

شركة الحمه المعدنية الأردنية (م.ع.م)
Jordan Himmeh Mineral Co. Ltd.

Sunday 28 April 2019
Ref: HH/MM/473/2019

Messrs. Amman Stock Exchange

Greetings and respect,

Subject: Interim Condensed Financial Statements

Pursuant to the provisions of Article no. (43/a-2) of the prevailing Securities Law, enclosed herewith, please find the interim condensed financial statements for the three months ended 31 March 2019.

Jordan Himmeh Mineral Company



Handwritten signature and stamp of the company representative.

فيورصة عمان
الدائسرة الإدارية والمالية
الديوان
٢٠١٩
الرقم المتسلسل: ٢٨٩٤
رقم الملف: ١٠١٤
التاريخ: ٢٨/٤/٢٠١٩



JORDAN HIMMEH MINERAL COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2019



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**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF
JORDAN HIMMEH MINERAL COMPANY – PUBLIC SHAREHOLDING COMPANY
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed financial statements of Jordan Himmeh Mineral Company Public Shareholding Company (the "Company") as at 31 March 2019, comprising of the interim condensed statement of financial position as at 31 March 2019 and the related interim condensed statements of comprehensive income, Interim condensed changes in equity and Interim condensed cash flows for the three months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 ("Interim Financial Reporting"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

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

Amman – Jordan
24 April 2019

JORDAN HIMMEH MINERAL COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	<u>Notes</u>	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<u>ASSETS</u>			
Non-current assets -			
Property and equipment		790,646	790,646
Projects in progress		69,428	52,028
		<u>860,074</u>	<u>842,674</u>
Current assets -			
Receivables and other current assets		38,049	33,287
Cash and bank balances	3	686,655	704,836
		<u>724,704</u>	<u>738,123</u>
Total Assets		<u><u>1,584,778</u></u>	<u><u>1,580,797</u></u>
<u>EQUITY AND LIABILITIES</u>			
Equity -			
Paid-in capital		1,557,772	1,557,772
Share premium		70,026	70,026
Statutory reserve		64,989	64,989
Voluntary reserve		66,440	66,440
Accumulated losses		(228,041)	(230,465)
Net equity		<u>1,531,186</u>	<u>1,528,762</u>
Liabilities -			
Current liabilities -			
Payables and other current liabilities		34,643	33,323
Due to related parties	5	18,949	18,712
Total Liabilities		<u>53,592</u>	<u>52,035</u>
Total Equity and Liabilities		<u><u>1,584,778</u></u>	<u><u>1,580,797</u></u>

The accompanying notes from 1 to 6 form part of these interim condensed financial statements

JORDAN HIMMEH MINERAL COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)

	For the three months ended 31	
	March	
	2019	2018
	JD	JD
Interest income	8,719	2,104
General and administrative expenses	(6,295)	(6,242)
Profit (Loss) for the period	2,424	(4,138)
Other comprehensive income items	-	-
Total comprehensive income for the period	2,424	(4,138)
	JD / Fils	JD / Fils
Basic and diluted earnings (loss) per share	0/002	(0/008)

The accompanying notes from 1 to 6 form part of these interim condensed financial statements

JORDAN HIMMEH MINERAL COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)

	Paid-in capital	Share premium	Statutory reserve	Voluntary reserve	Accumulated losses	Net equity
	JD	JD	JD	JD	JD	JD
2019 -						
Balance as at 1 January 2019	1,557,772	70,026	64,989	66,440	(230,465)	1,528,762
Total comprehensive income for the period	-	-	-	-	2,424	2,424
Balance at 31 March 2019	<u>1,557,772</u>	<u>70,026</u>	<u>64,989</u>	<u>66,440</u>	<u>(228,041)</u>	<u>1,531,186</u>
2018 -						
Balance as at 1 January 2018	500,000	570,026	64,989	66,440	(194,197)	1,007,258
Total comprehensive income for the period	-	-	-	-	(4,138)	(4,138)
Balance at 31 March 2018	<u>500,000</u>	<u>570,026</u>	<u>64,989</u>	<u>66,440</u>	<u>(198,335)</u>	<u>1,003,120</u>

