

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, 2022
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, 2022

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INDEPENDENT AUDITOR'S REVIEW REPORT

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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, 2022 and the consolidated condensed interim related statements of profit or loss and other comprehensive income for the three months and nine months ended September 30, 2022 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 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 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 investment in Lamnalco of approximately JD 4,3 million as of September 30, 2022 (JD 4,7 million as of December 31, 2021) and the Company's share of Lamnalco's income of approximately JD 679 thousands for the period then ended (JD 538 thousands for the period ended September 30, 2021). Had we been able to complete our review of company's investment in Lamnalco and the Company's share of Lamnalco's income matters might have come to our attention indicating that adjustments might be necessary to the consolidated condensed interim financial information. Our conclusion for the period ended September 30, 2021 was also modified in respect of this matter.

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 27, 2022


Deloitte & Touche (M.E.) – Jordan
Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	September 30, 2022 (Reviewed)	December 31, 2021 (Audited)		September 30, 2022 (Reviewed)	December 31, 2021 (Audited)
<u>ASSETS</u>	JD	JD	<u>LIABILITIES</u>	JD	JD
Current Assets:			Current Liabilities:		
Cash on hand and at banks - net	4 8,001,989	8,168,129	Accounts payable and other credit balances	3,098,592	2,600,310
Accounts receivable - net	5 1,581,052	553,860	Income tax provision	11/A 116,274	90,105
Financial assets at fair value through profit or loss	2,292,182	1,490,880	Due to related parties	6/B 119,639	280,849
Due from related parties	6/A 18,136	31,664	Short term loans	8 584,064	350,458
Other debt balances and prepaid expenses	221,459	239,828	Total Current Liabilities	3,918,569	3,321,722
Inventory - hotel	69,409	64,007			
Total Current Assets	12,184,227	10,548,368	Long term loans	8 5,645,000	7,033,515
Investments:			<u>OWNERS' EQUITY</u>		
Financial assets at fair value through other comprehensive income	3,157,272	3,079,077	Shareholders' Equity:		
Investment in associate companies	7 6,785,729	7,324,402	Paid-up capital	1 15,000,000	15,000,000
Investment property - net	1,671,442	1,714,412	Statutory reserve	3,750,000	3,750,000
Total Investments	11,614,443	12,117,891	Investments revaluation reserve	(1,332,748)	(1,427,067)
Property and Equipment:			Retained earnings	6,965,849	8,765,849
Property and equipment - at cost	24,454,676	24,129,820	Profit for the period	3,124,972	-
Less: Accumulated depreciation	(9,379,177)	(8,946,313)	Total Shareholders' Equity	27,508,073	26,088,782
Net Book Value of property and equipment	15,075,499	15,183,507	Non-controlling interests	1,802,527	1,405,747
TOTAL ASSETS	38,874,169	37,849,766	TOTAL OWNERS' EQUITY	29,310,600	27,494,529
			TOTAL LIABILITIES AND OWNERS' EQUITY	38,874,169	37,849,766

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
AND WITH THE ACCOMPANYING AUDIT REPORT.

JORDAN NATIONAL SHIPPING LINES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA SPECIAL ECONOMIC ZONE - JORDAN
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2022, AND 2021

