

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

CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE
NINE MONTHS ENDED SEPTEMBER 30, 2021
TOGETHER WITH THE REVIEW REPORT

JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA SPECIAL ECONOMIC ZONE – JORDAN
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AND INDEPENDENT
AUDTOR'S REVIEW REPORT
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2021

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INDEPENDENT AUDITOR'S REVIEW REPORT

AM \ 000744 \ 005

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 September 30, 2021 and the consolidated condensed interim related statements of profit or loss and comprehensive income for the three months and nine months ended September 30, 2021 and statement of changes in owners' equity and cash flows for the nine 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 consolidated condensed interim financial information in accordance with International Accounting Standard (34) Interim Financial Reporting. Our responsibility is to express an opinion on these 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 consolidated condensed 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 4.7 million as at September 30, 2021 and the Company's share of Lamnalco's income of approximately JD 538 thousands for the period then ended (September 30, 2020: JD 804 thousands). 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
October 28, 2021


Deloitte & Touche (M.E.) - Jordan
Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010105

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)		Note	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
		JD	JD	ASSETS		JD	JD
Current Assets:				LIABILITIES			
Cash on hand and at banks - net	4	7,343,267	6,732,223	Current Liabilities:			
Accounts receivable - net	5	718,126	590,936	Accounts payable and other credit balances		2,455,942	2,858,209
Financial assets at fair value through profit or loss	17	1,297,494	1,234,132	Income tax provision	11	78,210	110,954
Due from related parties - net	6/A	26,662	6,434	Due to related parties	6/B	212,476	732,550
Other debit balances and prepaid expenses		285,989	235,934	Due to banks		-	26,163
Inventory - hotel		61,002	83,974	Short - term loans and due installments	8	546,700	-
Total Current Assets		9,732,540	8,883,633	Total Current Liabilities		3,293,328	3,727,876
				Long - term loans installments	8	6,687,228	6,679,366
Investments:							
Financial assets at fair value through other comprehensive income	17	3,001,774	2,527,565	OWNERS' EQUITY			
Investment in associate companies	7	7,118,522	7,853,267	Shareholders' Equity:			
Investment properties - net	17	1,722,487	1,746,712	Paid-up capital	1	15,000,000	15,000,000
Total Investments		11,842,783	12,127,544	Statutory reserve		3,750,000	3,750,000
Property and Equipment:				Investments revaluation reserve		(1,454,520)	(1,862,017)
Property and equipment - at cost		24,165,323	23,840,220	Retained earnings		5,900,488	7,586,027
Less: Accumulated depreciation		(8,824,256)	(8,330,264)	Profit for the year		2,315,253	-
Net Book Value of property and equipment		15,341,067	15,509,956	Total Shareholders' Equity		25,511,221	24,474,010
TOTAL ASSETS		36,916,390	36,521,133	Non-controlling interests		1,424,613	1,639,881
				TOTAL OWNERS' EQUITY		26,935,834	26,113,891
				TOTAL LIABILITIES AND OWNERS' EQUITY		36,916,390	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 BE READ WITH THEM.

JORDAN NATIONAL SHIPPING LINES COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AOABA SPECIAL ECONOMIC ZONE - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS AND NINE MONTHS THEN ENDED SEPTEMBER 30, 2021

