

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

CONSOLIDATED CONDENSED INTERIM  
FINANCIAL INFORMATION FOR THE  
SIX MONTHS ENDED JUNE 30, 2023  
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 SIX MONTHS ENDED  
JUNE 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 June 30, 2023 and the consolidated condensed interim related statements of profit or loss and comprehensive income for the three months and six months ended June 30, 2023 and statement of changes in owners' equity and cash flows for the six months period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these consolidated condensed interim financial information in accordance with International Accounting Standard (34) Interim Financial Reporting. Our responsibility is to express an opinion on these consolidated condensed interim financial information based on our review.

### **Scope of Review**

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

### **Basis for Qualified Conclusion**

As a result of being denied access to the financial information, management and auditors of Smit Lamnalco Company – Jordan ("Lamnalco"), an associate accounted for by the equity method, we were unable to complete our review of the Company's equity accounted investment of JD 4.9 million as at June 30, 2023 (JD 4.5 as at December 31, 2022) and the Company's share of Lamnalco's income of JD 0.4 million for the period then ended (JD 0.4 million on June 30, 2022 and JD 0.2 million on March 31, 2022). Had we been able to complete our review of the equity accounted investment and the Company's share of income, matters might have come to our attention indicating that adjustments might be necessary to the consolidated condensed interim financial information. Our conclusion for the six months period ended in June 30 2022 and for the three months ended in March 31, 2022 was also modified in respect of this matter.

### **Qualified Conclusion**

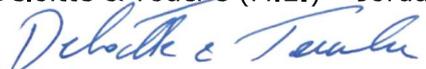
Except for the adjustments to the consolidated condensed interim financial information that we might have become aware of had it not been for the situation described above, based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim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

### **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  
July 30, 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)  
AOABA SPECIAL ECONOMIC ZONE - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)		June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
<u>ASSETS</u>	JD	JD	<u>LIABILITIES</u>	JD	JD
<b>Current Assets:</b>					
Cash on hand and at banks - net	4	7,275,086	Accounts payable and other credit balances	12/A	2,399,817
Accounts receivable - net	5	1,546,107	Income tax provision	6/B	111,924
Financial assets at fair value through profit or loss		2,160,577	Due to related parties	8	369,549
Due from related parties - net	6/A	68,385	Short term loans		938,414
Other debit balances and prepaid expenses		201,051	Total Current Liabilities		3,819,704
Inventory - hotel		90,978			701,902
<b>Total Current Assets</b>		<b>11,342,184</b>	Long term loans	8	5,545,913
					<b>5,500,000</b>
<b>Investments:</b>					
Financial assets at fair value through other comprehensive income		2,905,796	<u>OWNERS' EQUITY</u>		
Investments in associate companies	7	7,401,788	Shareholders' Equity:		
Investment property - net		1,628,472	Paid-up capital	1	15,000,000
<b>Total Investments</b>		<b>11,936,056</b>	Statutory reserve		3,750,000
			Investments revaluation reserve		(1,563,493)
Property and Equipment:			Retained earnings		8,108,343
Property and equipment - at cost		24,991,543	Profit for the period		2,091,673
Less: Accumulated depreciation		(9,773,419)	Total Shareholders' Equity		27,386,523
Net Book Value of property and equipment		15,218,124	Non-controlling interests		1,744,224
Total Non-Current Assets		27,154,180	<b>TOTAL OWNERS' EQUITY</b>		<b>29,130,747</b>
<b>TOTAL ASSETS</b>		<b>38,496,364</b>	<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>38,496,364</b>
					<b>39,337,334</b>

Chairman of the Board of Directors

General Manager

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

**JORDAN NATIONAL SHIPPING LINES COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AQABA SPECIAL ECONOMIC ZONE - JORDAN**  
**CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTHS AND SIX MONTHS THEN ENDED JUNE 30, 2023**

