

نموذج رقم (2-1)

Form No. (1-2)



To: Jordan Securities Commission

Amman Stock Exchange

Date:- 30 April 2019

Subject: Reviewed Financial Statements for the

Period ended 31/03/2019

In English Language

السادة هيئة الأوراق المالية

السادة بورصة عمان

التاريخ:- 30 نيسان 2019

الموضوع: البيانات المالية المراجعة للفترة المنتهية في

2019/03/31 - باللغة الإنجليزية

Attached the Reviewed Financial Statements of
Jordan National Shipping Lines Company in
English Language for the Period ended in
31/03/2019

مرفق طيه نسخة من البيانات المالية المراجعة لشركة
الخطوط البحرية الوطنية الأردنية باللغة الإنجليزية عن
الفترة المالية المنتهية في 2019/03/31

Kindly accept our high appreciation and
respect

وتفضلوا بقبول فائق الاحترام...

General Manager's Signature \ Mr. Tarek Dajani

توقيع المدير العام/ السيد طارق الدجاني



الخطوط البحرية الوطنية الأردنية م.م.م.

Jordan National Shipping Lines P.L.C.

بورصة عمان
الدائرة الإدارية والمالية
السيد

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الرقم التسلسلي

رقم الملف

الجهة المختصة

JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA SPECIAL ECONOMIC ZONE - JORDAN

CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS FOR THE
THREE MONTHS ENDED MARCH 31, 2019
TOGETHER WITH THE REVIEW REPORT

JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA SPECIAL ECONOMIC ZONE - JORDAN
MARCH 31, 2019

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Review Report

AM \ 000744

To the Chairman and the Members of the Board of Directors
Jordan National Shipping Lines Company
(Public Shareholding Limited Company)
AQABA SPECIAL ECONOMIC ZONE - JORDAN

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Jordan National Shipping Lines (Public Shareholding Limited Company) as of March 31, 2019 and the related condensed consolidated interim statements of income and comprehensive income, changes in owners' equity and cash flows for the three-months period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. (34) Relating to Interim Financial Reporting. Our responsibility is to express an opinion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements No. 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed consolidated interim financial information consists of making inquiries, primarily of person's responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Qualified Conclusion

The Company's investment in Smit Lamnalco Ltd Company - Jordan, an associate company and accounted for by the equity method, is carried at around JD 5.5 million on the condensed consolidated interim statements as at March 31, 2019, and the Group's share of Smit Lamnalco Ltd Company - Jordan net income around JD 523 thousands which included in the Group's condensed consolidated interim statement of income for the three months ended as of March 31, 2019. We were unable to obtain sufficient appropriate review evidence about the carrying amount of the Group's investment in Smit Lamnalco Ltd Company - Jordan as at March 31, 2019 the Group's share of Smit Lamnalco Ltd Company - Jordan net income for the three months ended as of March 31, 2019 because we were denied access to the financial information, management, and the auditors of Smit Lamnalco Ltd Company - Jordan. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Qualified Conclusion

Based on our review above, and except the effect of the matter described in the "Basis of Qualified Conclusion" paragraphs (1), nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial Statements are not prepared, in all material respects, in accordance with International Accounting Standard No. (34) relating to interim financial reporting.

Explanatory Paragraph

The Company's fiscal year ends on December 31, of each year. However, the accompanying condensed consolidated interim financial statements are prepared for the management and Jordan Securities Commission purposes only.

Other Matter

The accompanying consolidated financial statements are a translation of the statutory financial statements in the Arabic language to which reference should be made.

Amman - Jordan
April 30, 2019

Deloitte & Touche
Deloitte & Touche (M.E.) - Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA SPECIAL ECONOMIC ZONE - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2019 (Reviewed not Audited)	December 31, 2018		Note	March 31, 2019 (Reviewed not Audited)	December 31, 2018
ASSETS				LIABILITIES			
Current Assets:				Current Liabilities:			
Cash on hand and at banks - net	4	4,302,232	3,489,179	Accounts payable and other credit balances		3,568,977	2,492,459
Accounts receivable - net		1,964,682	1,087,171	Income tax provision	12/a	105,994	97,840
Financial assets at fair value through profit or loss	16	1,300,719	1,222,277	Due to related parties	5/b	1,272,813	1,103,066
Due from related parties - net	5/a	189,435	262,528	Short - term loans and due installments	7	899,878	1,796,535
Other debit balances and prepaid expenses		346,279	349,363	Total Current Liabilities		5,847,662	5,489,900
Inventory - Hotel		56,656	63,594				
Total Current Assets		8,160,003	6,474,112				
				Long - term loans installments	7	5,588,545	4,726,328
Investments:				OWNERS' EQUITY			
Financial assets at fair value through other comprehensive income	16	3,640,122	3,761,287	Shareholders' Equity:			
Investment in associate companies	6	7,916,406	7,459,471	Paid-up capital		15,000,000	15,000,000
Investment properties - net	16	1,214,215	1,220,566	Statutory reserve		3,750,000	3,750,000
Total Investments		12,770,743	12,441,324	Investments revaluation reserve		(698,963)	(584,186)
				Retained earnings		5,563,216	5,566,090
Property and Equipment:				Profit for the period		1,043,759	-
Property and equipment - at cost		23,820,017	23,751,439	Total Shareholders' Equity		24,658,012	23,731,904
Less: Accumulated depreciation		(7,412,478)	(7,443,804)	Non-controlling interests		1,244,066	1,274,939
Net Book Value of Property and Equipment		16,407,539	16,307,635	TOTAL OWNERS' EQUITY		25,902,078	25,006,843
				TOTAL LIABILITIES AND OWNERS' EQUITY		37,338,285	35,223,071
TOTAL ASSETS							

