

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, 2023

JORDAN NATIONAL SHIPPING LINES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION AND  
INDEPENDENT AUDTOR'S REVIEW REPORT  
FOR THE NINE MONTHS ENDED  
SEPTEMBER 30, 2023

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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 September 30, 2023 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, 2023 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 4.1 Millions as of September 30, 2023 (JD 4,5 million as of December 31, 2022) and the Company's share of Lamnalco's income of JD 553,581 for the period then ended (Approximately JD 679 thousands for the period ended September 30, 2022). Had we been able to complete our review of the Company's investment in Lamnalco, that appears as owners equity and the Company's share of Lamnalco's income, matters might have come to our attention indicating that adjustments might be necessary to the interim financial information. Our conclusion for the nine-month period ended September 30, 2022 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.

Amman – Jordan  
October 26, 2023

  
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)  
AQABA SPECIAL ECONOMIC ZONE - JORDAN**

		September 30, 2023 (Reviewed)	December 31, 2022 (Audited)		September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	ASSETS	JD	JD		LIABILITIES	JD
Current Assets:				Current Liabilities:		
Cash on hand and at banks - net	4	9,167,414	8,990,025	Accounts payable and other credit balances	2,249,379	2,769,354
Accounts receivable - net	5	591,694	840,801	Income tax provision	11/A	118,504
Financial assets at fair value through profit or loss		2,016,973	2,197,834	Due to related parties	6/B	388,442
Due from related parties - net	6/A	32,541	11,026	Short term loans	8	721,200
Other debit balances and prepaid expenses		234,273	185,985	Total Current Liabilities		3,477,525
Inventory - hotel		80,042	64,626			3,798,751
Total Current Assets		12,122,937	12,290,297	Long term loans	8	5,926,902
						5,500,000
Non Current Assets :						
Investments:						
Payments on investment account	17	354,000	-			
Financial assets at fair value through other comprehensive income		2,948,420	3,096,670			
Investment in associate companies	7	6,587,546	7,199,136	OWNERS' EQUITY		
Investment property - net		1,614,148	1,657,118	Shareholders' Equity:		
Total Investments		11,504,114	11,952,924	Paid-up capital	1	15,000,000
				Statutory reserve		3,750,000
Property and Equipment:				Investments revaluation reserve		(1,520,869)
Property and equipment - at cost		25,290,364	24,581,593	Retained earnings		8,115,798
Less: Accumulated depreciation		(9,979,054)	(9,487,480)	Profit for the period		2,460,823
Net Book Value of property and equipment		15,311,310	15,094,113	Total Shareholders' Equity		27,805,752
Total Non-Current Assets		26,815,424	27,047,037	Non-controlling interests		1,728,182
				TOTAL OWNERS' EQUITY		29,533,934
TOTAL ASSETS		38,938,361	39,337,334	TOTAL LIABILITIES AND OWNERS' EQUITY		38,938,361
						39,337,334

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

JORDAN NATIONAL SHIPPING LINES COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AQABA SPECIAL ECONOMIC ZONE - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2023, AND 2022

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	Note	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
Revenue:		JD	JD	JD	JD
Net revenue from maritime agencies, sea freight and cruising vessels		708,031	803,966	2,745,531	2,676,053
Gross hotel operating revenue before other expenses		650,917	603,146	1,813,839	1,529,985
Gross Profit		1,358,948	1,407,112	4,559,370	4,206,038
<u>Less:</u> General and administrative expenses and depreciation		(873,679)	(794,129)	(2,509,122)	(2,380,194)
Information technology expenses - Hotel		(24,856)	(27,096)	(77,705)	(79,990)
Power and maintenance expenses - Hotel		(188,242)	(154,407)	(502,187)	(410,332)
Financing expenses		(144,788)	(148,646)	(475,156)	(386,957)
(Losses) Gains valuation and dividends of financial assets at fair value through profit or loss - net		(189,145)	3,611	(56,556)	605,914
Dividends from financial assets at fair value through other comprehensive income		-	-	181,754	158,910
Company's share from investments in associate companies income	7	325,258	414,511	977,910	1,145,827
Other revenue - Net		129,919	78,809	429,146	353,841
Income for the period before Tax		393,415	779,765	2,527,454	3,213,057
Income tax expense	11/B	(40,307)	(56,537)	(138,759)	(133,211)
Income for the Period		353,108	723,228	2,388,695	3,079,846
Attributable to:					
The Company's shareholders		369,150	723,318	2,460,823	3,124,972
Non-controlling interests		(16,042)	(90)	(72,128)	(45,126)
		353,108	723,228	2,388,695	3,079,846
Earnings per share for the period attributable to the Company's shareholders:					
Basic and Diluted	9	-/03	-/05	-/16	-/21