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	Note	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
Revenue:		JD	JD	JD	JD
Net revenue from maritime agencies, sea freight and cruising vessels		803,966	765,500	2,676,053	2,420,311
Gross hotel operating revenue before other expenses		<u>603,146</u>	<u>465,216</u>	<u>1,529,985</u>	<u>843,133</u>
Gross Profit		1,407,112	1,230,716	4,206,038	3,263,444
<u>Less:</u> General and administrative expenses and depreciation		(794,129)	(714,681)	(2,380,194)	(2,104,096)
Information technology expenses - Hotel		(27,096)	(25,303)	(79,990)	(74,550)
Power and maintenance expenses - Hotel		(154,407)	(154,665)	(410,332)	(342,974)
Financing expenses		(148,646)	(128,546)	(386,957)	(378,889)
Gain from financial assets at fair value through profit or loss		3,611	14,846	605,914	550,523
Dividends from financial assets at fair value through other comprehensive income		-	-	158,910	90,908
Company's share from investments in associate companies income	7	414,511	393,663	1,145,827	978,836
Disposal loss of subsidiary company		-	-	-	(121,484)
Other revenue - Net		<u>78,809</u>	<u>135,604</u>	<u>353,841</u>	<u>350,153</u>
Income for the period before Tax		779,765	751,634	3,213,057	2,211,871
Income tax expense	11/B	<u>(56,537)</u>	<u>(26,032)</u>	<u>(133,211)</u>	<u>(87,909)</u>
Income for the Period		<u>723,228</u>	<u>725,602</u>	<u>3,079,846</u>	<u>2,123,962</u>
Attributable to:					
The Company's shareholders		723,318	779,829	3,124,972	2,315,253
Non-controlling interests		<u>(90)</u>	<u>(54,227)</u>	<u>(45,126)</u>	<u>(191,291)</u>
		<u>723,228</u>	<u>725,602</u>	<u>3,079,846</u>	<u>2,123,962</u>
Earnings per share for the period attributable to the Company's shareholders:					
Basic and Diluted	9	<u>0.05</u>	<u>0.05</u>	<u>0.21</u>	<u>0.15</u>

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 THREE MONTHS AND THE NINE MONTHS ENDED SEPTEMBER 30, 2022, AND 2021

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2022 (Reviewed)	2021 (Reviewed)	2022 (Reviewed)	2021 (Reviewed)
	JD	JD	JD	JD
Income for the period	723,228	725,602	3,079,846	2,123,962
Items that will not be reclassified subsequently to the consolidated condensed interim statement of profit or loss:				
Change in the valuation reserve for the financial assets	49,220	(137,645)	89,856	407,497
Gain from selling financial assets at fair value through other comprehensive income	4,463	-	4,463	-
Total Comprehensive Income	<u>776,911</u>	<u>587,957</u>	<u>3,174,165</u>	<u>2,531,459</u>
Total Comprehensive Income Attributable to:				
The Company's shareholders	777,001	642,184	3,219,291	2,722,750
Non - controlling interests	<u>(90)</u>	<u>(54,227)</u>	<u>(45,126)</u>	<u>(191,291)</u>
	<u>776,911</u>	<u>587,957</u>	<u>3,174,165</u>	<u>2,531,459</u>

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JORDAN NATIONAL SHIPPING LINES COMPANY
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AOABA SPECIAL ECONOMIC ZONE - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022, AND 2021

	Paid-up Capital	Statutory Reserve	Investment Revaluation Reserve	Retained Earnings	Income for the Period	Total Shareholders' Equity	Non-Controlling Interest	Total Owners' Equity
	JD	JD	JD	JD	JD	JD	JD	JD
For the Nine Months Ended September 30, 2022								
Balance - beginning of the period (Audited)	15,000,000	3,750,000	(1,427,067)	8,765,849	-	26,088,782	1,405,747	27,494,529
Income for the period	-	-	-	-	3,124,972	3,124,972	(45,126)	3,079,846
Change in fair value - financial assets at fair value through other comprehensive income	-	-	94,319	-	-	94,319	-	94,319
Total Comprehensive Income	-	-	94,319	-	3,124,972	3,219,291	(45,126)	3,174,165
Dividends distributed *	15	-	-	(1,800,000)	-	(1,800,000)	-	(1,800,000)
Effect of subsidiary company disposal	-	-	-	-	-	-	513,240	513,240
Dividends distributed to subsidiary's partners	-	-	-	-	-	-	(71,334)	(71,334)
Balance - End of the Period (Reviewed)	15,000,000	3,750,000	(1,332,748)	6,965,849	3,124,972	27,508,073	1,802,527	29,310,600
For the Nine Months Ended September 30, 2021								
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 *	15	-	-	(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	-	-	-	-	-	-	(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

* According to the General Assembly resolution in its meeting held on 25 April 2022, an amount of JD 1,800,000, 12% of Paid up capital was approved for distribution to the shareholders for the year ended 2021 (JD 1,800,000 for the year 2020).