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

Chairman of the Board of Directors

General Manager

JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA SPECIAL ECONOMIC ZONE - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
(REVIEWED NOT AUDITED)

	For the Three Months	
	Ended March 31,	
	Note	
	2019	2018
	JD	JD
Revenue:		
Net revenue from maritime agencies, sea freight and cruising vessels	837,172	712,186
Gross hotel operating revenue before other expenses	551,862	521,823
Gross Profit	1,389,034	1,234,009
Less: General and administrative expenses and depreciation	(822,669)	(832,779)
Information technology expenses - Hotel	(25,456)	(63,723)
Power and maintenance expenses - Hotel	(118,680)	(71,900)
Financing expenses	(130,537)	(140,289)
Gain from selling financial assets at fair value through profit or loss	1,238	-
Gain from valuation of financial assets at fair value through profit or loss	80,434	30,653
Company's share of income from investment in associate companies	8 606,935	606,769
Other revenue - net	60,908	107,990
Income for the period before Tax	1,041,207	870,730
Income tax expense	12/a (28,321)	(21,107)
Income for the Period	1,012,886	849,623
Attributable to:		
The Company's shareholders	1,043,759	887,573
Non-controlling interests	(30,873)	(37,950)
	1,012,886	849,623
Earnings per share for the period attributable to the Company's shareholders:		
Basic and Diluted	9 0.070	0.059

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INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH
THE ACCOMPANYING REVIEW REPORT.

Chairman of the Board of Directors

General manager

JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA SPECIAL ECONOMIC ZONE - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	For the Three Months	
	Ended March 31,	
	2019	2018
	JD	JD
Income for the period	1,012,886	849,623
Items that will not be reclassified subsequently to the condensed consolidated interim statement of income:		
Loss from selling financial assets at fair value through comprehensive income	2,874	5,764
Change in fair value - financial assets at fair value through		
Other comprehensive income	(117,651)	155,737
Total Comprehensive Income	<u>895,235</u>	<u>1,005,360</u>
Total Comprehensive Income Attributable to:		
The Company's shareholders	926,108	1,043,310
Non-controlling interests	(30,873)	(37,950)
	<u>895,235</u>	<u>1,005,360</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE
 ACCOMPANYING REVIEW REPORT.

JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA SPECIAL ECONOMIC ZONE - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
(REVIEWED, NOT AUDITED)

	Paid-up Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings			Income for the period	Total Shareholders' Equity	Non-Controlling Interest	Total Owners' Equity
				Realized	Unrealized	Total				
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Three Months Ended March 31, 2019										
Balance - beginning of the year	15,000,000	3,750,000	(584,186)	5,761,334	(195,244)	5,566,090	-	23,731,904	1,274,939	25,006,843
Income for the period	-	-	-	-	-	-	1,043,759	1,043,759	(30,873)	1,012,886
Loss on financial assets at fair value through comprehensive income	-	-	2,874	(2,874)	-	(2,874)	-	-	-	-
Sale of change in fair value - financial assets at fair value through comprehensive income	-	-	(117,651)	-	-	-	-	(117,651)	-	(117,651)
Total Comprehensive Income	-	-	(114,777)	(2,874)	-	(2,874)	1,043,759	926,108	(30,873)	895,235
Transfers during the period	-	-	-	(80,434)	80,434	-	-	-	-	-
Balance - End of the Period	15,000,000	3,750,000	(698,963)	5,678,026	(114,810)	5,563,216	1,043,759	24,658,012	1,244,066	25,902,078
For the Three Months Ended March 31, 2018										
Balance - beginning of the year	15,000,000	3,750,000	(487,203)	4,237,775	510,383	4,748,158	-	23,010,955	1,519,082	24,530,037
Income for the period	-	-	-	-	-	-	887,573	887,573	(37,950)	849,623
Loss on financial assets at fair value through comprehensive income	-	-	5,764	(5,764)	-	(5,764)	-	-	-	-
Sale of change in fair value - financial assets at fair value through comprehensive income	-	-	155,737	-	-	155,737	-	155,737	-	155,737
Total Comprehensive Income	-	-	161,501	(5,764)	-	(5,764)	887,573	1,043,310	(37,950)	1,005,360
Balance - End of the Period	15,000,000	3,750,000	(325,702)	4,232,011	510,383	4,742,394	887,573	24,054,265	1,481,132	25,535,397

- An amount of JD 698,963 from retained earnings is restricted against the negative value in investment revaluation reserve as of March 31, 2019.

