

الرقم ١٣٩٠/٤١٦
التاريخ: ٢٠١٩/١٠/٣٠

السادة بورصة عمان المحترمين

تحية طيبة

الموضوع : القوائم المالية باللغة الانجليزية المرحلية للمؤسسة الصحفية
الأردنية/الرأي
كما في ٢٠١٩/٩/٣٠

نرفق لكم القوائم المالية باللغة الانجليزية المرحلية لنتائج أعمال المؤسسة الصحفية
الأردنية / الرأي للفترة من ٢٠١٩/٠١/٠١ ولغاية ٢٠١٩/٩/٣٠.

وتفضلوا بقبول فائق الاحترام



بورصة عمان
الدائرة الإدارية والمالية
الديوان
٢١ تموز ٢٠١٩
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الرقم التسلسلي:
رقم الملف:
الجهة المختصة:

- الدائرة المالية
- الصادر



THE JORDAN TIMES



JORDAN PRESS FOUNDATION \ AL RAJ

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

30 SEPTEMBER 2019



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JORDAN PRESS FOUNDATION \ AL RAI

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

30 SEPTEMBER 2019



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Report on Review of Interim Condensed Financial Statements To the Board of Directors of Jordan Press Foundation / Al Rai Amman - Jordan

Introduction

We have reviewed the accompanying interim condensed financial statements of Jordan Press Foundation / Al Rai (the "Company") as at 30 September 2019, comprising of the interim condensed statement of financial position as at 30 September 2019 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the nine months period then ended and explanatory information. The Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Emphasis of matters

- 1- The Board of Directors resolved in its meeting held on 11 December 2018 to approve the partnership agreement with a strategic partner which includes the establishment of a new company and to transfer the commercial press to the new established company, where the newspaper press, and part of the building will be rented to the new company. Based on that and based on the estimated value of the commercial press and the rental value of the newspaper press, we removed our qualification regarding the indications of impairment on the press from our review report for the period ended 30 September 2019. We have issued a qualified conclusion on the interim condensed financial statements for the period ended 30 September 2018 that were issued on 30 October 2018.



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- 2- The Company's accumulated losses as of 30 September 2019 amounting to JD 9,719,086 exceeded 75% from its paid in capital. According to article No. (266) of the Companies Law No. (22) for the year 1997 and its amendments, if the accumulated losses of a public shareholding company exceeds 75% from its paid in capital, the Company should be liquidated unless the General Assembly decides in an extraordinary meeting to increase the paid in capital or to write off the accumulated losses. This meeting was not held up to the date of these interim condensed financial statements. Also, the Company's current liabilities exceeded its current assets by JD 12,789,595 as of 30 September 2019. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern depends on its ability to generate operating profits in addition to securing sufficient funds in order to meet its obligations as they fall due.

Amman – Jordan
30 October 2019

Ernst & Young

**JORDAN PRESS FOUNDATION \ AL RAI
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019**

	Notes	30 September 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<u>ASSETS</u>			
Non-current assets-			
Property, plant and equipment	3	29,498,533	31,293,774
Current assets-			
Inventory		1,596,050	2,017,692
Accounts receivable		1,526,169	720,393
Accrued revenues		180,837	163,239
Other current assets		749,784	417,114
Checks under collection		1,172,017	774,565
Cash on hand and at banks	4	47,342	374,981
		5,272,199	4,467,984
Total Assets		34,770,732	35,761,758
<u>EQUITY AND LIABILITIES</u>			
Equity -			
Paid in capital	1	10,000,000	10,000,000
Share premium		2,546,483	2,546,483
Statutory reserve	13	2,036,255	2,036,255
Voluntary reserve	13	6,000,000	6,000,000
Special reserve		5,000,000	5,000,000
Accumulated losses		(9,719,086)	(5,614,526)
Net Equity		15,863,652	19,968,212
Liabilities -			
Non-current liabilities-			
Long-term loans	7	575,338	1,167,706
End of service indemnity provision		269,948	306,789
		845,286	1,474,495
Current liabilities-			
Due to banks	4	2,661,487	2,518,315
Current portion of long-term loans	7	766,206	472,778
Accounts payable		3,185,999	3,026,071
Other current liabilities	8	10,639,246	8,180,817
Notes payable		808,856	121,070
		18,061,794	14,319,051
Total Liabilities		18,907,080	15,793,546
Total Equity and Liabilities		34,770,732	35,761,758