- An amount equal to the negative balance of the investment revaluation shown above shall be restricted from the retained earnings as of September 30, 2022 and 31, December, 2021.

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

		For the Nine Months Ended September 30,	
	Note	2022 (Reviewed)	2021 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Income for the period before tax		3,213,057	2,211,871
Adjustments for:			
(Gain) Loss revaluation of financial assets at fair value through profit or loss		(511,660)	(284,052)
(Gain) from sale financials assets at fair value through profit or loss		-	(235,077)
Dividends from financial assets at fair value through profit or loss		(94,254)	(31,394)
Depreciation of property and equipment and investment properties		475,834	496,274
Dividends from financial assets at fair value through other comprehensive income		(158,910)	(90,908)
(Surplus) Provision for expected credit loss	5	(5,481)	67,116
(Gain) from investments in associate companies	7	(1,145,827)	(978,836)
Cash Flows from Activities before Changes in Working Capital		1,772,759	1,154,994
(Increase) decrease in current assets:			
Accounts receivable		(947,191)	(194,306)
Due from related parties		13,528	(20,228)
Other debit balances and prepaid expenses		18,369	(50,055)
Inventory - hotel		(5,402)	22,972
Increase (decrease) in current liabilities :			
Accounts payable and other credit balances		498,282	(458,980)
Due to related parties		(161,210)	(520,074)
Net Cash Flows (used in) from Operating Activities before Income Tax Paid		1,189,135	(65,677)
Income tax paid	11/A	(104,102)	(120,653)
Net Cash Flows from (used in) Operating Activities		1,085,033	(186,330)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends from investment in associate companies	7	1,684,500	1,200,000
Proceeds from disposal of associate company		-	513,581
Effect of subsidiary company disposal		-	121,484
(Purchase) of property and equipment - net		(324,856)	(303,160)
Proceed from selling of financial assets at fair value through profit or loss		-	454,767
Proceeds from the selling of financial assets at fair value through other comprehensive income		23,948	-
(Increase) decrease in financial assets at fair value through profit or loss		(289,642)	-
(Increase) in financial assets at fair value through other comprehensive income		(78,195)	(66,712)
Dividends from financial assets at fair value through profit or loss		94,254	31,394
Dividends from financial assets at fair value through other comprehensive income		158,910	90,908
Net Cash Flows from Investing Activities		1,268,919	2,042,262
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) in due to banks		-	(26,163)
(Decrease) Increase in loans		(1,154,909)	554,562
Dividends distributed	15	(1,800,000)	(1,743,287)
Increase (Decrease) in non-controlling interests		441,906	(30,000)
Net (used in) Financing Activities		(2,513,003)	(1,244,888)
Net (Decrease) Increase in Cash		(159,052)	611,044
Cash on hand and at banks - beginning of the year		8,261,129	6,732,223
Cash on Hand and at Banks - Net - End of the Period	4	8,102,077	7,343,267
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
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AQABA SPECIAL ECONOMIC ZONE - JORDAN
NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

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 June 30, 2004, a new public shareholding Company was established under the name of Jordan National Shipping Lines Company with a capital of JD 5,750,000 allocated to 5,750,000 shares at a par value of JD 1 each. The Company's capital increased in several stages, the last of which was during the year 2013. Where the Company's capital became JD 15 million through capitalizing JD 2/925 million from the retained earnings and distributing it as free stock dividends to the shareholders. The proper procedures to list the stock was completed on June 19, 2013.
- The Company was also registered in Aqaba Special Economic Zone under registration number (1103110402) on 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, 2022, 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 and presentation 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, 2021. In addition, the results of the Company's operations for the nine months ended September 30, 2022, do not necessarily represent indications of the expected results for the year ending December 31, 2022, and do not contain appropriation of the profit for the nine months period ended September 30, 2022, 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 is 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 subsidiaries Company are made to comply with the accounting policies followed by the Company.
- The results of the subsidiary Company 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 subsidiaries Companies are incorporated into the consolidated condensed 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 subsidiaries Company.