- The profit includes an amount of JD 80,434 for the three months ended March 31, 2019 which represents the gain from valuation of the financial assets at fair value through the unrealized income statement.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED
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ACCOMPANYING REVIEW REPORT.

JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AOABA SPECIAL ECONOMIC ZONE - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

		For the Three Months Ended March 31,	
	Note	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Income for the period before tax		1,041,207	870,730
Adjustments :			
(Gain) from valuation of financial assets at fair value through profit or loss		(80,434)	(30,653)
Depreciations		184,134	154,759
(Gain) from investment in associate companies	8	(606,935)	(606,769)
Cash Flows from Activities before Changes in Working Capital items		537,972	388,067
(Increase) decrease in current assets:			
Accounts receivable		(877,511)	(779,702)
Other debit balances and prepaid expenses		3,084	116,473
Inventory - hotel		6,938	10,526
Due from related parties		73,093	67,401
Increase (decrease) in current liabilities :			
Accounts payable and other credit balances		1,076,518	(264,700)
Due to related parties		169,747	103,874
Net Cash Flows from (used in) Operating Activities before Income Tax Paid		989,841	(358,061)
Income tax paid	12/a	(20,167)	(48,448)
Net Cash Flows from (used in) Operating Activities		969,674	(406,509)
CASH FLOWS FROM INVESTING ACTIVITIES :			
Dividends from Investment in associate companies	7	150,000	456,506
Proceeds from sale of financial assets at fair value through comprehensive income		3,514	-
Proceeds from sale of financial assets at fair value through profit or loss		(1,238)	-
(Purchased) property and equipment - net		(277,687)	(133,531)
Decrease in financial assets at fair value through profit or loss		3,230	73,072
Net Cash Flows (used in) from Investing Activities		(122,181)	396,047
CASH FLOWS FROM FINANCING ACTIVITIES:			
Paid loans		(34,440)	(170,502)
Net Cash Flows (used in) Financing Activities		(34,440)	(170,502)
Net Increase (Decrease) in cash		813,053	(180,964)
Cash on hand and at banks - beginning of the year		3,489,179	4,085,096
Cash on Hand and at Banks - End of the Period	10	4,302,232	3,904,132

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA SPECIAL ECONOMIC ZONE - JORDAN
NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- According to the resolution of the Company's General Assembly, in its extraordinary meeting held on August 1, 2004, and the Companies Controller's Letter No. Msh/merger/13324 on August 30, 2004, stating the approval of his Excellency the Minister of Industry and Trade on the resolution of the Company's General Assembly to merge Jordan National Shipping Lines Company with Fast International Trade and Transport Company on June 30, 2004, a new public shareholding company was established under the name of Jordan National Shipping Lines Company with a capital of JD 5,750,000 allocated to 5,750,000 shares at a par value of JD 1 each. The Company's capital increased in several stages, the last of which was during the year 2013. Where the Company's capital became JD 15 million through capitalizing JD 2/925 million from the retained earnings and distributing it as free stock dividends to the shareholders. The proper procedures to list the stock was completed on June 19, 2013.
- The Company was also registered in Aqaba Special Economic Zone under registration number (1103110402) on November 4, 2003.
- The Company's main objectives are to carry out different types of marine transportation activities using its own ships, as well as ships on lease, in addition to carrying out marine agencies and land transportation activities.
- The Board of Directors approved the Company's condensed consolidated interim financial statements on April 30, 2019.

2. Summary of Significant Accounting Policies

a) Basis of Preparation of the Condensed Consolidated Interim Financial Statements

- The accompanying condensed Consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 related to (Interim Financial Reporting).
- The condensed consolidated interim financial statements are prepared in accordance with the historical cost principle, except for financial assets that appear at fair value through income statement and the financial assets that appear at fair value through Comprehensive income as of the date of the condensed consolidated interim financial statements, as appear at fair value the financial assets and the financial liabilities for which the risk of a change in fair value has been hedged.
- The condensed consolidated interim financial statements are stated in Jordanian Dinar which represents the operational currency for the Company.
- The condensed consolidated interim financial statements do not include all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read with the annual report for the Company as of December 31, 2018. Moreover, the results of operations for the three-months ended on March 31, 2019 do not necessarily provide an indication of the expected results of operations for the year ending on December 31, 2019, where no reserves have been recorded on the income for the three-months ended as of March 31, 2019 where it is performed at the end of the fiscal year.
- Transactions, balances, revenue and expenses between the Company and its subsidiaries are eliminated.