		For the Three Months		For the Nine Months	
		Ended September 30,		Ended September 30,	
	Note	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
Revenue:		JD	JD	JD	JD
Net revenue from maritime agencies, sea freight and cruising vessels		765,500	766,030	2,420,311	2,827,615
Gross hotel operating revenue before other expenses		465,216	229,380	843,133	584,034
Gross Profit		1,230,716	995,410	3,263,444	3,411,649
<u>Less:</u> General and administrative expenses and depreciation		(714,681)	(690,425)	(2,104,096)	(2,317,648)
Information technology expenses - Hotel		(25,303)	(22,371)	(74,550)	(60,659)
Power and maintenance expenses - Hotel		(154,665)	(127,679)	(342,974)	(274,545)
Financing expenses		(128,546)	(117,075)	(378,889)	(364,723)
(Loss) gain from financial assets at fair value through profit or loss		14,846	49,354	550,523	(81,358)
Dividends from financial assets at fair value through comprehensive income		-	3,022	90,908	37,822
Company's share from investment in associate companies income	7	393,663	339,753	978,836	1,113,761
Disposal loss of subsidiary company		-	-	(121,484)	-
Other revenue - Net		135,604	67,765	350,153	288,067
Income for the period before Tax		751,634	497,754	2,211,871	1,752,366
Income tax expense	11/B	(26,032)	(222)	(87,909)	(81,016)
Income for the Period		725,602	497,532	2,123,962	1,671,350
Attributable to:					
The Company's shareholders		779,829	572,180	2,315,253	1,901,844
Non-controlling interests		(54,227)	(74,648)	(191,291)	(230,494)
		725,602	497,532	2,123,962	1,671,350
Earnings per share for the period attributable to the Company's shareholders:					
Basic and Diluted	9	0.05	0.038	0.15	0.13

Chairman of the Board of Directors

General Manager

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JORDAN NATIONAL SHIPPING LINES COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AQABA SPECIAL ECONOMIC ZONE - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2021 (Reviewed)	2020 (Reviewed)	2021 (Reviewed)	2020 (Reviewed)
	JD	JD	JD	JD
Income for the period	725,602	497,532	2,123,962	1,671,350
Items that will not be reclassified subsequently to the consolidated condensed interim statement of profit or loss:				
(Losses) from selling financial assets at fair value through comprehensive income	-	(8,405)	-	(8,405)
Cumulative change in fair value - financial assets at fair value through comprehensive income	(137,645)	(138,902)	407,497	(708,074)
Total Comprehensive Income	<u>587,957</u>	<u>350,225</u>	<u>2,531,459</u>	<u>954,871</u>
Total Comprehensive Income Attributable to:				
The Company's shareholders	642,184	424,873	2,722,750	1,185,365
Non - controlling interests	<u>(54,227)</u>	<u>(74,648)</u>	<u>(191,291)</u>	<u>(230,494)</u>
	<u>587,957</u>	<u>350,225</u>	<u>2,531,459</u>	<u>954,871</u>

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	Note	Paid-up Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Income for the Period	Total Shareholders' Equity	Non-Controlling Interest	Total Owners' Equity
For the Nine Months Ended September 30, 2021		JD	JD	JD	JD	JD	JD	JD	JD
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		-	-	-	-	2,315,253	2,315,253	(191,291)	2,123,962
Change in fair value - financial assets at fair value through other comprehensive income		-	-	407,497	-	-	407,497	-	407,497
Total Comprehensive Income		-	-	407,497	-	2,315,253	2,722,750	(191,291)	2,531,459
Dividends distributed *	16	-	-	-	(1,800,000)	-	(1,800,000)	-	(1,800,000)
Effect of subsidiary company disposal		-	-	-	114,461	-	114,461	6,023	120,484
Dividends distributed to subsidiary's partners	2/B	-	-	-	-	-	-	(30,000)	(30,000)
Balance - End of the Period (Reviewed)		15,000,000	3,750,000	(1,454,520)	5,900,488	2,315,253	25,511,221	1,424,613	26,935,834
For the Nine Months Ended September 30, 2020		15,000,000	3,750,000	(1,119,544)	7,476,646	-	25,107,102	2,049,648	27,156,750
Balance - beginning of the period (Audited)		-	-	-	-	1,901,844	1,901,844	(230,494)	1,671,350
Income for the period		-	-	7,187	(15,592)	-	(8,405)	-	(8,405)
(Losses) from sale of financial assets at fair value through comprehensive income		-	-	(708,074)	-	-	(708,074)	-	(708,074)
Change in fair value - financial assets at fair value through other comprehensive income		-	-	(700,887)	(15,592)	1,901,844	1,185,365	(230,494)	954,871
Total Comprehensive Income		-	-	-	(2,250,000)	-	(2,250,000)	(60,750)	(2,310,750)
Dividends distributed *		-	-	-	-	-	-	-	-
Balance - End of the Period (Reviewed)		15,000,000	3,750,000	(1,820,431)	5,211,054	1,901,844	24,042,467	1,758,404	25,800,871