	For the Three Months		For the Six Months	
	Ended June 30,	2022 (Reviewed)	Ended June 30,	2022 (Reviewed)
Revenue:	2023 (Reviewed)	2022 (Reviewed)	2023 (Reviewed)	2022 (Reviewed)
Net revenue from maritime agencies, sea freight and cruising vessels	1,125,297	943,348	2,037,500	1,872,087
Gross hotel operating revenue before other expenses	647,748	517,046	1,162,922	926,839
Gross Profit	1,773,045	1,460,394	3,200,422	2,798,926
Less: General and administrative expenses and depreciation	(851,856)	(891,494)	(1,635,443)	(1,586,065)
Information technology expenses - Hotel	(27,297)	(27,448)	(52,849)	(52,894)
Power and maintenance expenses - Hotel	(169,532)	(116,568)	(313,945)	(255,925)
Financing expenses	(103,777)	(107,277)	(330,368)	(238,311)
Gain from financial assets at fair value through profit or loss - net	(156,235)	508,662	132,589	602,303
Dividends from financial assets at fair value through other comprehensive income	74,554	158,910	181,754	158,910
Company's share from investments in associate companies income	352,906	387,900	652,652	731,316
Other revenue - net	188,274	171,397	299,227	275,032
Income for the period before Tax	1,080,082	1,544,476	2,134,039	2,433,292
Income tax expense	(52,452)	(37,413)	(98,452)	(76,674)
Income for the Period	1,027,630	1,507,063	2,035,587	2,356,618
Attributable to:				
The Company's shareholders	1,041,023	1,533,034	2,091,673	2,401,654
Non-controlling interests	(13,393)	(25,971)	(56,086)	(45,036)
Earnings per share for the period attributable to the Company's shareholders:	1,027,630	1,507,063	2,035,587	2,356,618
Basic and Diluted	10	-/10	-/14	-/16
	-/7	-/10	-/14	-/16
<u>Chairman of the Board of Directors</u>			<u>General Manager</u>	

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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 SIX MONTHS ENDED JUNE 30, 2023

	For the Three Months		For the Six Months	
	Ended June 30,	Ended June 30,	Ended June 30,	Ended June 30,
	<u>2023 (Reviewed)</u>	<u>2022 (Reviewed)</u>	<u>2023 (Reviewed)</u>	<u>2022 (Reviewed)</u>
Income for the period	JD 1,027,630	JD 1,507,063	JD 2,035,587	JD 2,356,618
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	(196,101)	(604)	(177,598)	40,636
(Losses) from sale of financial assets at fair value through other comprehensive income	-	-	(5,825)	-
Total Comprehensive Income	<u>831,529</u>	<u>1,506,459</u>	<u>1,852,164</u>	<u>2,397,254</u>
Total Comprehensive Income Attributable to:				
The Company's shareholders	844,922	1,532,430	1,908,250	2,442,290
Non - controlling interests	<u>(13,393)</u>	<u>(25,971)</u>	<u>(56,086)</u>	<u>(45,036)</u>
	<u>831,529</u>	<u>1,506,459</u>	<u>1,852,164</u>	<u>2,397,254</u>

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JORDAN NATIONAL SHIPPING LINES COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AOABA SPECIAL ECONOMIC ZONE - JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN OWNERS' EQUITY  
FOR THE SIX MONTHS ENDED JUNE 30, 2023