b) Basis of Consolidation of the Condensed Consolidated Interim Financial Statements

- The financial statements of the subsidiary are prepared for the same financial year, using the same accounting policies adopted by the company. If the accounting policies adopted by the subsidiary are different from those used by the Company, the necessary adjustments to the financial statements of the subsidiary are made to comply with the accounting policies followed by the Company.
- The results of the subsidiary are incorporated into the consolidated statement of income from the effective date of acquisition, which is the date on which actual control over the subsidiaries is assumed by the Company. Moreover, the operating results of the disposed subsidiary are incorporated into the consolidated statement of income up to the effective date of disposal, which is the date on which the Company loses control over its subsidiary.

Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect the investee's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders, or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Company loses control of the subsidiary, the Company performs the following;

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes the transfer difference accumulated in Owners' Equity.
- Derecognizes the fair value to the next controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the income statement.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss statement, as appropriate.

The non-controlling interests represent the portion not owned by the Company relating to ownership of the subsidiaries.

- The parent company's own as of March 31, 2019 the following subsidiaries:

	Ownership Percentage %	Activity Nature	Establishment Country	Paid Up Capital JD
Jordan Group for Shipping Agencies **	70	Shipping Agency	Jordan	150,000
Jordan Maritime Complex for Real Estate Investment ***	74	Investment Properties	Jordan	15,600,000
Aqaba for Development and Maritime Services Company *	95	Shipping Agency	Jordan	30,000

* During the year 2011, the Jordanian Group shipping agencies (a subsidiary) purchased 95% of the Aqaba for Development and Maritime Services Company for JD 28,500. Whereby the former would share the profits of the latter effective from the beginning of 2011. Moreover, the results of operations of Aqaba Development and Maritime Services Company whose assets totaled of JD 433 and deficit in owner's equity amounted to JD 115,891 as of March 31, 2019. The Company did not achieve any revenue or any expenses during the period ended on March 31, 2019.

** Jordan Group for Shipping Agencies Company is 70% owned by Jordan National Shipping Lines Company whereas each of Jordan Phosphate Mines Company and Arab Potash Company owns 15% of the Company's capital amounted to JD 150,000. The Company's objectives are to represent companies and ships that conduct marine transport activities, act as marine and commercial representatives and agents, intermediate in marine transport activities, and provide all the necessary services for ships, goods, and transporters.

The following are the most significant consolidated financial information of Jordan Group for Shipping Agencies Company, which also includes the financial statements of Aqaba Development and Maritime Services Company (subsidiary company):

	March 31, 2019 JD	December 31, 2018 JD
Total Assets	1,176,449	1,273,727
Total Liabilities	481,789	635,814
Total Owners' Equity	694,660	637,913
	1,176,449	1,273,727
	For the Three Months Ended March	
	2019	2018
Total Revenue	252,547	221,610
Total Expenses	(195,700)	(191,366)
Profit for the Period	56,847	30,244

*** Jordan Maritime Complex for Real Estate Investment Company is 74% owned by Jordan National Shipping Lines Company and The Salam International Transport and trading Company own 26% of the Company's capital amounted to JD 15.6 million. The Company's objectives to invest in real estate, including all types of buildings and residential apartments / complexes and lease commercial and residential real estate, including land and complexes.

The following are the most significant financial information of Jordan Maritime Complex for Real Estate Investments Company:

	March 31, 2019	December 31, 2018
	JD	JD
Total Assets	<u>16,550,426</u>	<u>16,711,915</u>
Total Liabilities	12,552,112	12,528,716
Total Owners' Equity	<u>3,998,314</u>	<u>4,183,199</u>
	<u>16,550,426</u>	<u>16,711,915</u>
	For the Three Months Ended March	
	2019	2018
Total Revenue	557,666	548,609
Total Expenses	<u>(742,001)</u>	<u>(729,466)</u>
(Loss) for the Period	<u>(184,335)</u>	<u>(180,857)</u>

- The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of the new and amendments standards which are applied on or after the 1st of January of 2019 as follow:

Amendments with no material effect on the condensed consolidated interim financial statements of the company:

Annual improvements to IFRSs issued between 2015 and 2017

Improvements include amendments to IFRS (3) Business Combinations, (11) Joint Arrangements, International Accounting Standards (12), Income Taxes and (23) Borrowing Costs.

IFRIC (23) Uncertainty on the Treatment of Income Tax

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses:

- Whether the tax treatment should be considered in aggregate;
- Assumptions regarding the procedures for the examination of tax authorities;
- Determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances.

Amendments to IFRS (9) "Financial Instruments"

These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.