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 AND THE NINE MONTHS ENDED SEPTEMBER 30, 2023, AND 2022

	For the Three Months		For the Nine Months	
	Ended September 30,		Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
	JD	JD	JD	JD
Income for the period	353,108	723,228	2,388,695	3,079,8
Items that will not be reclassified subsequently to the consolidated condensed interim of profit or loss:				
Change in fair value - financial assets at fair value through other comprehensive income	42,624	49,220	(134,974)	89,85
Gains from selling financial assets at fair value through other comprehensive income	-	4,463	1,630	4,46
Total Comprehensive Income	<u>395,732</u>	<u>776,911</u>	<u>2,255,351</u>	<u>3,174,1</u>
Total Comprehensive Income Attributable to:				
The Company's shareholders	411,774	777,001	2,327,479	3,219,2
Non - controlling interests	<u>(16,042)</u>	<u>(90)</u>	<u>(72,128)</u>	<u>(45,12</u>
	<u>395,732</u>	<u>776,911</u>	<u>2,255,351</u>	<u>3,174,1</u>

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JORDAN NATIONAL SHIPPING LINES COMPANY  
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AQABA SPECIAL ECONOMIC ZONE - JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2023, AND 2022

	Note	Investment 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, 2023									
Balance - beginning of the period (Audited)		JD 15,000,000	JD 3,750,000	JD (1,393,350)	JD 10,821,623	-	JD 28,178,273	JD 1,860,310	JD 30,038,583
Income for the period		-	-	-	-	2,460,823	2,460,823	(72,128)	2,388,695
Change in fair value - financial assets at fair value through other comprehensive income		-	-	(134,974)	-	-	(134,974)	-	(134,974)
Gains from on sale of financial assets at fair value through other comprehensive income		-	-	-	1,630	-	1,630	-	1,630
Total Comprehensive Income		-	-	(134,974)	1,630	2,460,823	2,327,479	(72,128)	2,255,351
Transferred from investments revaluation reserve to retained earnings as a result of the sale of financial assets at fair value through comprehensive income		-	-	7,455	(7,455)	-	-	-	-
Dividends distributed *	15	-	-	-	(2,700,000)	-	(2,700,000)	-	(2,700,000)
Dividends distributed to partners - Subsidiary Company		-	-	-	-	-	-	(60,000)	(60,000)
Balance - End of the Period (Reviewed)		15,000,000	3,750,000	(1,520,869)	8,115,798	2,460,823	27,805,752	1,728,182	29,533,934
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

\* According to the General Assembly resolution in its meeting held on April 19, 2023 an amount of JD 2,700,000 18% of Paid up capital was approved for distribution to the shareholders for the year ended 2022 (JD 1,800,000 for the year 2021).

- An amount equal to the negative balance of the investment revaluation shown above shall be restricted from the retained earnings as of September 30, 2023 .

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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

	Note	For the Nine Months Ended September 30,	
		2023 (Reviewed)	2022 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Income for the period before tax		2,527,454	3,213,057
Adjustments for:			
Losses (gains) on valuation of financial assets at fair value through profit or loss		229,755	(511,660)
(Gains) on sales of financial assets at fair value through profit or loss		(9,171)	-
Dividends from financial assets at fair value through profit or loss		(164,028)	(94,254)
Dividends from financial assets at fair value through other comprehensive income		(181,754)	(158,910)
Depreciation of property and equipment and investment property		572,299	475,834
(Gains) losses on sale of property and equipment		(11,091)	-
Provision no longer needed	5	-	(5,481)
(Gains) from investments in associate companies	7	(977,910)	(1,145,827)
Cash Flows from Activities before Changes in Working Capital		1,985,554	1,772,759
(Increase) decrease in current assets:			
Accounts receivable		249,107	(947,191)
Due from related parties		(21,515)	13,528
Other debit balances and prepaid expenses		(48,288)	18,368
Inventory - hotel		(15,416)	(5,402)
Increase (decrease) in current liabilities:			
Accounts payable and other credit balances		(519,975)	498,282
Due to related parties		206,585	(161,210)
Net Cash Flows from Operating Activities before Income Tax Paid		1,836,052	1,189,134
Income tax paid	11/A	(165,893)	(104,102)
Net Cash Flows from Operating Activities		1,670,159	1,085,032
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments on investment account		(354,000)	-
Dividends from investment in associate companies	7	1,589,500	1,684,500
Proceeds from the selling of financial assets at fair value through other comprehensive income		24,137	23,948
(Purchase) of property and equipment - net		(746,526)	(324,856)
Proceeds from the selling of property and equipment		11,091	-
(Increase) in financial assets at fair value through profit or loss - net		(39,723)	(289,642)
(Increase) in financial assets at fair value through other comprehensive income		(9,231)	(78,195)
Dividends from financial assets at fair value through profit or loss - received		164,028	94,254
Dividends from financial assets at fair value through other comprehensive income - received		181,754	158,910
Net Cash Flows from Investing Activities		821,030	1,268,919
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in loans		446,200	(1,154,909)
Dividends distributed	15	(2,700,000)	(1,800,000)
(Decrease) increase in non-controlling interests		(60,000)	441,906
Net (used in) Financing Activities		(2,313,800)	(2,513,003)
Net Increase (Decrease) in Cash		177,389	(159,052)
Cash on hand and at banks - beginning of the year		9,090,113	8,261,129
Cash on Hand and at Banks - Net - End of the Period before the Provision	4	9,267,502	8,102,077