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 company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Company loses control of any of the subsidiaries Company, 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 profit or loss 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 company owns the following subsidiaries as of September 30, 2022:

	<u>Ownership Percentage</u>	<u>Activity Nature</u>	<u>Establishment Country</u>	<u>Paid Up Capital</u>
	%			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

* 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 consolidated condensed interim financial information for the period ended September 30, 2022, are consistent with those applied in the year ended December 31, 2021. However, the following revised IFRSs were followed which became effective for the financial periods beginning on or after the first of January 2022, in preparing the consolidated condensed interim financial information for the group, which did not materially affect the amounts and disclosures contained in the consolidated period and years, nothing that it may have impact on the accounting treatment of transactions and future arrangements:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 “Inventories”.

The amendments also clarify the meaning of ‘testing whether an asset is functioning properly. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity’s ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

IFRS Financial Enhancements 2018-2020

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent’s consolidated financial statements, based on the parent’s date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the ‘10 per cent’ test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.

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, 2021.

Management believe that it's used estimates for the preparation of the consolidated condensed interim financial information are reasonable and consistent with the estimates for the preparation of the consolidated financial statements for the year 2021.

4. Cash on Hand and at Banks - Net

This item consists of the following:

	September 30, 2022 (Reviewed) JD	December 31, 2021 (Audited) JD
Cash on hand and checks under collection	7,944	9,454
Deposits at banks *	6,348,382	6,058,915
Current accounts	1,745,751	2,192,760
	<u>8,102,077</u>	<u>8,261,129</u>
<u>Less</u> : Expected credit loss provision (Current accounts and deposits at banks)	<u>(100,088)</u>	<u>(93,000)</u>
	<u>8,001,989</u>	<u>8,168,129</u>

* The above deposit is for a term of one month to one year and bears interest at a rate of 4/5% to 4/6% as of September 30, 2022 and December 31, 2021.

- Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the central bank of Jordan and central bank 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 considering the historical default experience and the current credit ratings of the banks.

5. Accounts Receivable - Net

This item consists of the following:

	September 30, 2022 (Reviewed) JD	December 31, 2021 (Audited) JD
Trade receivables	1,440,713	301,776
Ships owner's receivable	28,867	200,462
Hotel guest's receivable	182,217	141,833
	<u>1,651,797</u>	<u>644,071</u>
<u>Less</u> : Provision for expected credit loss *	<u>(70,745)</u>	<u>(90,211)</u>
	<u>1,581,052</u>	<u>553,860</u>

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

	September 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance –beginning of the period/year	90,211	67,057
Expected credit losses during the period/year	-	24,087
Write-off during the period/year	(9,529)	(933)
Provision no longer needed during the period/year	(5,481)	-
Transferred to provision for Expected credit losses (Current accounts and deposits at banks)	(4,456)	-
Balance – End of the period/year	70,745	90,211

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 Receivables

This item consists of the following:

a. Due from Related Parties – Net:

	Nature of Relationship	September 30, 2022 (Reviewed)	December 31, 2021 (Audited)
		JD	JD
Arab Ship Management Company	Associate Company	12,889	24,164
Smit Lamnalco -Jordan	Associate company	-	5,000
Other	Associate company	5,247	2,500
		18,136	31,664

b . Due to Related Parties:

	Nature of Relationship	September 30, 2022 (Reviewed)	December 31, 2021 (Audited)
		JD	JD
Salam International Transport and Trading Company	Sister Company	40,005	3,735
Jordan National for Ship Operation Company	Associate Company	57,692	270,754
Other	Associate Company	21,942	6,360
		119,639	280,849