Amendments to IAS (28) "Investment in Associates and Joint Ventures"

These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "Financial Instruments" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendments to IAS (19) Employee Benefits

These amendments relate to adjustments to plans, reductions, or settlements.

Effect of Application of IFRS (16) "Leases Contracts"

The Company has adopted IFRS (16), "Leases", which replace the existing guidelines on leases, including IAS (17) "Leases" , IFRIC (4) "Determining whether an arrangement contains a lease "and the interpretation of the previous Interpretations Committee (15)" Operational leases - incentives " and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS (16) was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has adopted for the modified retrospective application permitted by IFRS (16) upon adoption of the new standard. During the first time application of IFRS (16) to operating leases, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

The Company have evaluated the scope of IFRS (16), and there was no material impact on the financial statements, noting that the impact (if any) will be revaluated in details during the year.

The adoption of the above standards and policies have not affected the amounts or disclosures in the condensed consolidated interim financial statements.

3. Significant accounting Estimates and key sources of uncertainty estimates

The preparation of the accompanying condensed consolidated interim financial statements and the application of accounting policies require from the Company's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. The estimates and assumptions also affect income, expenses, provisions, in general and expended credit loss also the changes in fair value that appears in condensed consolidated interim statement of comprehensive income and within shareholder's equity, and in a specific way, it requires the Company's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the condensed consolidated interim financial statements are reasonable and consistent with the estimates used in preparing the condensed consolidated financial statements for the year 2018 except for the effect of the following:

Extension and termination of lease contracts options

Extension and termination options are included in a number of leases contracts. These terms are used to increase operational flexibility in terms of contract management, most of the retained extension and termination options are practice at by both the company and the lessor.

When determining the duration of the lease, the management takes into account all the facts and circumstances that create an economic incentive to exercise the option of extension, or not to exercise the option of termination. Extension options (or periods following termination options) are only included in the term of the lease if the lease contract is reasonably asserted to be extended (or not terminated). The evaluation is reviewed in the event of an important event or a significant change in the circumstances that affect this assessment which is within the tenant's control.

Deduction of rental payments

Rental payments are deducted using the company's additional borrowing rate ("IBR"). The management has applied the judgements and estimates to determine the additional borrowing rate at the start of the lease.

4. Cash on Hand and at Banks - Net

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Cash on hand and checks under collection	4,850	7,450
Deposits at banks *	1,401,998	1,195,236
Current accounts	2,942,632	2,333,741
	<u>4,349,480</u>	<u>3,536,427</u>
<u>Less</u> : Expected credit loss provision (Current accounts and deposits at banks)	<u>(47,248)</u>	<u>(47,248)</u>
	<u>4,302,232</u>	<u>3,489,179</u>

- * The above deposit is for a term of three months and bears interest at a rate of 5.15% – 5.35%.

5. Related Party Transactions

This item consists of the following:

a - Due from Related Parties – Net:

	Nature of Relationship	March 31, 2019	December 31, 2018
		JD	JD
Arab Ship Management Company	Associate company	113,802	36,080
Jordan International Marine Chartering Company	Associate company	154	-
Smit Lamnalco Ltd Company - Jordan	Associate company	5,000	5,000
Sea Star Shipping and Logistics Company	Sister company	71,037	225,612
Other		6,152	2,546
Total		196,145	269,238
Less: Provision for expected credit loss		(6,710)	(6,710)
		<u>189,435</u>	<u>262,528</u>

b - Due to Related Parties:

	Nature of Relationship	March 31, 2019	December 31, 2018
		JD	JD
Shipping Lines Company for Maritime and Storage Services	Associate company	335,400	335,400
Aqaba Diamond Company	Associate company	213,580	213,580
Salam International Transport and Trading Company	Sister company	692,004	517,810
Jordan National for Ship Operation Company	Associate company	31,829	33,776
Other		-	2,500
		<u>1,272,813</u>	<u>1,103,066</u>

6. Investment in Associate Companies

This item represents the investment in associate companies, which is appear according to the equity method:

Company	Nature of Business	Location	Paid-up Capital	Dividends During the Period	Ownership Percentage			
					March 31, 2019	December 31, 2018	March 31, 2019	December 31, 2018
			JD	JD	%	%	JD	JD
Jordan International Marine Chartering Company	Chartering Business	Aqaba	60,000	-	40	40	35,038	35,038
Arab Ship Management Company	Ships Management	Aqaba	149,000	-	30	30	242,797	216,908
Jordan Academy for Maritime Studies Company	Education	Amman	2,000,000	150,000	30	30	993,576	1,096,191
Aqaba Diamond Company	Navigation	Aqaba	500,000	-	50	50	206,928	206,928
Shipping Lines Company for Maritime and Storage Services	Navigation	Aqaba	3,500,000	-	50	50	309,737	309,737
Smit Lamnalco Ltd Company – Jordan	Ships services	Aqaba	50,000	-	27	27	5,526,579	5,003,427
Jordanian National for Ships Operation Company	Shipping	Aqaba	700,000	-	50	50	601,751	591,242
Total Investments in associate Companies							7,916,406	7,459,471