	Paid-up		Statutory		Investment		Retained		Income		Total		Non-controlling		Total Owners'	
	Note	Capital	Reserve	Reserve	Reserve	Earnings	Period	for the	Shareholders' Equity	Interest	Equity	Equity	Equity			
<b>For the Six Months Ended June 30, 2023</b>																
Balance - beginning of the period (Audited)		15,000,000	3,750,000	(1,393,350)	10,821,623	-	2,091,673	28,178,273	1,860,310	30,038,583						
Income for the period		-	-	-	-	-	2,091,673	2,091,673	(56,086)	2,035,587						
Change in fair value - financial assets at fair value through other comprehensive income		-	-	(177,598)	-	-	-	(177,598)	-	(177,598)						
(Losses) from on sale of financial assets at fair value through other comprehensive income		-	-	-	(5,825)	-	-	(5,825)	-	(5,825)						
Total Comprehensive Income		-	-	(177,598)	(5,825)	2,091,673	1,908,250	(56,086)	1,852,164							
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)	-	(2,700,000)	-	-	(2,700,000)						
Dividends distributed *		-	-	-	(2,700,000)	-	-	(60,000)	-	(60,000)						
Dividends distributed to partners - Subsidiary Company		15,000,000	3,750,000	(1,563,493)	8,108,343	2,091,673	27,386,523	1,744,224		29,130,747						
Balance - End of the Period (Reviewed)		15,000,000	3,750,000	(1,427,067)	8,765,849	-	2,401,654	26,088,782	1,405,747	27,494,529						
<b>For the Six Months Ended June 30, 2022</b>																
Balance - beginning of the period (Audited)		15,000,000	-	-	-	-	2,401,654	2,401,654	(45,036)	2,356,618						
Income for the period		-	-	40,636	-	-	-	40,636	-	40,636						
Net change in the revaluation reserve for financial assets		-	-	-	40,636	-	-	40,636	-	40,636						
Total Comprehensive Income		-	-	40,636	-	-	2,401,654	2,442,290	(45,036)	2,397,254						
Transferred from investments revaluation reserve to retained earnings as a result of the sale of financial assets at fair value through comprehensive income		-	-	1,425	(1,425)	-	-	-	-	-						
Dividends distributed *		-	-	-	(1,800,000)	-	-	(1,800,000)	-	(1,800,000)						
Dividends distributed to partners - Subsidiary Company		-	-	-	-	-	-	-	(71,334)	(71,334)						
Balance - End of the Period (Reviewed)		15,000,000	3,750,000	(1,385,006)	6,964,424	2,401,654	26,731,072	1,289,377		28,020,449						

\* 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 June 30, 2023.

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

	<u>For the Six Months Ended June 30,</u>		
	<u>Note</u>	<u>2023 (Reviewed)</u>	<u>2022 (Reviewed)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Income for the period before tax		2,134,039	2,433,292
Adjustments for:			
Losses (gains) on valuation of financial assets at fair value through profit or loss		38,741	(508,984)
Dividends from financial assets at fair value through profit or loss		(162,158)	(93,319)
Dividends from financial assets at fair value through other comprehensive income		(181,754)	(158,910)
Depreciation of property and equipment and investment property		327,764	297,127
(Profit) loss on sale of property and equipment		(3,700)	-
Provision no longer needed		-	(5,481)
(Gains) from investments in associate companies	7	<u>(652,652)</u>	<u>(731,316)</u>
Cash Flows from Activities before Changes in Working Capital		1,500,280	1,232,409
(Increase) decrease in current assets:			
Accounts receivable		(705,306)	(79,566)
Due from related parties		(57,359)	(14,455)
Other debit balances and prepaid expenses		(15,066)	53,481
Inventory - hotel		(26,352)	(1,262)
Increase (decrease) in current liabilities:			
Accounts payable and other credit balances		(369,537)	1,413,810
Due to related parties		<u>187,692</u>	<u>344,796</u>
Net Cash Flows from Operating Activities before Income Tax Paid		514,352	2,949,213
Income tax paid	12/a	<u>(132,166)</u>	<u>(77,120)</u>
Net Cash Flows from Operating Activities		<u>382,186</u>	<u>2,872,093</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends from investments in associate companies	7	450,000	645,000
Proceeds from financial assets at fair value through comprehensive income		-	23,248
(Purchase) of property and equipment - net		(430,584)	(33,466)
Proceeds from sale of property and equipment		3,700	-
(Increase) decrease in financial assets at fair value through profit or loss		(1,484)	(279,116)
Decrease (increase) in financial assets at fair value through other comprehensive income		14,906	(26,679)
Dividends from financial assets at fair value through profit or loss - received		162,158	93,319
Dividends from financial assets at fair value through other comprehensive income - received		<u>181,754</u>	<u>158,910</u>
Net Cash Flows from Investing Activities		<u>380,450</u>	<u>581,216</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in loans		282,425	(1,449,312)
Dividends distributed		(2,700,000)	(1,800,000)
Decrease in non-controlling interests		<u>(60,000)</u>	<u>(71,334)</u>
Net Cash Flows (used in) Financing Activities		<u>(2,477,575)</u>	<u>(3,320,646)</u>
Net (decrease) increase in cash		(1,714,939)	132,663
Cash and cash equivalent - beginning of the year		<u>9,090,113</u>	<u>8,261,129</u>
Cash and Cash Equivalent - End of the Period	4	<u>7,375,174</u>	<u>8,393,792</u>