* According to the General Assembly resolution in its meeting held on 27 April 2021 an amount of JD 1,800,000 , 12% of Paid up capital was approved for distribution to the shareholders for the year ended 2020 (JD 2,250,000 for the year 2019).

- An amount equal to the negative balance of the investment revaluation shown above shall be restricted from the retained earnings as of September 30, 2021.

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

	Note	For the Nine Months Ended September 30,	
		2021 (Reviewed)	2020 (Reviewed)
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the period before tax		2,211,871	1,752,366
Adjustments for:			
(Gain) Loss revaluation of financial assets at fair value through profit or loss		(519,129)	178,859
(Gain) from sale financial assets at fair value through profit or loss		-	(28,056)
Dividends from financial assets at fair value through profit or loss		(31,394)	-
Depreciation of property and equipment and investment properties		496,274	481,993
Loss on disposal of property and equipment		-	17,803
Dividends from financial assets at fair value through other comprehensive income		(90,908)	(41,310)
Provision (Surplus) for expected credit loss	5	67,116	(50,462)
(Gain) from investment in associate companies	7	(978,836)	(1,113,761)
Cash Flows from Activities before Changes in Working Capital		1,154,994	1,197,432
(Increase) decrease in current assets:			
Accounts receivable		(194,306)	(791,267)
Due from related parties		(20,229)	(67,122)
Other debit balances and prepaid expenses		(50,055)	(110,953)
Inventory - hotel		22,973	(18,169)
Increase (decrease) in current liabilities :			
Accounts payable and other credit balances		(458,980)	802,104
Due to related parties		(520,074)	(231)
Net Cash Flows (used in) from Operating Activities before Income Tax Paid		(65,677)	1,011,794
Income tax paid	11/A	(120,653)	(136,544)
Net Cash Flows from Operating Activities		(186,330)	875,250
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends from investment in associate companies	7	1,200,000	960,000
Proceeds from disposal of associate company		513,581	32,038
Effect of subsidiary company disposal		121,484	-
(Purchase) of property and equipment - net		(303,160)	(132,280)
Proceed from selling of financial assets at fair value through profit or loss		454,767	5,207
(Increase) decrease in financial assets at fair value through other comprehensive income		31,394	(62,115)
Dividends from financial assets at fair value through profit or loss		(66,712)	65,955
Dividends from financial assets at fair value through other comprehensive income		90,908	41,310
Net Cash Flows from Investing Activities		2,042,262	910,115
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) in due to banks		(26,163)	-
Increase in loans		554,562	144,919
Dividends distributed	16	(1,743,287)	(2,190,674)
Decrease in non-controlling interests		(30,000)	(60,750)
Net (used in) Financing Activities		(1,244,888)	(2,106,505)
Net Increase (Decrease) in Cash		611,044	(321,140)
Cash on hand and at banks - beginning of the year		6,732,223	4,846,275
Cash on Hand and at Banks - Net - End of the Period	4	7,343,267	4,525,135
Non-Cash Transactions:			
Proceeds from disposal of subsidiary company		513,581	-
(Decrease) in due from related parties		(513,851)	-

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

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 nine months ended September 30, 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 nine months ended September 30, 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 nine months period ended September 30, 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 September 30, 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. Note that the Aqaba Company for Development and Maritime Services was liquidated on September 12, 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.