7. Investment in Associate Companies

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

Company Name	Nature of Business	Location	Paid-up Capital JD	Dividends Distributed for the Period Ended September 30,		Company's Share from profits in Associate Companies		Ownership Percentage		September 30, 2022 (Reviewed) JD	December 31, 2021 (Audited) JD
				2022 (Reviewed) JD	2021 (Reviewed) JD	September 30, 2022 (Reviewed) JD	September 30, 2021 (Reviewed) JD	September 30, 2022 %	December 31, 2021 %		
Arab company for ships management	Maritime mediation	Aqaba	149,000	30,000	60,000	54,600	42,990	30	30	240,077	215,477
Jordan Academy for Maritime Studies Company	Education	Amman	2,000,000	390,000	195,000	321,143	313,701	30	30	1,448,025	1,516,882
Smit Lammaico Company Ltd – Jordan	Ships services	Aqaba	50,000	1,039,500	945,000	679,644	538,083	27	27	4,347,932	4,707,779
Jordan National Lines for Ships Operation Company	Maritime transport	Aqaba	700,000	225,000	-	90,440	84,062	50	50	749,704	884,264
Total Investments in associate Companies				1,684,500	1,200,000	1,145,827	978,836			6,785,729	7,324,402

8. Long term loans

This item consists of the following:

	September 30, 2022 (Reviewed)				December 31, 2021 (Audited)
	Due Installments	Short-term Loan Installments	Long-term Loan Installments	Total	Total
	JD	JD	JD	JD	JD
Egyptian Arab Land Bank loan (A) – JOD	-	-	-	-	4,216,213
Egyptian Arab Land Bank loan (A) – USD	-	-	-	-	2,817,302
Cairo Amman Bank loan (B) – JOD	-	584,064	-	584,064	350,458
Capital Bank loan (C) - JOD	-	-	5,645,000	5,645,000	-
	-	584,064	5,645,000	6,229,064	7,383,973

- a. During the year of 2020, 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 liability after paid off due installments related to August 2018 with a 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 liability after paid off due installments with a 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 first installment for the facilities granted in Jordanian dinars will be on November 30, 2023 in amount of JOD 130,000 each installment and the US dollar will be on November 30, 2023 in amount of US dollar 120,000/ JOD 85,080 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 partner's guarantee.
 - The loan was settled through the purchase by Capital Bank during June 2022.

- 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 limit of JD 2,000,000 and an interest of 3.25%. 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 and the loan is disbursed as needed and based on the invoices submitted to the bank for the renewal of the hotel's fixed assets.
- c. During the month of June 2022, a loan was granted from capital Bank for the purpose of paying the remaining part of the Egyptian Arab Land Bank loan in the amount of JD 5,500,000, at interest rate of 6,5%. And so that the loan is repaid in quarterly installments, excluding interest, according to 20 installments, the first installments is due after 12 months from the date of implementation, with value of JD 275,000 for the installments and interests are paid monthly basis from the date of implementation.

9. Earnings per Share for the Period 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,	
	2022 (Reviewed) JD	2021 (Reviewed) JD
Profit for the period - Company's Shareholders	3,124,972	2,315,253
Number of shares	Share 15,000,000	Share 15,000,000
	JD/Share -/21	JD/Share -/15
Earnings per share for the period		

10. 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:

- a. Rent revenue from Arabian Ships Management Company (Associate Company) amounted to JD 26,786 for nine months ended September 30, 2022 (JD 26,213 for nine months ended September 30, 2021).
- b. Executive management's salaries and benefits for the Company and its subsidiaries:

	For the Nine Months Ended September 30,	
	2022 (Reviewed) JD	2021 (Reviewed) JD
Salaries, bonuses, and per diems	361,103	332,181
Board of Directors transportation allowances	83,700	75,728
	444,803	407,909

11. Income Tax Provision

a. Income tax provision

The movement on the income tax provision is as follows:

	September 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	JD	JD
Balance – beginning of the period / year	90,105	110,954
Accrued income tax on profit for the period / year	111,010	101,446
Accrued National Contribution Tax for the period / year	22,201	551
Accrued National Contribution Tax for the prior years	(2,940)	(2,193)
Income tax paid	(104,102)	(120,653)
Balance - End of the Period / Year	116,274	90,105

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

	For the Nine Months Ended September 30,	
	2022 (Reviewed)	2021 (Reviewed)
	JD	JD
Accrued income tax on profit for the period	(133,211)	(87,909)
	(133,211)	(87,909)

