

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

CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION FOR THE  
PERIOD ENDED MARCH 31, 2021

JORDAN NATIONAL SHIPPING LINES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AQABA SPECIAL ECONOMIC ZONE – JORDAN  
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AND  
INDEPENDENT AUDITOR'S REVIEW REPORT  
FOR THE THREE MONTH ENDED MARCH 31, 2021

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## INDEPENDENT AUDITOR'S REVIEW REPORT

AM \ 000744

To the Chairman and Board of Directors Members  
Jordan National Shipping Lines Company  
(Public Shareholding Limited Company)  
Aqaba Special Economic Zone - Jordan

### **Introduction**

We have reviewed the accompanying consolidated condensed interim statement of financial position of Jordan National Shipping Lines Company (Public Shareholding Limited Company) as of March 31, 2021 and the related statements of profit or loss and comprehensive income and changes in owners' equity and cash flows for the three month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Accounting Standard (34) Interim Financial Reporting. Our responsibility is to express an opinion on this consolidated condensed interim financial information based on our review.

### **Scope of Review**

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, Review of Condensed Interim Financial Information Performed by the Independent Auditor of the Company. 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.

### **Basis for Qualified Conclusion**

As a result of being denied access to the financial information, management and auditors of Smit Lamnalco Company - Jordan ("Lamnalco"), an associate accounted for by the equity method, we were unable to complete our review of the Company's equity accounted investment of approximately JD 5,3 million as of March 31, 2021 and the Company's share of Lamnalco's income of approximately JD 208 thousand for the period then ended (approximately JD 492 thousand for period ended March 31, 2020). Had we been able to complete our review of the equity accounted investment and the Company's share of income, matters might have come to our attention indicating that adjustments might be necessary to the consolidated condensed interim financial information.

### **Qualified Conclusion**

Except for the adjustments to the consolidated condensed interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not prepared, in all material respects in accordance with International Accounting Standard (34) Interim Financial Reporting.

### **Other Matter**

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

Amman - Jordan  
April 29, 2021

  
Deloitte & Touche (M.E.) - Jordan  
**Deloitte & Touche (M.E.)**  
ديلويت آند توش (الشرق الأوسط)

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31,		December 31,	
		2021 (Reviewed)	2020 (Audited)	2021 (Reviewed)	2020 (Audited)
		JD	JD	JD	JD
<b>ASSETS</b>					
Current Assets:					
Cash on hand and at banks - net	4	6,516,964	6,732,223	3,897,799	2,858,209
Accounts receivable - net	5	2,514,844	590,936	130,725	110,954
Financial assets at fair value through profit or loss	15	1,290,286	1,234,132	744,046	732,550
Due from related parties - net	6/A	24,075	6,434	-	26163
Other debit balances and prepaid expenses		275,274	235,934	4,772,570	3,727,876
Inventory - hotel		63,735	83,974		
Total Current Assets		10,685,178	8,883,633	6,851,901	6,679,366
Long - term loans Installments	8				
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable and other credit balances					
Income tax provision	12				
Due to related parties	6/B				
Due to banks					
Total Current Liabilities					
<b>OWNERS' EQUITY</b>					
Shareholders' Equity:					
Paid-up capital		15,000,000	15,000,000	15,000,000	15,000,000
Statutory reserve		3,750,000	3,750,000	3,750,000	3,750,000
Investments revaluation reserve		(1,821,906)	(1,862,017)	(1,862,017)	(1,862,017)
Retained earnings		7,586,027	7,586,027	7,586,027	7,586,027
Profit for the year		762,101	-	762,101	-
Total Shareholders' Equity		25,276,222	24,474,010	25,276,222	24,474,010
Non-controlling Interests		1,571,331	1,639,881	1,571,331	1,639,881
TOTAL OWNERS' EQUITY		26,847,553	26,113,891	26,847,553	26,113,891
TOTAL LIABILITIES AND OWNERS' EQUITY		38,472,024	36,521,133	38,472,024	36,521,133

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AND SHOULD READ WITH THEM.