C. Significant Accounting Policies

The accounting policies adopted in preparing the condensed consolidated interim financial information for the period ended September 30, 2021 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.

3. 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 period / year.

4. Cash on Hand and at Banks

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Cash on hand and checks under collection	12,747	9,989
Deposits at banks *	5,683,940	4,897,071
Current accounts	1,738,811	1,902,486
	<u>7,435,498</u>	<u>6,809,546</u>
<u>Less:</u> Expected credit loss provision (Current accounts and deposits at banks)	<u>(92,231)</u>	<u>(77,323)</u>
	<u>7,343,267</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 the 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 experience and the current credit ratings of the banks.

5. Accounts Receivable - Net

This item consists of the following:

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	JD	JD
Trade receivables	118,050	239,627
Foreign companies receivable	96,330	153,579
Ships owners receivable	448,665	196,524
Hotel guests receivable	189,254	68,263
	<u>852,299</u>	<u>657,993</u>
<u>Less:</u> Provision for expected credit loss *	<u>(134,173)</u>	<u>(67,057)</u>
	<u>718,126</u>	<u>590,936</u>

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

	September 30, 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	67,116	(50,462)
Write off during the year*	-	(110,528)
Balance – End of the Period/Year	<u>134,173</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 Parties Transactions

This item consists of the following:

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

	Nature of Relationship	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
		JD	JD
Arab Ship Management Company	Associate Company	14,631	7,970
Jordan International Marine Chartering Company	Associate Company	-	-
Sea Star Shipping and Logistics Company	Sister Company	-	4,575
Salam International Transport and Trading Company	Associate Company	8,407	-
Other		3,624	3,427
Total		26,662	15,972
Less: Provision for expected credit loss		-	(9,538)
		26,662	6,434

b. **Due to Related Parties:**

	Nature of Relationship	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
		JD	JD
Shipping Lines Company for Maritime and Storage Services	Associate Company	-	335,400
Maset AlAqaba Company	Associate Company	-	213,580
Salam International Transport and Trading Company	Shareholder	12,941	8,137
Jordan National for Ship Operation Company	Associate Company	199,535	169,915
Other	Associate Company	-	5,518
		212,476	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 Distributed During		Company's Share from Investment in Associate Companies		Ownership Percentage	
				September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
				(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
			JD	JD	JD	JD	JD	%	%
Arab Ship Management Company	Ships Management	Aqaba	149,000	60,000	90,000	42,990	47,400	30	30
Jordan Academy for Maritime Studies Company	Education	Amman	2,000,000	195,000	195,000	313,701	144,707	30	30
Maset Al-Aqaba Company *	Navigation	Aqaba	500,000	-	-	-	-	50	50
Shipping Lines Company for Maritime and Storage Services *	Navigation	Aqaba	3,500,000	-	-	-	-	50	50
Smit Lamnaico Company Ltd - Jordan	Ships services	Aqaba	50,000	945,000	675,000	538,083	804,384	27	27
Jordan National for Ships Operation Company	Shipping	Aqaba	700,000	-	-	84,062	117,270	50	50
Total Investments in associate Companies				1,200,000	960,000	978,836	1,113,761	7,118,522	7,853,267

* The above companies were liquidated during the nine months ended September 30, 2021.

8. Long Term Loans Installments

This item consists of the following:

	September 30, 2021 (Reviewed)			December 31, 2020 (Audited)
	Installments Due	Short-term Loan Installments	Long-term Loan Installments	Total
			JD	JD
Egyptian Arab Land Bank loan (A) – JOD	-	-	3,991,945	3,991,945
Egyptian Arab Land Bank loan (A) – USD	-	-	2,695,283	2,695,283
Cairo Amman bank (B) – JOD	215,200	331,500	-	546,700
	<u>215,200</u>	<u>331,500</u>	<u>6,687,228</u>	<u>7,233,928</u>
				<u>6,679,366</u>

a. 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, Where the first installment of the Jordanian Dinar loan is due on November 30, 2023 at a value of JD 130,000 for each installment, and the first installment of the dollar loan is due on November 30, 2023 at a value of USD 120,000 at JD 85,080 for each installment.