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JORDAN NATIONAL SHIPPING LINES COMPANY  
(A PUBLIC LIMITED SHAREHOLDING COMPANY)  
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 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, 2023, 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 Group.
- 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 Group as of December 31, 2022. In addition, the results of the Group's operations for the nine months ended September 30, 2023, do not necessarily represent indications of the expected results for the year ending December 31, 2023, and do not contain appropriation of the profit for the nine months period ended September 30, 2023, 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 Group. If the accounting policies adopted by the subsidiary are different from those used by the Group, the necessary adjustments to the condensed interim financial information of the subsidiaries Company are made to comply with the accounting policies followed by the Group.
- 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 Group 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 Group 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, 2023:

	Ownership Percentage	Nature of Activity	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

\* 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 used in preparing the condensed interim financial for the period ended on September 30, 2023 are consistent with those used in preparing the annual financial statement for the year ended December 31, 2022. However, the following revised IFRS standards, which became effective for financial periods beginning on or after January 1, 2023, were followed in preparing the Group condensed consolidated interim financial information, which did not materially affect the amounts and disclosures contained in the condensed consolidated interim financial information for the previous period and years, noting that it may have an impact on the accounting treatment of future transactions and arrangements:

**IFRS 17 Insurance Contracts**

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application. Modification are applied retroactively, unless impractical in this case, the modified retroactively or fair value approaches applied.

**Amendments to IAS 1 Presentation of Financial Statements – 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 IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies**

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments are applied retrospectively.

## **Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates**

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

## **Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognize the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period, an entity recognizes:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized) and a deferred tax liability for all deductible and taxable temporary differences associated with:
  - Right-of-use assets and lease liabilities
  - Decommissioning, restoration and similar liabilities and the corresponding amounts recognized as part of the cost of the related asset

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 that date.

### 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 Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual financial statements for the year ended December 31, 2022.

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 2022.

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

This item consists of the following:

	September 30, 2023 (Reviewed) JD	December 31, 2022 (Audited) JD
Cash on hand and checks under collection	39,339	17,494
Deposits at banks *	6,875,000	6,457,142
Current accounts	2,353,163	2,615,477
	<u>9,267,502</u>	<u>9,090,113</u>
<u>Less</u> : Expected credit loss provision (Current accounts and deposits at banks)	<u>(100,088)</u>	<u>(100,088)</u>
	<u>9,167,414</u>	<u>8,990,025</u>

\* The above deposit is for a term of one month to one year and bears interest at a rate of 4.5% to 6.15% as of September 30, 2023 and December 31, 2022.

- 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 Group 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, 2023 (Reviewed) JD	December 31, 2022 (Audited) JD
Trade receivables	440,029	606,325
Foreign companies receivable	13,000	38,784
Ships owner's receivable	64,090	64,689
Hotel guest's receivable	151,593	208,021
	<u>668,712</u>	<u>917,819</u>
<u>Less</u> : Provision for expected credit loss *	<u>(77,018)</u>	<u>(77,018)</u>
	<u>591,694</u>	<u>840,801</u>

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

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance –beginning of the period/year	77,018	90,211
Expected credit losses during the period/year	-	-
Write-off during the period/year *	-	(9,529)
Provision no longer needed during the period/year	-	(5,481)
Transferred to provision for Expected credit losses (Current accounts and deposits at banks)	-	(7,088)
Transferred from slow moving inventory	-	8,905
Balance – End of the period/year	<u>77,018</u>	<u>77,018</u>