7. Loans

This item consists of the following:

	March 31, 2019			December 31, 2018
	Short-term Loan Installments JD	Long-term Loan Installments JD	Total JD	Total JD
Al-EtiHAD Bank loans (a)	254,278	-	254,278	363,708
Egyptian Arab Land Bank loan(b)	390,000	3,196,860	3,586,860	3,534,107
Egyptian Arab Land Bank loan(b)	255,600	2,391,685	2,647,285	2,625,048
	<u>899,878</u>	<u>5,588,545</u>	<u>6,488,423</u>	<u>6,522,863</u>

- (a) This loan was granted against mortgage of land plot No. (646), north port square area No. 7 of Aqaba City, along with the building constructed on it for JD 1.5 million. This is in addition to mortgaging 18 thousand shares from the Arab Company shares and 97 thousand shares, from the Housing Bank shares owned by the holding company, including any resulting cash dividends, or stock dividends therefrom, in favor of the company, as well as the Company's partners' guarantee. On December 23, 2013, Jordan Maritime Complex for Real Estate Investments Company signed an agreement with Bank al Etihad Company, whereby the US dollar-denominated, declining cash loan installments due in 2014 have been postponed to be settled starting from January 1, 2015 until October 1, 2017, through quarterly installments amounting to USD 200,000 each. On June 29, 2015 an agreement was signed between AL Jordan Maritime Complex Real Estate Investment Company (subsidiary Company) Real estate company (subsidiary) and union company whereby three installments of the decreasing cash loan in US dollar are due to be repaid during the year to be paid at the beginning of the year 2018 under quarterly installments USD 200,000. On September 29, 2017, a reschedule agreement for the granted loan was signed, in which it terms to postpone the installments payment to mature starting from January 31, 2018 until it is fully paid as at September 30, 2019 under quarterly installments of 50,000 USD without interests except for the last installment which represent the rest amount.
- (b) During the year 2011, Jordan Maritime Complex for Real Estate Investments Company (subsidiary company) was granted credit facilities by Egyptian Arab Land Bank as follows:
1. Loan of JD 3,785,200 with an annual interest rate of 8%. The loan will be settled in 36 quarterly installments of JD 150,162 each, including interest. Moreover, the first installment was due on August 31, 2012 In addition, during the year 2012, the Company was granted an additional credit facilities from the Egyptian Arab Land Bank to cancel the existing current account ceiling with an amount of JD 750,000 and convert it to a commercial loan with an amount of JD 759,000 in addition to the interest and commission thereon to be paid on 20 equal quarterly installments Each of this installments is amounted to JD 45,990 and with an annual interest rate of 8% effective from May 31, 2013.
 2. Declining commercial advance of USD 5,600,000, bearing interest at a rate of 6 months Libor + 2.5% annually, with a minimum interest rate of 3%. The advance will be settled in 36 quarterly installments of USD 182,597 each, including interest. Moreover, the first installment was due on August 31, 2012.

According to the Company's Letter No. 36/JMCR/2013 dated November 25, 2013, the Company has requested the Bank to postpone the loan that matured during the year 2014 for additional one year to be paid in the beginning of 2015. Moreover, the Company has approved the Bank request on March 12, 2014.

The main purpose of these facilities is to settle Bank al Etihad credit facility. This facility has been granted against a first-degree mortgage, on plot of land No. (646), north port land square area No. (7) of Aqaba City, along with the hotel building constructed on it for JD 8.5 million, in accordance to mortgage deed No. (640), in addition to the Company's partners' guarantees.

On June 24, 2015, the Jordan Maritime Complex for Real Estate Investments Company (subsidiary company) requested the Egyptian Arab Land Bank to postpone all loans installments due effective from November 30, 2015 to May 31, 2016 to be paid from November 30, 2022 to May 31, 2023 for the first and second loans and effective as of August 31, 2019 and February 28, 2020 for the third loan above. The agreement was signed on October 27, 2015.