JORDAN NATIONAL SHIPPING LINES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AQABA SPECIAL ECONOMIC ZONE - JORDAN  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

	Note	For the Three Months	
		Ended March 31,	
		2021 (Reviewed)	2020 (Reviewed)
		JD	JD
Revenue:			
Net revenue from maritime agencies, sea freight and cruising vessels		863,595	902,889
Gross hotel operating revenue before other expenses		<u>139,099</u>	<u>399,689</u>
Gross Profit		1,002,694	1,302,578
<u>Less:</u> General and administrative expenses and depreciation		(661,537)	(829,701)
Information technology expenses - Hotel		(25,169)	(25,552)
Power and maintenance expenses - Hotel		(79,516)	(111,189)
Financing expenses		(119,166)	(123,133)
Gain (Loss) from financial assets at fair value through profit or loss		216,798	(186,526)
Company's share from investment in associate companies income	9	286,774	566,281
Other revenue - Net		<u>106,805</u>	<u>113,067</u>
Income for the period before Tax		727,683	705,825
Income tax expense	12	<u>(34,132)</u>	<u>(33,826)</u>
Income for the Period		<u><u>693,551</u></u>	<u><u>671,999</u></u>
Attributable to:			
The Company's shareholders		762,101	710,382
Non-controlling interests		<u>(68,550)</u>	<u>(38,383)</u>
		<u><u>693,551</u></u>	<u><u>671,999</u></u>
Earnings per share for the period attributable to the Company's shareholders:			
Basic and Diluted	10	<u><u>-/051</u></u>	<u><u>-/047</u></u>

Chairman of the Board of Directors

General Manager

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JORDAN NATIONAL SHIPPING LINES COMPANY  
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AQABA SPECIAL ECONOMIC ZONE - JORDAN  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the Three Months	
	Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Income for the period	693,551	671,999
Items that will not be reclassified subsequently to the		
Consolidated condensed interim statement of profit or loss:		
Cumulative change in fair value - financial assets at fair value through	40,111	(456,125)
Total Comprehensive Income	733,662	215,874
Total Comprehensive Income Attributable to:		
The Company's shareholders	802,212	254,257
Non - controlling interests	(68,550)	(38,383)
	733,662	215,874

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JORDAN NATIONAL SHIPPING LINES COMPANY  
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AOABA SPECIAL ECONOMIC ZONE - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

	Note	Paid-up Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Income for the period	Shareholders' Equity	Non-Controlling Interest	Total Owners' Equity
<u>For the Three Months Ended March 31, 2021</u>									
Balance - beginning of the period (Audited)		15,000,000	3,750,000	(1,862,017)	7,586,027	-	24,474,010	1,639,881	26,113,891
Income for the period		-	-	-	-	762,101	762,101	(68,550)	693,551
Change in fair value - financial assets at fair value through other comprehensive Income		-	-	40,111	-	-	40,111	-	40,111
Total Comprehensive Income		-	-	40,111	-	762,101	802,212	(68,550)	733,662
Balance - End of the Period (Reviewed)		15,000,000	3,750,000	(1,821,906)	7,586,027	762,101	25,276,222	1,571,331	26,847,553
<u>For the Three Months Ended March 31, 2020</u>									
Balance - beginning of the period (Audited)		15,000,000	3,750,000	(1,119,544)	7,476,646	-	25,107,102	2,049,648	27,156,750
Income for the period		-	-	-	-	710,382	710,382	(38,383)	671,999
Change in fair value - financial assets at fair value through other comprehensive Income		-	-	(456,125)	-	-	(456,125)	-	(456,125)
Total Comprehensive Income		-	-	(456,125)	-	710,382	254,257	(38,383)	215,874
Balance - End of the Period (Reviewed)		15,000,000	3,750,000	(1,575,669)	7,476,646	710,382	25,361,359	2,011,265	27,372,624

- An amount equal to the negative balance of the investment revaluation reserve shown above shall be restricted from the retained earnings as of March 31, 2021.