The attached notes 1 to 13 form part of these interim condensed financial statements

**JORDAN PRESS FOUNDATION \ AL RAI
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	Note	For the three months ended 30 September		For the Nine months ended 30 September	
		2019	2018	2019	2018
		JD	JD	JD	JD
Newspaper advertisements' revenue		1,790,624	1,884,817	5,395,717	5,931,735
Newspaper sales revenues		160,616	205,542	554,413	659,591
Printing press revenues		170,047	381,782	591,180	1,210,185
		<u>2,121,287</u>	<u>2,491,941</u>	<u>6,541,310</u>	<u>7,801,511</u>
Cost of issuing newspapers		(2,343,075)	(2,020,041)	(6,544,530)	(6,164,128)
Cost of printing press		(325,958)	(381,516)	(939,141)	(1,446,879)
		<u>(2,669,033)</u>	<u>(2,401,557)</u>	<u>(7,483,671)</u>	<u>(7,611,007)</u>
Gross (Loss) Profit	6	(547,748)	90,384	(942,361)	190,504
Other income		112,258	27,329	178,676	74,327
Selling and distribution expenses		(169,502)	(224,007)	(203,069)	(342,170)
Finance costs		(136,056)	(102,337)	(377,326)	(290,544)
Administrative expenses		(926,923)	(1,693,548)	(2,702,445)	(3,645,742)
Provision for expected credit losses		(58,035)	-	(58,035)	-
Loss for the period		(1,726,004)	(1,902,179)	(4,104,580)	(4,013,625)
Add: other comprehensive income items		-	-	-	-
Total comprehensive income for the period		(1,726,004)	(1,902,179)	(4,104,580)	(4,013,625)
		<u>JD / Fills</u>	<u>JD / Fills</u>	<u>JD / Fills</u>	<u>JD / Fills</u>
Basic and diluted losses per share for the period		(0/173)	(0/190)	(0/410)	(0/401)

The attached notes 1 to 13 form part of these interim condensed financial statements

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)

	Paid in capital	Share premium	Reserves			Accumulated losses	Total
	JD	JD	Statutory	Voluntary	Special	JD	JD
Balance as at 1 January 2019	10,000,000	2,546,483	2,036,255	6,000,000	5,000,000	(5,614,526)	19,968,212
Total comprehensive income for the period	-	-	-	-	-	(4,104,560)	(4,104,560)
Balance as at 30 September 2019	10,000,000	2,546,483	2,036,255	6,000,000	5,000,000	(9,719,086)	15,863,652
Balance as at 1 January 2018	10,000,000	13,000,000	2,036,255	6,000,000	5,000,000	(10,453,517)	25,582,738
Total comprehensive income for the period	-	-	-	-	-	(4,013,625)	(4,013,625)
Amortization of accumulated losses (Note 1)	-	(10,453,517)	-	-	-	10,453,517	-
Balance as at 30 September 2018	10,000,000	2,546,483	2,036,255	6,000,000	5,000,000	(4,013,625)	21,569,113

The attached notes 1 to 13 form part of these interim condensed financial statements