During the first quarter of 2019, the balance of credit facilities granted by the Egyptian Arab Land Bank was restructured and to be settled as follows:

- The granted facilities in Jordanian Dinars amounted JD 3,477,982 upon restructuring, except for the due amounts under a restructuring loan after the payment of the due installments related to August 2018 with a total amount of JD 193,430 (excluding delay interests) in addition to the interest and commission required until the required date of the restructuring. The installments of the restructuring loan liability should be paid by 17 quarterly installments after the grace period, effective from the date of the implementation of the restructuring up to May 2019. The repayment process will be starting from August 31, 2019 with an amount of JD 130,000 (including the interest) up to May 31, 2023 and the last installment due date is on August 31, 2023 for the balance of the remaining facilities and with an interest rate of 9.75% annually without commission. The monthly interest shall be serviced during the grace period.
- The granted facilities in US Dollar amounted USD 3,665,268 upon restructuring, except for the due amounts under a restructuring loan after the payment of the due installments related to August 2018 with a total amount of USD 182,598 (excluding delay interests) in addition to the interest and commission required until the required date of the restructuring. The installments of the restructuring loan liability should be paid by 17 quarterly installments after the grace period, effective from the date of the implementation of the restructuring up to May 2019. The repayment process will be starting from August 31, 2019 with an amount of USD 120,000 (including the interest) up to May 31, 2023 and the last installment due date is on August 31, 2023 for the balance of the remaining facilities and with an interest rate of 5.25% annually without commission. The monthly interest shall be serviced during the grace period.

(c) The details on the loans transaction during the period / year were as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Balance – beginning of the period / year	6,522,863	7,661,867
Paid loans	<u>(34,440)</u>	<u>(1,139,004)</u>
Balance - End of the period / Year	<u>6,488,423</u>	<u>6,522,863</u>

8. Company's Share from Investment in Associate Companies

Details of this item are as follows:

For the Three months Ended March 31,			
Relationship	2019	2018	
	JD	JD	
Jordan Academy for Maritime Studies Company	Associate	47,385	45,361
Arab Ship Management Company	Associate	25,889	21,690
Smit Lamnalco Ltd Company - Jordan	Associate	523,152	522,018
Jordanian National Lines for Ships Operation Company	Associate	10,509	17,700
		<u>606,935</u>	<u>606,769</u>

- Investment income from associate companies is accounted for using the equity method.

9. Earnings per Share for the Period Attributable to the Company's Shareholders

Earnings per share was calculated for the company's shareholders by dividing the income for the period by the number of shares during the period. The details are as follows:

For the Three Months Ended March 31,			
	2019	2018	
	JD	JD	
Profit for the period -Attributable to the Company's Shareholders	<u>1,043,759</u>	<u>887,573</u>	
	Share	Share	
Number of shares	<u>15,000,000</u>	<u>15,000,000</u>	
	JD/Share	JD/Share	
Earnings per share for the period: Basic and Diluted	<u>0.070</u>	<u>0.059</u>	

10. Cash and Cash Equivalents

This item consists of the following:

For the Three Months Ended March 31,		
	2019	2018
	JD	JD
Cash on hand and at banks	4,302,232	3,911,175
(Less): Cash Restricted	-	(7,043)
	<u>4,302,232</u>	<u>3,904,132</u>

11. Transactions with Related Parties

- a. Rent revenue from Arabian Ships Management Company (Associate company) amounted to JD 11,890 for three months ended March 31, 2019 and 2018.
- b. Executive management's salaries and benefits for the Company and its subsidiaries in addition to salary and allowances of the general manager of the hotel were as follows:

	For the Three Months Ended March 31,	
	2019	2018
	JD	JD
Salaries, bonuses, and per diems	87,344	94,162
Board of Directors transportation allowances	23,400	19,115
	<u>110,744</u>	<u>113,277</u>

12. Income Tax

a. Income tax provision

The movement on the income tax provision is as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Balance – beginning of the period / year	97,840	121,121
Accrued income tax on income for the period / year	28,321	93,519
Accrued income tax from prior years	-	121,552
Income tax paid during the period / year	<u>(20,167)</u>	<u>(238,352)</u>
Balance - End of the period / year	<u>105,994</u>	<u>97,840</u>

- A final settlement has been reached with the Income and Sales Tax Department for Jordan National Shipping Lines Company (Holding Company) and Jordan Group for Shipping Agencies (subsidiary company) up to the end of the year 2016, and Jordan Maritime Complex for Real Estate Investments Company (subsidiary company) up to the end of the year 2014.
- The income tax for Aqaba Development & Marine Services Company has been settled up to the end of the year 2013. Moreover, the income tax returns for the years 2014 - 2017 have been submitted on time but not reviewed by the Income and Sales Tax Department, also a total claims of around JD 110,000 have been issued and settled, and since the Company did not perform any operations during the three months ended on March 31, 2019 due to that there were no tax on the Company.
- The income tax return was submitted until the end of 2017 for the Jordan National Shipping Lines Company (Holding Company). Moreover, the income tax discussion for the years from 2012 until 2016 was completed, as for Jordan Maritime complex for Real Estate Investment Company (subsidiary company) the company was submitted its income tax return until the year 2017, as for the Jordan Group for Shipping Agencies (subsidiary company) the Company was submitted its income tax return until the year 2017, and the Income and Sales Tax Department has not reviewed them yet.