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JORDAN NATIONAL SHIPPING LINES COMPANY  
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AOABA SPECIAL ECONOMIC ZONE - JORDAN  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS

		For the Three Months Ended March 31,	
	Note	2021 (Reviewed)	2020 (Reviewed)
		JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit for the period before tax		727,683	705,825
Adjustments for:			
(Gain) loss on valuation on financial assets at fair value through profit or loss		(133,374)	186,526
Depreciation of property and equipment and investment properties		173,399	198,214
(Gain) from investment in associate companies	9	(286,774)	(566,281)
Cash Flows from Operating Activities before Changes in Working Capital		480,934	524,284
(Increase) decrease in current assets:			
Accounts receivable		(1,923,908)	(316,610)
Due from related parties		(17,641)	64,876
Other debit balances and prepaid expenses		(39,340)	(15,170)
Inventory - hotel		20,239	(3,231)
Increase (decrease) in current liabilities :			
Accounts payable and other credit balances		1,039,590	26,441
Due to related parties		11,496	3,639
Net Cash Flows (Used in) from Operating Activities before Income Tax Paid		(428,630)	284,229
Income tax paid	12	(14,361)	(38,019)
Net Cash Flows (Used in) from Operating Activities		(442,991)	246,210
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Dividends from investment in associate companies	7	195,000	195,000
Proceeds from disposal of associate company	7	-	32,643
(Purchase) in property and equipment - net		(190,860)	(28,898)
Decrease (Increase) from financial assets at fair value through profit or loss		77,220	(68,825)
(Increase) from financial assets at fair value through comprehensive income		-	(89,742)
Net Cash Flows from Investing Activities		81,360	40,178
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Increase (decrease) in loans		172,535	(96,673)
(Decrease) in Due to Banks		(26,163)	-
Net Cash Flows From (used in) Financing Activities		146,372	(96,673)
Net (Decrease) Increase in cash		(215,259)	189,715
Cash on hand and at banks - beginning of the year		6,732,223	4,846,275
Cash on Hand and at Banks - End of the Period	4	6,516,964	5,035,990

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JORDAN NATIONAL SHIPPING LINES COMPANY  
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AQABA SPECIAL ECONOMIC ZONE - JORDAN  
NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

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**1. Incorporation and Activities**

- 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 September 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 4 November 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.

**2. Basis of Preparation**

**a. Basis of preparation of consolidated condensed interim financial information:**

The consolidated condensed interim financial information for the three months ended March 31, 2021 have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting.

- The reporting currency of the consolidated condensed interim financial information is the Jordanian Dinar, which is the functional currency of the Company.
- The accompanying consolidated condensed interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and should be read with the annual report of the Company as of December 31, 2020. In addition, the results of the Company's operations for the three months ended March 31, 2021 do not necessarily represent indications of the expected results for the year ending December 31, 2021, and do not contain appropriation of the profit for the three months period ended March 31, 2021, which is usually performed at year-end.

**b. Basis of consolidation of the condensed interim financial information**

- The condensed interim financial information 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 condensed interim financial information of the subsidiary are made to comply with the accounting policies followed by the Company.
- The results of the subsidiary Company's are incorporated into the consolidated condensed interim statement of profit or loss 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 Company's are incorporated into the condensed consolidated interim statement of profit or loss 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 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 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 Bank 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 a 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 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 income statement.
- Reclassifies owners equity already booked in other comprehensive income to the profit or loss statement as appropriate.

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

The subsidiaries are represented as of March 31, 2021:

	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 Company for Development and Maritime Services *	95	Shipping Agency	Jordan	30,000

- \* During the year 2011, the Jordanian Group shipping agencies (a subsidiary) purchased 95% of the Aqaba Development and Marine 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 whose assets totaled of JD 433 and partners equity totaled to a deficit of JD 115.891 as of March 31, 2021. The Company did not achieve any revenue and incurred expenses 880 JD, during the three-month ended March 31, 2021.

\*\* 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 of 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.

\*\*\* 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.

### 3. Significant Accounting Policies

The accounting policies adopted in preparing the condensed consolidated interim financial information are consistent with those applied in the year ended December 31, 2020. However, the Group has adopted the following amendments and interpretations that apply for the first time in 2021 and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

#### **Interest Rate Benchmark Reform - Phase 2 amendments**

Effective from January 1, 2021, the Group has implemented Interest Rate Benchmark Reform - Phase 2 amendments which address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IFRS 7, IFRS 4, IFRS 16 and IAS 39 relating to changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities and hedge accounting.