**JORDAN PRESS FOUNDATION \ AL RAI
PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2019 (UNAUDITED)**

	Notes	For the nine months ended	
		2019	2018
		JD	JD
<u>OPERATING ACTIVITIES</u>			
Loss for the period		(4,104,560)	(4,013,625)
Adjustments-			
Depreciation		1,799,566	1,751,196
Gain from sale of property, plant and equipment		(78,979)	-
Bank interest income		(645)	(988)
Finance costs		377,326	290,544
Provision for expected credit losses		58,035	-
Working capital changes-			
Inventory		421,642	548,668
Accounts receivable		(863,811)	456,847
Accrued revenues		(17,598)	195,637
Other current assets		(332,670)	(395,428)
Checks under collection		(397,452)	(26,656)
Accounts payable		159,928	346,045
Other current liabilities		2,458,429	1,457,766
End of service indemnity paid		(36,841)	(43,694)
Net cash flows (used in) from operating activities		(557,630)	566,332
<u>INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment	3	(17,636)	(15,430)
Proceeds from sale of property, plant and equipment		92,290	-
Bank interest received		645	968
Net cash flows from (used in) investing activities		75,299	(14,462)
<u>FINANCING ACTIVITIES</u>			
Loans		(298,940)	308,701
Notes payable		687,786	(370,964)
Finance costs paid		(377,326)	(290,544)
Net cash flows from (used in) financing activities		11,520	(352,807)
Net (decrease) increase in cash and cash equivalents		(470,811)	199,063
Cash and cash equivalents at the beginning of the period		(2,143,334)	(2,380,647)
Cash and cash equivalents at the end of the period	4	(2,614,145)	(2,181,584)

The attached notes 1 to 13 form part of these interim condensed financial statements

**JORDAN PRESS FOUNDATION \ AL RAI
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2019 (UNAUDITED)**

(1) GENERAL

Jordan Press Foundation\ Al Rai (the "Company"), was established in 1971 and registered as a limited liability company. On 16 March 1986 the Company was legally converted to a Public Shareholding Company retrospectively from January 1986 with an authorized and paid in capital of JD 1,000,000. The Company increased its paid in capital through the years to become JD 10,000,000 divided into 10,000,000 shares at par value of JD 1.

The Company's general assembly approved in its extraordinary meeting held on 14 May 2018 to amortize JD 10,453,517 of its accumulated losses as at 31 December 2017 from the Company's share premium amounting to JD 13,000,000 the Company's share premium became JD 2,546,483 after the amortization.

The Company's main activities is issuing newspapers, printing, publishing and distributing. The Company issues two daily newspapers; "Al -Rai and Jordan Times". In addition to research activities and social services through Al Rai Center for Research and Studies.

The interim condensed financial statements were approved for issuance by the Company's Board of Directors in their meeting held on 30 October 2019.

(2) BASIS OF PREPARATION

The interim condensed financial statements for the nine months period ended 30 September 2019 are prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements as at 31 December 2018. In addition, the results for the nine months ended 30 September 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2018 except for the adoption of new standards effective as of 1 January 2019 shown below:

IFRS (16) Leases

IFRS (16) supersedes IAS 17 Leases, IFRIC (4) Determining whether an Arrangement contains a Lease, SIC-(15) Operating Leases-Incentives and SIC-(27) ,Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS (16) is substantially unchanged from IAS (17). Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS (17). Therefore, IFRS (16) did not have an impact for leases where the Company is the lessor.

The Company adopted IFRS (16) using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Company elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS (17) and IFRIC (4) at the date of initial application. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The new standard does not have any impact on the Company's interim condensed financial statements as the Company is not a party in any lease contract.

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 1 January 2019, but certain transition reliefs are available.

These amendments do not have any material impact on the Company's interim condensed financial statements.

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.

These amendments do not have any material impact on the Company's interim condensed financial statements.

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.

These amendments do not have any material impact on the Company's interim condensed financial statements.

(3) PROPERTY, PLANT AND EQUIPMENT

During the nine months period ended 30 September 2019, the Company purchased property, plant and equipment amounting to JD 17,636 (30 September 2018: JD 15,430).

During the second quarter of 2019, the Company has reached to a financial settlement with the Social Security Corporation to settle all late payment subscriptions amounting to JD 2,976,140 in addition to all interest and penalties through monthly promissory notes, guaranteed by the Company's main building, press complex and part of Al Yadoudeh land based on the Board members decision number 31/9/2019 dated 3 July 2019.