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JORDAN NATIONAL SHIPPING LINES COMPANY  
(A PUBLIC LIMITED SHAREHOLDING COMPANY)  
AQABA SPECIAL ECONOMIC ZONE - JORDAN  
NOTES TO CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

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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 six months ended June 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, 2022. In addition, the results of the Company's operations for the six months ended June 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 six months period ended June 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 Comp 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 parent company owns the following subsidiaries as of June 30, 2023:

	Ownership Percentage	Activity Nature	Establishment Country	Paid Up Capital
	%			JD
Jordan Group for Shipping Agencies *	70	Shipping Agency	Jordan	150,000
Jordan Maritime Complex for Real Estate Investment **	74	Investment Properties	Jordan	15,600,000

\* 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 June 30, 2023, are consistent with those applied in 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. The amendments are applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is 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. The amendments are applied retrospectively

### **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.

### **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 recognised 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.

The 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:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Cash on hand and checks under collection	78,857	17,494
Deposits at banks *	5,805,988	6,457,142
Current accounts	1,490,329	2,615,477
	<u>7,375,174</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>7,275,086</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 June 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 banks 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 taking into account the historical default experience and the current credit ratings of the banks.

#### 5. Accounts Receivable - Net

This item consists of the following:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Trade receivables	1,340,155	606,325
Foreign companies receivable	43,407	38,784
Ships owner's receivable	79,132	64,689
Hotel guest's receivable	160,431	208,021
	<u>1,623,125</u>	<u>917,819</u>
<u>Less</u> : Provision for expected credit loss *	<u>(77,018)</u>	<u>(77,018)</u>
	<u>1,546,107</u>	<u>840,801</u>

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

	June 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 credit losses (current accounts and deposits with banks - Note 4)	-	(7,088)
Transfer from provision for slow moving items	-	8,905
Balance – End of the period/year	<u>77,018</u>	<u>77,018</u>

\* write-off were approved by the Board of Directors.

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

## 6. Related Parties Transactions

This item consists of the following:

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

	Nature of Relationship	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
		JD	JD
Arab Ship Management Company	Associate Company	60,535	3,526
Smit Lamnalco -Jordan	Associate company	5,000	5,000
Other		2,850	2,500
		<u>68,385</u>	<u>11,026</u>

### b. Due to Related Parties:

	Nature of Relationship	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
		JD	JD
Salam International Transport and Trading Company	Sister Company	277,964	81,089
Jordan National for Ship Operation Company	Associate Company	80,137	85,877
Other	Associate Company	11,448	14,891
		<u>369,549</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		Company's Share from		Ownership Percentage							
				Period Ended June 30,		Investment in Associate		2023		2022		June 30, 2023		December 31,	
				2023 (Reviewed)	2022 (Reviewed)	June 30, 2023 (Reviewed)	June 30, 2022 (Reviewed)	2023	2022	June 30, 2023 (Reviewed)	2022 (Reviewed)	2022 (Audited)			
Arab company for ships management	Maritime mediation	Aqaba	JD 149,000	JD 60,000	JD 30,000	JD 48,000	JD 35,374	30	30	JD 244,221	JD 256,221				
Jordan Academy for Maritime Studies Company	Education	Amman	2,000,000	390,000	390,000	151,320	196,437	30	30	1,368,642	1,607,322				
Smit Lammalco Company Ltd – Jordan	Ships services	Aqaba	50,000	-	-	357,777	424,305	27	27	4,910,797	4,553,020				
Jordan National Lines for Ships Operation Company	Maritime transport	Aqaba	700,000	-	225,000	95,555	75,200	50	50	878,128	782,573				
<b>Total Investments in associate Companies</b>				<u>450,000</u>	<u>645,000</u>	<u>652,652</u>	<u>731,316</u>			<u>7,401,788</u>	<u>7,199,136</u>				

## 8. Long Term Loans

This item consists of the following:

	June 30, 2023 (Reviewed)				December 31, 2022 (Audited)
	Due Installments	Short-term Loans Installments	Long-term Loans Installments	Total	Total
	JD	JD	JD	JD	JD
Cairo Amman Bank loan (A) – JOD	-	938,414	-	938,414	701,902
Capital Bank loan (B) - JOD	-	-	5,545,913	5,545,913	5,500,000
	-	938,414	5,545,913	6,484,327	6,201,902

- 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 10,5%. And so that the loan is repaid in quarterly installments, excluding interest, according to 20 installments, the first installments is due after November 16, 2023, with value of JD 275,000 for the installments and interests are paid monthly basis from the date of implementation.