The amendments require an entity to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. In addition it provides certain exceptions to hedge accounting requirements.

#### **- Judgments, estimates and risk management**

The preparation of the consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2020.

We believe that our used estimates for the preparation of the interim condensed financial information are reasonable and consistent with the estimates approved for the preparation of the consolidated financial statements for the year 2020.



#### 4. Cash on Hand and at Banks

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Cash on hand and checks under collection	8,297	9,989
Deposits at banks *	5,117,174	4,897,071
Current accounts	1,472,285	1,902,486
	<u>6,597,756</u>	<u>6,809,546</u>
<u>Less:</u> Provision for expected credit loss (current Accounts and deposits at banks)	<u>(80,792)</u>	<u>(77,323)</u>
	<u>6,516,964</u>	<u>6,732,223</u>

- \* The above deposits is for a term of one month to one year and bears interest at a rate of 4.25% to 5.25%.
- Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of their respective countries. Accordingly, management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL, and taking into account the historical default information and the current credit ratings of the bank.

#### 5. Accounts Receivable - Net

This item consists of the following:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Trade receivables	2,249,989	239,627
Foreign companies receivable	115,130	153,579
Ships owners receivable	172,844	196,524
Hotel guests receivable	75,915	68,263
	<u>2,613,878</u>	<u>657,993</u>
<u>Less:</u> Provision for expected credit loss *	<u>(99,034)</u>	<u>(67,057)</u>
	<u>2,514,844</u>	<u>590,936</u>

- \* The movement on the provision for expected credit loss related to receivable is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance –beginning of the year	67,057	228,047
Expected credit losses (surplus) during the Period/year	31,977	(50,462)
Write off during the year*	-	(110,528)
Balance – End of the Period/Year	<u>99,034</u>	<u>67,057</u>

- \* Write offs were approved by the board of directors.

The Group has adopted a policy of dealing with only creditworthy counterparties with good reputation in the market, in addition to obtaining sufficient guarantees, whenever appropriate, as a means of mitigating the risk of financial loss from defaults.



**6. Related Party Balances**

This item consists of the following:

**a. Due from Related Parties – Net:**

	Nature of Relationship	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
Arab Ship Management Company	Associate Company	-	7,970
Jordan International Marine Chartering Company	Associate Company	20,297	-
Sea Star Shipping and Logistics Company	Sister Company	-	4,575
Salam International Transport & Trading	Associate Company	1,278	-
Others		2,500	3,427
Total		24,075	15,972
Less: Provision for expected credit loss		-	(9,538)
		24,075	6,434

**b. Due to Related Parties:**

	Nature of Relationship	March 31, 2021 (Reviewed) JD	December 31, 2020 (Audited) JD
Shipping Lines Company for Maritime and Storage Services	Associate Company	335,400	335,400
Maset AlAqaba Company	Associate Company	213,580	213,580
Salam International Transport and Trading Company	Sister company	11,901	8,137
Jordan National for Ship Operation Company	Associate Company	170,078	169,915
Other		13,087	5,518
		744,046	732,550

## 7. Investment in Associate Companies

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

Company	Nature of Business	Location	Paid-up Capital	Dividends Paid during the period ended		Ownership Percentage			
				March 31,		March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
				2021	2020				
			JD	JD	JD	%	%	JD	(Audited)
Arab Ship Management Company	Ships Management	Aqaba	149,000	-	-	30	30	255,201	239,376
Jordan Academy for Maritime Studies Company	Education	Amman	2,000,000	195,000	195,000	30	30	1,084,943	1,219,787
Maset Al Aqaba Company	Navigation	Aqaba	500,000	-	-	50	50	205,392	205,392
Shipping Lines Company for Maritime and Storage Services	Navigation	Aqaba	3,500,000	-	-	50	50	308,189	308,189
Smit Lamnalco Limited / Jordan	Ships services	Aqaba	50,000	-	-	27	27	5,312,184	5,103,528
Jordanian National for Ship Operation Company	Shipping	Aqaba	700,000	-	-	50	50	779,132	776,995
Total Investments in Affiliate Companies				195,000	195,000			7,945,041	7,853,267