- A provision for income tax for the period ended March 31, 2019 has been booked for Jordan National Shipping Lines Company, and Jordan Group for Shipping Agencies Company (subsidiary company) in accordance with the Income Tax Law and Aqaba Special Economic Zone Law. However, Jordan Maritime Complex for Real Estate Investments Company (subsidiary company) did not book any income tax provision since it incurred losses during that period. In the opinion of the Company's management and its tax consultant, there is no need to book any additional provision as of March 31, 2019.
- Jordan Maritime Complex for Real Estate Investments Company did not book any deferred taxes since they have not been approved yet, and no benefits are expected from them in the near future.

13. Contingent Liabilities

As of the condensed consolidated interim financial statements date, the company has contingent liabilities representing bank guarantees of JD 120 thousands with a paid cash deposit amounted to JD 24 thousands.

14. Geographical Distribution

All the company's assets and liabilities are located within the Hashemite Kingdom of Jordan as of March 31, 2019 except the following:

a. Debts:

	March 31, 2019		December 31, 2018	
	Receivables	Payables	Receivables	Payables
	JD	JD	JD	JD
Receivables (Payables)	<u>177,955</u>	<u>1,381,490</u>	<u>242,425</u>	<u>115,784</u>

b. Investments:

	March 31, 2019	December 31, 2018
	Financial Investments	
	JD	JD
Clarkson Company	149,581	119,665
Arab Logistics Company	311,127	281,589
Dubai Ports Company	<u>145,261</u>	<u>153,331</u>
	<u>605,969</u>	<u>554,585</u>

c. Information about Company's Business Sectors

The following are Information about the Company's business sectors allocated according to activities:

	Marine Services Sector	Hotel Services Sector	Other	Total For the Three Months Ended March 31,	
	JD	JD	JD	2019 JD	2018 JD
Revenue	3,288,065	874,606	-	4,162,671	3,580,617
Direct cost	(2,450,893)	(322,744)	-	(2,773,637)	(2,479,912)
Business Sector Results	837,172	551,862	-	1,389,034	1,100,705
General, administrative and depreciation expenses	(355,341)	(467,328)	-	(822,669)	(832,779)
Information technology expenses	-	(25,456)	-	(25,456)	(63,723)
Power and maintenance expenses	-	(118,680)	-	(118,680)	(71,900)
Financing expenses	-	(130,537)	-	(130,537)	(140,289)
Financial assets and investments revenue	-	-	688,607	688,607	637,422
Other revenue - net	55,104	5,804	-	60,908	241,294
Income for the period before Income Tax	536,935	(184,335)	688,607	1,041,207	870,730
Income tax expense	(28,321)	-	-	(28,321)	(21,107)
Income for the period	508,614	(184,335)	688,607	1,012,886	849,623

				March 31, 2019	December 31, 2018
				JD	JD
<u>Other Information:</u>					
Assets Sector	7,930,612	16,550,426	12,857,247	37,338,285	35,223,071
	<u>7,930,612</u>	<u>16,550,426</u>	<u>12,857,247</u>	<u>37,338,285</u>	<u>35,223,071</u>
Liabilities Sector	2,689,207	8,747,000	-	11,436,207	10,216,228
	<u>2,689,207</u>	<u>8,747,000</u>	<u>-</u>	<u>11,436,207</u>	<u>10,216,228</u>

15. Subsequent Event

In its ordinary meeting held on April 28, 2019, the General Assembly has approved to distribute a cash dividends with an amount of JD 1,800,000 to shareholders which representing 12% of the paid up capital.

16. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation methods and key inputs used):

Financial Assets	Fair Value		Fair Value Hierarchy	Valuation methods and key inputs used	Significant unobservable inputs	Relationship between significant unobservable inputs with the fair value
	March 31, 2019	December 31, 2018				
	JD	JD				
Financial assets at fair value						
Financial assets at fair value through profit or loss :						
Quoted shares in active markets	1,300,719	1,222,277	Level 1	Announced prices in financial markets	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income :						
Quoted shares in active markets	3,253,575	3,374,740	Level 1	Announced prices in financial markets	Not Applicable	Not Applicable
Unquoted Shares	386,547	386,547	Level 2	Through using the equity method and latest financial statements available	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	4,940,841	4,993,564				

There were no transfers between Level 1 and level 2 during the first quarter of the year 2019 and the year 2018.

B. Financial assets and financial liabilities that are not measured at fair value on a recurring basis:

Except for what is detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the Company's financial statements approximate their fair values:

Financial assets not calculated at fair value	March 31, 2019		December 31, 2018		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Investments properties	1,214,215	3,706,000	1,220,566	3,706,000	Level 2
Total financial assets not measured at fair value	1,214,215	3,706,000	1,220,566	3,706,000	

The fair values of the financial assets and financial liabilities included in level 2 categories above have been determined in accordance with the generally accepted pricing models that reflects the credit risk of the counterparties.