-	99,967
Accounts payable	106,541	-	-	-	106,541
Term loans	-	47,681	52,737	27,557	127,975
Total	108,499	145,690	52,737	27,557	334,483

Currency risk

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against the US Dollar (USD 1/41 JD). Accordingly, the Group is not exposed to significant currency risk in relation to the US Dollar.

42- CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2018 and 31 December 2017.

Capital comprises paid in capital, statutory reserve, voluntary reserve, special reserve and retained earnings, and is measured at JD 676,087 thousand as at 31 December 2018 (2017: JD 671,044 thousand).

43- STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

Transition to IFRS 16

The Group has the option to adopt IFRS 16 retrospectively and restate each prior reporting period presented or using the modified retrospective approach by applying the impact as an adjustment on the opening retained earnings. The Group will elect to apply the standard to contracts that were previously identified as leases applying IAS 17 and IFRIC 4.

The Group will adopt IFRS 16 using the modified retrospective approach. During 2018, the Group has performed a detailed impact assessment of IFRS 16.

The Group expect the effect of adopting IFRS 16 to 66,170 on the total assets and 66,170 on the total liabilities.

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 -Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2021. Early application is permitted.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1January 2019, but certain transition reliefs are available.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Group will apply these amendments when they become effective.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The amendments should be applied retrospectively and are effective from 1 January 2019, with early application permitted.

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