## 8. Long Term Loans Installments

This item consists of the following:

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)
	Long-term Loan		
	Installments	Total	Total
	JD	JD	JD
Egyptian Arab Land Bank loan – JOD	419,806	419,806	3,999,285
Egyptian Arab Land Bank loan – USD	6,432,095	6,432,095	2,680,081
	<u>6,851,901</u>	<u>6,851,901</u>	<u>6,679,366</u>

During the year of 2019, the facilities granted by the Egyptian Arab Land Bank were restructured and to be paid as follows:

- The facilities granted in Jordanian Dinars at the restructuring amounted to JD 3,477,982 except the due amounts under a structuring loan liabilities after paid of due installments related to August 2018 with an total amount of JD 193,430 (excluding delay interest) in addition to the interest and commission required on the structuring until the required structuring effective date. The installments of the structuring loan liabilities should be paid by 17 quarterly installments after a grace period effective from the date of implementation of the structuring to May 2019. The payment process will start from August 31, 2019 with an amount of JD 130,000 (Installment including the interest) until May 31, 2023 and the last installment is due on August 31, 2023 with the rest of the remaining facilities and with a debit interest rate of 9/75% annually without commission. The monthly interest shall be service during the grace period.
- The facilities granted in US Dollar with an amount of USD 3,665,268 as the structuring except the due amounts under a structuring loan liabilities after paid of due installments with an total amount of USD 182,598 (excluding delay interest) in addition to the interest and commission required on the structuring until the required structuring effective date. The installments of the structuring loan liabilities should be paid by 17 quarterly installments after a grace period effective from the date of implementation of the structuring to May 2019. The payment process will start from August 31, 2019 with an amount of USD120.000 (Installment including the interest) until May 31, 2023 and the last installment is due on August 31, 2023 with the rest of the remaining facilities and with a debit interest rate of 5/25% annually without commission. The monthly interest shall be service during the grace period.
- A credit decision was issued on May 13, 2020 agreeing to postpone the payment of all installments and benefits for the Company for the year 2020 to be paid after the end of the life of the loan under quarterly installments and without paying the interest throughout the delay period as the last installment for the facilities granted in Jordanian dinars and the US dollar will be on August 31, 2024.

The main reason from those facilities is to repay the outstanding debt to Bank Al Etihad- where the loan was paid during 2019 – Against the mortgage of plot number (646) from the south port number 7 located in Aqaba along with the hotel built on it against a first degree mortgage number (640) amounting to JD 8.5 Million in addition to the company partners guarantee.



## 9. Company's Share from Investment in Associate Companies

Details of this item are as follows:

		For the three months Ended March 31,	
		2021	2020
		(Reviewed)	(Reviewed)
		JD	JD
Jordan Academy for Maritime Studies Company	Associate	60,156	48,120
Arab Ship Management Company	Associate	15,825	26,005
Smit Lamnalco Ltd Company – Jordan	Associate	208,656	492,156
Jordanian national lines for shipping	Associate	2,137	-
		<u>286,774</u>	<u>566,281</u>

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

## 10. Earnings per Share for the Year Attributable to the Company's Shareholders

Earnings per share was calculated 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,	
		2021	2020
		(Reviewed)	(Reviewed)
		JD	JD
Profit for the period - Company's Shareholders		<u>762,101</u>	<u>710,382</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		<u>0.051</u>	<u>0.047</u>

## 11. Transactions with Related Parties

Related parties, as defined in International Accounting Standard 24: (Related Party Disclosures); include associate companies, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. In addition to the balances mentioned in note (6) the following transactions were carried out with related parties:

- Rent revenue from Arabian Ships Management Company (Associate Company) amounted to JD 6,331 for Three months ended March 31, 2021 (JD 11,890 for three months ended March 31, 2020).
- Executive management's salaries and benefits for the Company and its subsidiaries:

		For the Three Months Ended March 31,	
		2021	2020
		(Reviewed)	(Reviewed)
		JD	JD
Salaries, bonuses, and per diems		81,617	90,748
Board of Directors transportation allowances		19,500	24,000
		<u>101,117</u>	<u>114,748</u>



## 12. Income Tax Provision

### a. Income tax provision

The movement on the income tax provision is as follows:

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Balance – beginning of the period / year	110,954	131,888
Accrued income tax on income for the period / year	28,444	115,610
Accrued National Contribution Tax for the year	5,688	-
Income tax paid	(14,361)	(136,544)
Balance - End of the Period / Year	130,725	110,954

### b. Income tax for the year shown in the consolidated condensed interim statement of profit or loss is as follows:

	For the Three Months Ended March 31,	
	2021 (Reviewed)	2020 (Reviewed)
	JD	JD
Income tax on profit for the period	34,132	33,826
	34,132	33,826

- A final settlement has been reached with the Income and sales Tax Department for Jordan National Shipping Lines Company (Holding Company) up to end of the year 2019, and Jordan Group for Shipping Agencies (subsidiary Company) up to the end of the year 2019, and Jordan Maritime Complex for Real Estate Investments Company (subsidiary Company) up to the end of the year 2016.
- The income tax for Aqaba Development & Marine Services Company has been settled up to the end of the year 2019. Moreover, the income tax returns for the year 2020 have been submitted on time but not reviewed by the Income and Sales Tax Department, and since the Company did not perform any operations during the three months ended on March 31, 2021 due to that there were no tax on the Company.
- The income tax return was submitted for the year 2019 for the Jordan National Shipping Lines Company (Holding Company) but not reviewed yet, and the income tax return was submitted for the Jordan Group for Shipping Agencies (subsidiary company) for the years 2017 to 2019, as for Jordan Maritime Complex for Real Estate Investment Company (subsidiary Company) the Company submitted its income tax return for the years from 2017 to 2019 but still not reviewed yet.
- A provision for income tax for the period ended March 31, 2020 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, 2020.
- 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 consolidated condensed financial statements date, the Company has contingent liabilities representing bank guarantees of JD 100,000 with a paid cash deposit amounted to JD 17,500.

### 14. Geographical Distribution

The assets and liabilities of the Company located within the Hashemite Kingdom of Jordan as of March 31, 2021 and December 31, 2020 except for the following:

#### a. Debts

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)	
	Receivables	Payables	Receivables	Payables
	JD	JD	JD	JD
Receivables (Payables)	115,130	509,760	153,579	526,752

#### b. Investments

	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
	Financial Investments	
	JD	JD
Clarkson Company	191,500	181,950
Arab Logistics Company	257,946	287,482
	449,446	469,432

#### c. Information from Company Business Sectors

The following are Information from the Company business sectors allocated according to activities:

	Marine Services Sector	Hotel Services Sector	Other	Total For the three Months Ended March 31,	
	JD	JD	JD	2021 (Reviewed) JD	2020 (Reviewed) JD
Revenue	3,314,431	276,091	-	3,590,522	4,112,235
Direct cost	(2,450,836)	(136,992)	-	(2,587,828)	(2,809,657)
Business Sector Results	863,595	139,099	-	1,002,694	1,302,578
General and administrative expenses and depreciation	(369,253)	(292,284)	-	(661,537)	(829,701)
Information technology expenses	-	(25,169)	-	(25,169)	(25,552)
Power and maintenance expenses	-	(79,516)	-	(79,516)	(111,189)
Financing expenses	-	(119,166)	-	(119,166)	(123,133)
Financial assets and investments revenue	-	-	503,572	503,572	379,755
Other revenue	41,872	64,933	-	106,805	113,067
Income for the period before Income Tax	536,214	(312,103)	503,572	727,683	705,825
Income tax expense	(34,132)	-	-	(34,132)	(33,826)
Income for the period	502,082	(312,103)	503,572	693,551	671,999
				March 31, 2021 (Reviewed)	December 31, 2020 (Audited)
				JD	JD
<u>Other Information:</u>					
Sector Assets	23,219,533	15,252,491	-	38,472,024	36,521,133
	23,219,533	15,252,491	-	38,472,024	36,521,133
Sector Liabilities	2,514,536	9,109,935	-	11,624,471	10,407,242
	1,760,587	9,863,860	-	11,624,471	10,407,242