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.

b. On November 4, 2020, a loan was granted by Cairo Amman Bank for the purpose of renewing the hotel's fixed assets with a ceiling of JD 2,000,000 and an interest of 3.25%. And so that the loan is repaid over 72 months according to 20 installments, the first installment is due on January 13, 2022, with a value of JD 100,000.

9. 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 Nine Months Ended September 30,	
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Profit for the period -Attributable to the Company's Shareholders	2,315,253	1,901,844
	Share	Share
Number of shares *	15,000,000	15,000,000
	JD/Share	JD/Share
Earnings per share for the period: Basic and Diluted	.15	.13

10. Transactions with Related Parties

Includes related parties, as defined in IAS 24 (Related Party Disclosures); Affiliates, major shareholders, directors and other key management personnel of the Company, and entities controlled, jointly controlled or significantly affected by these parties, in addition to the balances mentioned above in Note (6), the movements resulting from transactions with related parties were as follows :

- a. Rent revenue from Arabian Ships Management Company (Associate Company) amounted to JD 26,213 for nine months ended September 30, 2021 (JD 33,988 for nine months ended September 30, 2020).
- b. Executive management's salaries and benefits for the Company and its subsidiaries:

	For the Nine Months Ended September 30,	
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Salaries, bonuses, and per diems	332,181	326,298
Board of Directors transportation allowances	75,728	72,000
	407,909	398,298

11. Income Tax and National Contribution provision

A. Income tax provision

The movement on the income tax provision is as follows:

	September 30, 2021	December 31, 2020
	(Reviewed)	(Audited)
	JD	JD
Balance – beginning of the period / year	110,954	131,888
Accrued income tax on income for the period / year	87,909	115,610
Income tax paid	(120,653)	(136,544)
Balance - End of the Period / Year	78,210	110,954

B. Income tax expense and National Contribution for the year shown in the Consolidated Condensed interim statement of profit or loss the following:

	For the Nine Months Ended September 30,	
	2021	2020
	(Reviewed)	(Reviewed)
	JD	JD
Income tax on profit for the period	(87,909)	(81,016)
	<u>(87,909)</u>	<u>(81,016)</u>

- 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 the tax return for the year 2020 was submitted on the dates and has not been reviewed by the Income and Sales Tax Department.
- The income tax for Jordanian Group shipping agencies (a subsidiary) has been settled up to the end of the year 2019 and the tax return for the year 2020 was submitted on the dates and has not been reviewed by the Income and Sales Tax Department.
- The income tax for Jordan Maritime Complex for Real Estate Investment Company has been settled up to the end of the year 2016, and the tax returns for the years 2017 until 2019 was submitted but not been reviewed by the Income and Sales Tax Department.
- A provision for income tax for the period ended September 30, 2021 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 September 30, 2021.
- 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.

12. Contingent Liabilities

As of the consolidated condensed financial statements date, the Company has contingent liabilities representing bank guarantees of JD 50,000 with a paid cash deposit amounted to JD 12,500.

13. Geographical Distribution

The assets and liabilities of the Company located within the Hashemite Kingdom of Jordan as of September 30, 2021 and December 31, 2020 except for the following:

a. Debts

	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)	
	Receivables	Payables	Receivables	Payables
	JD	JD	JD	JD
Receivables (Payables)	<u>96,330</u>	<u>662,845</u>	<u>153,579</u>	<u>526,752</u>

b. Investments

	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
	<u>Financial Investments</u>	
	JD	JD
Clarkson Company	256,078	181,950
Arab Logistics Company	231,036	287,482
	<u>487,114</u>	<u>469,432</u>