\* Write off during the period was 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 Receivables

This item consists of the following:

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

	Nature of Relationship	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
		JD	JD
Arab Ship Management Company	Associate Company	30,041	3,526
Smit Lamnalco -Jordan	Associate company	-	5,000
Other	Associate company	2,500	2,500
		<u>32,541</u>	<u>11,026</u>

##### b . Due to Related Parties:

	Nature of Relationship	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
		JD	JD
Salam International Transport and Trading Company	Sister Company	377,031	81,089
Jordan National for Ship Operation Company	Associate Company	23	85,877
Smit Lamnalco -Jordan	Associate Company	5,000	-
Other	Associate Company	6,388	14,891
		<u>388,442</u>	<u>181,857</u>

## Z. 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	Dividends Distributed for the Period Ended September 30,		Company's Share from profits in Associate Companies		Ownership Percentage		September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
				2023 (Reviewed)	2022 (Reviewed)	September 30, 2023 (Reviewed)	September 30, 2022 (Reviewed)	September 30, 2023	December 31, 2022		
			JD	JD	JD	JD	JD	%	%	JD	JD
Arab company for ships management	Maritime mediation	Aqaba	149,000	60,000	30,000	75,201	54,600	30	30	271,422	256,221
Jordan Academy for Maritime Studies Company	Education	Amman	2,000,000	390,000	390,000	243,810	321,143	30	30	1,461,132	1,607,322
Smit Lammalco Company Ltd – Jordan	Ships services	Aqaba	50,000	1,039,500	1,039,500	553,581	679,644	27	27	4,067,101	4,553,020
Jordan National Lines for Ships Operation Company	Maritime transport	Aqaba	700,000	100,000	225,000	105,318	90,440	50	50	787,891	782,573
Total Investments in associate Companies				<u>1,589,500</u>	<u>1,684,500</u>	<u>977,910</u>	<u>1,145,827</u>			<u>6,587,546</u>	<u>7,199,136</u>

## 8. Loans

This item consists of the following:

	September 30, 2023 (Reviewed)			December 31, 2022 (Audited)
	Due Installments	Short-term Loan Installments	Long-term Loan Installments	Total
	JD	JD	JD	JD
Cairo Amman Bank loan – JOD (A)	-	412,968	701,902	1,114,870
Capital Bank loan – JOD (B)	-	308,232	5,225,000	5,533,232
	-	721,200	5,926,902	6,648,102

- 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, 2023, 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.
- 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 7.5%. And so that the loan is repaid in quarterly installments, excluding interest, according to 20 installments, the first installments is due after October 15, 2023, 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 Group'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,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Profit for the period - Company's Shareholders	2,460,823	3,124,972
	Share	Share
Number of shares	15,000,000	15,000,000
	JD/Share	JD/Share
Earnings per share for the period	-/16	-/21

## 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 Group, 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 26,786 for nine months ended September 30, 2023 (JD 26,786 for nine months ended September 30, 2022).



b. Executive management's salaries and benefits for the Group and its subsidiaries:

	For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Salaries, bonuses, and per diems	382,883	361,103
Board of Directors transportation allowances	88,200	83,700
	<u>471,083</u>	<u>444,803</u>

**11. Income Tax Provision**

**a. Income tax provision**

The movement on the income tax provision is as follows:

	September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance – beginning of the period / year	145,638	90,105
Accrued income tax on profit for the period / year	115,633	135,479
Accrued national contribution tax for the period / year	23,126	27,096
Income tax paid during the period / year	<u>(165,893)</u>	<u>(107,042)</u>
Balance - End of the Period / Year	<u>118,504</u>	<u>145,638</u>

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

	For the Nine Months Ended September 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Accrued income tax on profit for the period	<u>(138,759)</u>	<u>(133,211)</u>
	<u>(138,759)</u>	<u>(133,211)</u>

- The income tax of the Jordan National Shipping Company "the Holding company" was settled until the end of the year 2020 and the self-assessment statement for the years 2021 and 2022 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 Maritime Agencies Company (a subsidiary company) was settled until the end of the year 2019 and the self-assessment statement for the years 2020, 2021 and 2022 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), the income tax was settled until the end of the year 2018 and the income tax discussion was completed until the year 2019, also the company had submitted its income tax return until 2022 and was not reviewed by the Income and Sales Tax Department.
- A provision for income tax for the period ended September 30, 2023 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, 2023.