- The income tax of the Jordan National Shipping Lines Company “the Holding company” was settled until the end of the year 2019 and the self-assessment statement for the year 2020 and 2021 was submitted on its legal dates and was not reviewed by the Income and Sales Tax Department.
- The income tax of the Jordan Group for Shipping Agencies Company (a subsidiary company) was settled until the end of the year 2019 and the self-assessment statement for the year 2020 and 2021 was submitted on its legal dates and was not reviewed by the Income and Sales Tax Department.
- As for the Jordan Maritime Complex Real Estate Investments (a subsidiary company), the income tax was settled until the end of the year 2018 and a self-assessment statement was submitted for the years 2019 to 2021 and it was not reviewed by the Income and Sales Tax Department.
- A provision for income tax for the period ended September 30, 2022, 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, 2022.

12. Contingent Liabilities

As of the consolidated condensed interim statement of financial position date, the Company has contingent liabilities representing bank guarantees of JD 55,000 with a paid cash margin amounted to JD 6,250.

13. Geographical Distribution

The assets and liabilities of the Company located within the Hashemite Kingdom of Jordan as of September 30, 2022 and December 31, 2021 except for the following:

a. Debts

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)	
	Receivables	Payables	Receivables	Payables
	JD	JD	JD	JD
Account receivables (Payables)	51,628	(1,401,308)	179,180	102,442

b. Investments

	September 30, 2022 (Reviewed)	December 31, 2021 (Audited)
	Financial Investments	
	JD	JD
Shares listed on international markets	480,292	528,820
	480,292	528,820

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	2022	2021
	JD	JD	JD	JD	JD
Revenue	9,802,066	2,453,042	-	12,255,108	11,947,934
Direct cost	(7,126,013)	(923,057)	-	(8,049,070)	(8,684,490)
Business Sector Results	2,676,053	1,529,985	-	4,206,038	3,263,444
General and administrative expenses and Depreciation	(1,262,060)	(1,118,134)	-	(2,380,194)	(2,104,096)
Information technology expenses	-	(79,990)	-	(79,990)	(74,550)
Power and maintenance expenses	-	(410,332)	-	(410,332)	(342,974)
Financing expenses	-	(386,957)	-	(386,957)	(378,889)
Financial assets and investments revenue	-	-	1,910,652	1,910,652	1,620,267
Disposal loss of subsidiary company	-	-	-	-	(121,484)
Other revenue	353,840	-	-	353,840	350,153
Income (loss) for the period before Income Tax	1,767,833	(465,428)	1,910,652	3,213,057	2,211,871
Income tax expense	(133,211)	-	-	(133,211)	(87,909)
Income (Loss) for the period	1,634,622	(465,428)	1,910,652	3,079,846	2,123,962

			September 30, 2022 (Reviewed)	December 31, 2021 (Audited)
			JD	JD
Other Information:				
Sector Assets	23,581,610	15,292,559	-	38,874,169
	23,581,610	15,292,559	-	38,874,169
Sector Liabilities	2,406,691	7,156,878	-	9,563,569
	2,406,691	7,156,878	-	9,563,569

14. Approval of the consolidated condensed interim financial information

This consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue on October 25, 2022.

15. Dividends

The general assembly resolution in its meeting held on April 25, 2022, an amount of JD 18,000,000, 12% of paid-up capital was approved for distribution to the shareholders for the year ended 2021 (JD 1,800,000 for the year 2020).

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, 2022 (Reviewed)	December 31, 2021 (Audited)				
Financial Assets	JD	JD				
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Quoted shares	2,292,182	1,490,880	Level 1	Quoted Shares	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted Shares	2,838,573	2,728,439	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted Shares	318,699	350,638	Level 2	Through using the equity method and latest financial information available	Not Applicable	Not Applicable
	3,157,272	3,079,077				
	5,449,454	4,569,957				
Total Financial Assets at Fair Value						

There were no transfers between Level 1 and level 2 during the third quarter, of the year 2022 and 2021.

b. Non of financial assets and non 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 their fair values: consolidated financial statements approximate

	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Investments properties	1,671,442	4,200,260	1,714,412	4,200,260	Level 2
Total financial assets not calculated at fair value	1,671,442	4,200,260	1,714,412	4,200,260	

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.