c. Information from Company Business Sectors

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

	Marine Services	Hotel Services		Total (Reviewed) For the Nine Months Ended September 30,	
	Sector	Sector	Other	2021	2020
	JD	JD	JD	JD	JD
Revenue	10,536,156	1,411,778	-	11,947,934	15,265,087
Direct cost	(8,115,845)	(568,645)	-	(8,684,490)	(11,853,438)
Business Sector Results	2,420,311	843,133	-	3,263,444	3,411,649
General and administrative expenses and Depreciation	(1,259,260)	(966,320)	-	(2,225,580)	(2,317,648)
Information technology expenses	-	(74,550)	-	(74,550)	(60,659)
Power and maintenance expenses	-	(342,974)	-	(342,974)	(274,545)
Financing expenses	-	(378,889)	-	(378,889)	(364,723)
Financial assets and investments revenue	-	-	1,620,267	1,620,267	1,070,225
Disposal loss of subsidiary company	-	-	(121,484)	(121,484)	-
Other revenue – net	220,402	129,751	-	350,153	288,067
Income (loss) for the period before Income Tax	1,381,453	(789,849)	1,620,267	2,211,871	1,752,366
Income tax expense	(87,909)	-	-	(87,909)	(81,016)
Income (Loss) for the period	<u>1,293,544</u>	<u>(789,849)</u>	<u>1,620,267</u>	<u>2,123,962</u>	<u>1,671,350</u>
				September 30, 2021 (Reviewed)	December 31, 2020 (Audited)
<u>Other Information:</u>				JD	JD
Sector Assets	21,724,117	15,192,273	-	36,916,390	36,521,133
	<u>21,724,117</u>	<u>15,192,273</u>	<u>-</u>	<u>36,916,390</u>	<u>36,521,133</u>
Sector Liabilities	1,722,824	8,257,733	-	9,980,557	10,407,242
	<u>1,722,824</u>	<u>8,257,733</u>	<u>-</u>	<u>9,980,557</u>	<u>10,407,242</u>

14. Impact of COVID-19

The spread of the corona virus (Covid-19) in the beginning of 2020 and it is spread in lots of geographical places around the world led to disturbances to the economic activities and business, also that this action is going through some continuously and Accelerating developments which demanded the group management to evaluate the expected Effects on the Company's activities

The Company made an study of the impact of the Corona Virus (Covid-19) pandemic, which led to changes in the expected credit loss methodology and assessment estimates and judgments for the year ended December 31, 2020, noting that there were no changes to the policies, estimates and judgments during the period ended September 30, 2021.

15. Approval of the condensed interim financial information

This consolidated condensed interim financial information was approved by the Board of Directors and authorized for issue on October 28, 2021.

16. Dividends

The general assembly approved in its ordinary meeting on April 27, 2021 a distribution of dividends at 12% of the capital of JOD 15 million for 2020, in amount of JOD 1.8 million (JD 2,250,000 for 2019).

17. 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 techniques and key inputs):

	Fair Value		Fair Value Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	September 30, 2021 (Reviewed)	December 31, 2020 (Audited)				
	JD	JD				
Financial Assets						
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Quoted shares	1,297,494	1,234,132	Level 1	Quoted Shares	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted Shares	2,651,136	2,179,221	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted Shares	350,638	348,344	Level 2	Through using the equity method and latest financial information available	Not Applicable	Not Applicable
	3,001,774	2,527,565				
Total Financial Assets at Fair Value	4,299,268	3,761,697				

There were no transfers between Level 1 and level 2 during the Nine month ended September 30, of the year 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 consolidated financial statements approximate their fair values:

	September 30, 2021 (Reviewed)		December 31, 2020 (Audited)		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial assets not calculated at fair value					
Investments properties	1,722,487	4,305,480	1,746,712	4,305,480	Level 2
Total financial assets not calculated at fair value	1,722,487	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.