The accompanying notes from 1 to 6 form part of these interim condensed financial statements

JORDAN HIMMEH MINERAL COMPANY – PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)

		For the three months ended 31 March	
	Note	2019 JD	2018 JD
<u>OPERATING ACTIVITIES</u>			
Profit (loss) for the period		2,424	(4,138)
Adjustments for:			
Provision for end of service indemnity		123	118
Interest income		(8,719)	(2,104)
Changes in working capital:			
Receivables and other current assets		(5,055)	(2,459)
Payables and other current liabilities		1,197	(315)
Net cash flows used in operating activities		<u>(10,030)</u>	<u>(8,898)</u>
<u>INVESTING ACTIVITIES</u>			
Projects in progress		(17,400)	-
Interest received		9,012	2,104
Net cash flows (used in) from investing activities		<u>(8,388)</u>	<u>2,104</u>
<u>FINANCING ACTIVITIES</u>			
Due to related parties		237	1,363
Net cash flows from financing activities		<u>237</u>	<u>1,363</u>
Net decrease in cash and cash equivalents		(18,181)	(5,431)
Cash and cash equivalents at the beginning of the period		704,836	237,962
Cash and cash equivalents at the end of the period	3	<u>686,655</u>	<u>232,531</u>

The accompanying notes from 1 to 6 form part of these interim condensed financial statements

JORDAN HIMMEH MINERAL COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2019 (UNAUDITED)

(1) GENERAL

Jordan Himmeh Mineral Company (the "Company") was established on 24 June 1964 as a Public Shareholding Company. The Company's paid in capital increased throughout the years to become JD 1,557,772 at par value of JD 1.

The Company's principal activities are to acquire mineral water sites in Al-Makhiba and surrounding areas, as well as to construct hotels, public baths, restaurants and coffee shops.

The interim condensed financial statements were authorized for issue by the Board of Directors in its meeting held on 24 April 2019.

(2-1) BASIS OF PREPARATION

The interim condensed financial statements for the three-month period ended 31 March 2019 have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

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

(2-2) CHANGES IN ACCOUNTING POLICIES

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

IFRS 16 Leases

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

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

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

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

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

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

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

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

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

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

(3) CASH AND BANK BALANCES

	31 March 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Deposits*	654,787	672,772
Current accounts	31,768	31,964
Cash on hand	100	100
	<u>686,655</u>	<u>704,836</u>

* Term deposits represent deposits held with local banks in Jordanian Dinars with maturities of three months or less, and earn annual interest rate ranging from 4.5% to 5.5% (2018: 3.75%).

(4) INCOME TAX

No income tax was calculated for the Company as at 31 March 2019 due to the excess of deductible expenses over taxable income, in accordance with Income Tax Law No. (38) of 2018.

The Income and Sales Tax Department has not reviewed the accounting records of the Company for the years 2017 and 2018 up to the date of these interim condensed financial statements.

The Company reached a final settlement with the Income and sales tax department up to 2016.

JORDAN HIMMEH MINERAL COMPANY – PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2019 (UNAUDITED)

(5) RELATED PARTIES

Related parties represent the holding company, sister companies, directors and key management personnel of the Company.

Balances with related parties included in the interim statement of financial position are as follows:

	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Current assets -		
Bank balances -		
Cairo Amman Bank	669,331	694,946
Current liabilities -		
Due to related parties -		
Zara Investment Holding Company (Parent Company)	18,949	18,712

Balances with related parties included in the interim statement of comprehensive income are as follows:

	For the three months ended 31 March	
	2019 JD	2018 JD
Internet Income – Cairo Amman Bank	8,719	2,104

(6) LITIGATIONS

As at 31 March 2019, the Company is a defendant in a number of lawsuits amounting to JD 26,338 (31 December 2018: JD 26,338). The Company's management and its legal advisor believe that no material obligation would arise against these lawsuits except for what has been provided for in the interim condensed financial statements.