**12. Contingent Liabilities**

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

### 13. Geographical Distribution

The assets and liabilities of the Group located within the Hashemite Kingdom of Jordan as of September 30, 2023 and December 31, 2022 except for the following:

#### a. Debts

	September 30, 2023 (Reviewed)		December 31, 2022 (Audited)	
	Receivables	Payables	Receivables	Payables
	JD	JD	JD	JD
Account receivables (Payables)	<u>71,905</u>	<u>(89,235)</u>	<u>84,906</u>	<u>(144,288)</u>

#### b. Investments

<u>b. Investments</u>		September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
		<u>Financial Investments</u>	
Shares listed on international markets	JD	JD	
	375,670	495,499	
	<u>375,670</u>	<u>495,499</u>	

#### c. Information from Group Business Sectors

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

	Marine Services Sector	Hotel Services Sector	Other	Total (Reviewed) For the Nine Months Ended September 30,	
	JD	JD	JD	2023	2022
	JD	JD	JD	JD	JD
Revenue	11,915,192	2,823,617	-	14,738,809	12,255,108
Direct cost	(9,169,661)	(1,009,778)	-	(10,179,439)	(8,049,070)
Business Sector Results	2,745,531	1,813,839	-	4,559,370	4,206,038
General and administrative expenses and Depreciation	(1,178,993)	(1,330,129)	-	(2,509,122)	(2,380,194)
Information technology expenses	-	(77,705)	-	(77,705)	(79,990)
Power and maintenance expenses	-	(502,187)	-	(502,187)	(410,332)
Financing expenses	-	(475,156)	-	(475,156)	(386,957)
Financial assets and investments revenue	-	-	1,103,108	1,103,108	1,910,652
Other revenue	300,569	128,577	-	429,146	353,840
Income for the period before Income Tax	1,867,107	(442,761)	1,103,108	2,527,454	3,213,057
Income tax expense	(138,759)	-	-	(138,759)	(133,211)
Income for the period	<u>1,728,348</u>	<u>(442,761)</u>	<u>1,103,108</u>	<u>2,388,695</u>	<u>3,079,846</u>
				September 30, 2023 (Reviewed)	December 31, 2022 (Audited)
<u>Other Information:</u>				JD	JD
Sector Assets	<u>23,151,410</u>	<u>15,786,951</u>	<u>-</u>	<u>38,938,361</u>	<u>39,337,334</u>
	<u>23,151,410</u>	<u>15,786,951</u>	<u>-</u>	<u>38,938,361</u>	<u>39,337,334</u>
Sector Liabilities	<u>1,464,002</u>	<u>7,940,425</u>	<u>-</u>	<u>9,404,427</u>	<u>9,298,751</u>
	<u>1,464,002</u>	<u>7,940,425</u>	<u>-</u>	<u>9,404,427</u>	<u>9,298,751</u>

### 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 26, 2023 .

### 15. Dividends Distributed

The General Assembly resolution in its meeting held on April 19, 2023, an amount of JD 2,700,000, 18% of paid-up capital was approved for distribution to the shareholders for the year ended 2022 (JD 1,800,000 for the year 2021).

**16. Fair Value Hierarchy**

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

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation 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, 2023 (Reviewed)	December 31, 2022 (Audited)				
Financial Assets	JD	JD				
Financial assets at fair value through profit or loss:						
Quoted shares	2,016,973	2,197,834	Level 1	Quoted Shares	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted Shares	2,798,731	2,950,078	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted Shares	149,689	146,592	Level 3	Through using the equity method and latest financial information available	Not Applicable	Not Applicable
	2,948,420	3,096,670				
	4,965,393	5,294,504				
Total Financial Assets at Fair Value						

There were no transfers between Level 1 and level 2 during the third quarter, of the year 2023 and 2022.

**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 Group's consolidated financial statements approximate their fair values

	September 30, 2023 (Reviewed)		December 31, 2022 (Audited)		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
<b>Financial assets not calculated at fair value</b>	JD	JD	JD	JD	
Investments properties	1,614,148	4,125,920	1,657,118	4,125,920	Level 2
<b>Total financial assets not calculated at fair value</b>	1,614,148	4,125,920	1,657,118	4,125,920	

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.

#### 17. Subsequent Events

Subsequent to the date of the consolidated condensed interim financial information, the group has subscribed in bonds from one of Jordanian banks with an amount of USD 500,000 equivalent to JD 354,000 during the August 2023. However, in October 11, 2023, bonds allocated in total nominal value to the Group was USD 250,000, equivalent to JD 177,000, and the amount left will be returned to the Group in according to the payment construction form that was filled by the Group.