### 15. Fair Value Hierarchy

#### a. Fair value of financial assets and financial liabilities 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 techniques and key inputs):

	Fair Value		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	March 31, 2021 (Reviewed)	December 31, 2020 (Audited)				
Financial Assets	JD					
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Quoted shares	1,290,286	1,234,132	Level 1	Quoted Shares	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted Shares	2,219,332	2,179,221	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted Shares	348,344	348,344	Level 2	Through using the equity method and the latest available financial information	Not Applicable	Not Applicable
	2,567,676	2,527,565				
	3,857,962	3,761,697				
Total Financial Assets at Fair Value						

There were no transfers between Level 1 and Level 2 during the third quarter 2021 and 2020.

#### b. Fair value of financial assets and financial liabilities 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:

	March 31, 2021 (Reviewed)		December 31, 2020 (Audited)		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
Financial assets not calculated at fair value	JD	JD	JD	JD	
Investments properties	1,738,635	4,305,480	1,746,712	4,305,480	Level 2
Total financial assets not calculated at fair value	1,738,635	4,305,480	1,746,712	4,305,480	

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 reflect the credit risk of the counterparties.



#### 16. Impact of COVID-19

The occurrence of the outbreak of the Corona virus (COVID-19) at the beginning of the year 2020 and its spread in several geographical regions around the world has caused disturbances to economic activities and businesses, and this event is witnessing continuous and rapid developments, which requires the Company's management to conduct an assessment of the expected effects on the Company's business, and conducting a study to review and evaluate potential risks in the condensed consolidated interim financial statement as of March 31, 2021, based on the foregoing, the Company has taken the following measures to contain the crisis as follows:

- a. The Group has formed a Business continuity planning committee to determine and oversee the implementation of business continuity plan, which are:
  - Providing alternative locations to distribute the employees on, in order to ensure continuity of work and to maintain social separation among employees.
  - Activate working remotely feature for sensitive jobs in order to ensure the continuity of providing service to customers through electronic channels.
  - Maintaining the safety of all employees and clients, through taking all procedures related to the sterilization of workplaces.
- b. In terms of monitoring the impact of the COVID-19 crisis on the Group's business results, the management has updated the forward-looking assumptions used in calculation of expected credit losses provision.
- c. As for monitoring the impact of the COVID-19 crisis on the Group's liquidity levels, the Company's management has prepared all scenarios related to stressful situations, knowing that the Group has comfortable levels that enables it to respond to market conditions and economy developments, noting that the major operations were not affected during the pandemic.
- d. The Group has developed a management plan to deal with the disruption of economic activities and business related to the recent outbreak of the (COVID-19) in relation to the Doubletree by Hilton Hotel in Aqaba and it was represented in the following:
  1. The Company has reviewed all of its contracts with suppliers and has postponed all of its obligations in accordance with the instructions of the Jordanian Defence Law.
  2. The Company has reduced the salaries and wages of employees who work in the Hotel operations in response to the instructions of the Jordanian Defence Law.
  3. Attempting to take advantage of the facilities announced by the Central Bank of Jordan, as loan repayments were postponed for the year 2020 until the end of the life of the loan and the continuity of obtaining financing from the partners to pay interest and instalments of bank loans if necessary.
  4. Using the opportunity while the hotel stopped during the period to do some maintenance and upgrade work, knowing that the hotel was reopened on July 7, 2020 after the work stopped on March 18, 2020.

#### 17. Approval of the condensed consolidated interim financial information

This consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue on April 26, 2021.

#### 18. Subsequent events

Subsequent to the date of the condensed consolidated interim financial information, the shareholders of the general assembly approved the recommendation of the board of director in their meeting dated March 23, 2021 to distribute JD 1,800,000 as cash dividends to the shareholders, representing 12% of its paid-up capital.