**JORDAN PRESS FOUNDATION \ AL RAI
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2019 (UNAUDITED)**

(4) CASH AND CASH EQUIVALENTS

	30 September 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Cash on hand	31,270	4,447
Cash at banks	16,072	370,534
	<u>47,342</u>	<u>374,981</u>
For the purpose of the condensed interim statement of cash flows, the following represents the details of cash and cash equivalents:		
Less: Due to banks*	(2,661,487)	(2,518,315)
	<u>(2,614,145)</u>	<u>(2,143,334)</u>

* This item represents the utilized balance of the credit facilities granted to the Company by local banks with a ceiling of JD 2,500,000 with an interest rate between 7.53% - 9.6%. The Company has exceeded the ceiling as of 30 September 2019.

(5) INCOME TAX

No provision for income tax was calculated by the Company for the period ended 30 September 2019 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (38) of 2018.

No provision for income tax was calculated by the Company for the period ended 30 September 2018 due to the excess of deductible expenses over taxable income in accordance with the Income Tax Law No. (34) of 2014.

The Company filed its tax return up to 2018. The Income Tax Department has not reviewed the Company's accounting records up to the date of these interim condensed financial statements.

The Company has reached a final settlement Income and Sales Tax Department up to the year 2017.

**JORDAN PRESS FOUNDATION \ AL RAI
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED F
30 SEPTEMBER 2019 (UNAUDITED)**

(6) GROSS (LOSS) PROFIT

The Company's activity is organized separately according to the nature of the product provided through segments that represent a strategic activity unit.

The following tables represent information about the revenues and the results of some assets and liabilities for these segments for the periods ended 30 September 2019 and 30 September 2018 (Unaudited).

	For the three months ended 30 September 2019			For the three months ended 30 September 2018			For the nine months ended 30 September 2019			For the nine months ended 30 September 2019			
	AI Rai		Jordan Times	Commercial Press		Total	AI Rai		Jordan Times		Commercial Press		Total
	JD			JD			JD				JD		
Newspapers advertisements' revenue	1,756,873		33,751	-	1,790,624		1,894,617	5,288,475	107,242	-		5,395,717	5,931,735
Newspapers Sales	139,103		21,513	-	160,616		205,542	485,616	68,797	-		554,413	659,591
Newspapers revenues	1,895,976		55,264	-	1,951,240		2,100,159	5,774,091	176,039	-		5,950,190	6,591,326
Commercial Press revenues	-		-	170,047	170,047		391,782	-	-	591,180		591,180	1,210,185
Total Revenues	1,895,976		55,264	170,047	2,121,287		2,491,941	5,774,091	176,039	591,180		6,541,310	7,801,511
Cost of issuing newspapers and commercial printing press	(2,175,162)	(167,874)	(325,997)	(2,669,033)	(2,401,557)	(6,096,881)	(447,609)	(939,181)	(7,483,671)			(7,611,007)	190,504
Gross (Loss) Profit	(278,186)	(112,610)	(155,950)	(547,746)	90,384	(322,790)	(271,570)	(348,001)	(942,361)				

(7) LOANS

Arab Bank Loan

On 14 March 2014, The Company obtained a long-term loan from Arab Bank amounting to JD 3.5 million at an interest rate of 8.625% to be repaid within 44 monthly installments amounting to JD 80,000 each, except the last installment amounting to JD 60,000. The first installment was due on 1 April 2015. The loan was granted for the purpose of paying the remaining installments for Arab Bank's previous loan and the funding of the printing press complex, supporting the paid in capital and settling other administrative expenses.

On 18 September 2018, The Company has signed a rescheduling agreement on the loan and adjusted the monthly installments to become JD 25,000 except for the final installment amounting to JD 25,337 at interest rate of 8.875% to be repaid within 57 monthly installments. The first installment was due on 31 December 2018 till full payment. The utilized balance was JD 1,153,907 as of 30 September 2019 (31 December 2018: JD 1,181,402)

Jordan Commercial Bank

On 6 March 2018, the Company obtained a loan from Jordan Commercial Bank with a ceiling of JD 500,000 at an interest rate of 9.5 % to be repaid within 5 annual installments amounting to JD 130,097 each, except for the last installment which will include the remaining balance of the loan. The first installment was due on 1 January 2019 and the last installment will be due on 1 January 2023. The loan was used to cover salary expenses up to the end of service date of the Company's employees.

On 28 May 2019, the Company has amended the loan ceiling to become JD 192,000 at an interest rate of 10.25%. The loan is repayable in 9 monthly installments of JD 22,286 each, except for the last installment which will include the remaining balance. The first installment was due on 29 June 2019. The loan was used to repay the received collection policy. The loan balance amounted to JD 187,637 as of 30 September 2019 (31 December 2018: JD 459,082).

**JORDAN PRESS FOUNDATION \ AL RAI
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2019 (UNAUDITED)**

(8) OTHER CURRENT LIABILITIES

	30 September 2019	31 December 2018
	JD (Unaudited)	JD (Audited)
Social security deposits*	2,415,564	2,006,059
Advances from advertising agents	1,477,851	385,398
Employees payables	1,823,351	1,573,104
Sales tax deposits	1,857,308	1,276,237
Provision for legal cases	863,270	863,270
Journalists union deposits	632,117	578,413
Al Rai printing press project contractor payable (Retentions)	543,015	543,015
Shareholders' deposits	294,278	277,405
Health insurance fund	236,789	359,510
Provision for advertising agents	167,168	-
Cultural fund deposit	121,077	121,077
Accrued expenses	74,973	36,297
Provision for other liabilities	57,831	57,831
Unearned subscriptions revenue	10,438	74,750
Others	64,216	27,821
	<u>10,639,246</u>	<u>8,180,817</u>

* During the second quarter of 2019, the Company has reached to a financial settlement with the Social Security Corporation to settle all late payment subscriptions amounting to JD 2,976,140 in addition to all interest and penalties through monthly promissory notes, guaranteed by the Company's main building, press complex and part of Al Yadoudeh land based on the Board members decision number 31/9/2019 dated 3 July 2019.

(9) CONTINGENT LIABILITIES

As of 30 September 2019, the Company had contingent liabilities representing bank guarantees amounting to JD 159,217 (31 December 2018: JD 237,704) with cash margins amounting to JD 159,217 (31 December 2018: JD 78,716).

**JORDAN PRESS FOUNDATION \ AL RAI
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2019 (UNAUDITED)**

(10) LAWSUITS AGAINST THE COMPANY

As at 30 September 2019 lawsuits raised on the Company amounted to JD 1,270,011 (31 December 2018: JD 1,142,006) within the Company's ordinary course of business. The Company booked a provision for legal cases for JD 863,270 as of 30 September 2018. The management and legal consultant believe that these provisions are sufficient.

(11) COMPENSATION OF KEY MANAGEMENT REMUNERATION

Compensation of the Company's key management remuneration is represented as follows:

	For nine months ended	
	30 September 2019	30 September 2018
	JD	JD
	(Unaudited)	
Salaries, wages and other benefits	142,020	147,159

(12) ACCUMULATED LOSSES

The Company's accumulated losses as of 30 September 2019 amounting to JD 9,719,086 exceeded 75% from its paid in capital. According to article No. (266) of the Companies Law No. (22) for the year 1997 and its amendments, if the accumulated losses of a public shareholding company exceeds 75% from its paid in capital, the Company should be liquidated unless the General Assembly decides in an extraordinary meeting to increase the paid in capital or to write off the accumulated losses. This meeting was not held up to the date of these interim condensed financial statements. Also, the Company's current liabilities exceeded its current assets by JD 12,789,595 as of 30 September 2019. These conditions indicate the existence of a material uncertainty, which may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern depends on its ability to generate operating profits in addition to securing sufficient funds in order to meet its obligations as they fall due.

The Interim condensed financial statements have been prepared on a going concern basis as the Board of Directors decided in its meeting held on 11 December 2018 to approve the partnership agreement with a strategic partner which includes the establishment of a new company and transfer the commercial press to the new established company, where the commercial press and part of the building are to be rented to the new company.

**JORDAN PRESS FOUNDATION \ AL RAI
PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2019 (UNAUDITED)**

(13) LEGAL RESERVES

The Company did not deduct the legal reserves in accordance with the provisions of the Company's law, as these financial statements are interim condensed financial statements.