## 9. Company's Share from Investments in Associate Companies' Income

This item consists of the following:

		For the Six Months Ended June 30,	
	Relationship	2023 (Reviewed)	2022 (Reviewed)
		JD	JD
Jordan Academy for Maritime Studies Company	Associate	151,320	196,437
Arab Ship Management Company	Associate	48,000	35,374
Smit Lamnalco ltd Company – Jordan	Associate	357,777	424,305
Jordanian National Lines for Ships Operation Company	Associate	95,555	75,200
		652,652	731,316

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

## 10. 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 Six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Profit for the period - Company's Shareholders	2,091,673	2,401,654
	Share	Share
Number of shares	15,000,000	15,000,000
	JD/Share	JD/Share
Earnings per share for the period	-/14	-/16

## 11. Transactions with Related Parties

Related parties, as defined in International Accounting Standard (24): (Related Party Disclosures); include associate companies, major shareholders, directors and other key management personnel of the 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:

- a. Rent revenue from Arabian Ships Management Company (Associate Company) amounted to JD 12,662 for six months ended June 30, 2023 (JD 12,662 for six months ended June 30, 2022).
- b. Executive management's salaries and benefits for the Company and its subsidiaries:

	For the Six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Salaries, bonuses, and per diems	267,013	246,736
Board of Directors transportation allowances	58,800	55,800
	<u>325,813</u>	<u>302,536</u>

## 12. Income Tax Provision

- a. Income tax provision

The movement on the income tax provision is as follows:

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	JD	JD
Balance – beginning of the period / year	145,638	90,105
Accrued income tax on income for the period / year	66,045	135,479
Accrued National Contribution Tax for the period / year	32,407	27,096
Income tax paid	<u>(132,166)</u>	<u>(107,042)</u>
Balance - End of the Period / Year	<u>111,924</u>	<u>145,638</u>

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

	For the six Months Ended June 30,	
	2023 (Reviewed)	2022 (Reviewed)
	JD	JD
Income tax on profit for the period	<u>(98,452)</u>	<u>(76,674)</u>
	<u>(98,452)</u>	<u>(76,674)</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 2020, 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 June 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 June 30, 2023.
- Jordan Maritime Complex for Real Estate Investments Company did not book any deferred taxes since they have not been approved yet, and no benefits are expected from them in the near future.

### 13. Contingent Liabilities

As of the consolidated condensed 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.

### 14. Geographical Distribution

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

#### a. Debts

	June 30, 2023 (Reviewed)		December 31, 2022 (Audited)	
	Receivables	Payables	Receivables	Payables
	JD	JD	JD	JD
Account receivables (Payables)	<u>114,596</u>	<u>(83,679)</u>	<u>84,906</u>	<u>(144,288)</u>

#### b. Investments

	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
	Financial Investments	Financial Investments
	JD	JD
Shares listed on international markets	<u>432,447</u>	<u>495,499</u>
	<u>432,447</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 Six Months Ended June 30,	
				2023	2022
	JD	JD	JD	JD	JD
Revenue	8,239,696	1,837,804	-	10,077,500	7,728,953
Direct cost	(6,202,196)	(674,882)	-	(6,877,078)	(4,930,027)
Business Sector Results	2,037,500	1,162,922	-	3,200,422	2,798,926
General and administrative expenses and Depreciation	(803,038)	(832,405)	-	(1,635,443)	(1,586,065)
Information technology expenses	-	(52,849)	-	(52,849)	(52,894)
Power and maintenance expenses	-	(313,945)	-	(313,945)	(255,925)
Financing expenses	-	(330,368)	-	(330,368)	(238,311)
Financial assets and investments revenue	-	-	966,995	966,995	1,492,529
Other revenue	247,278	51,949	-	299,227	275,032
Income (loss) for the period before Income Tax	1,481,740	(314,696)	966,995	2,134,039	2,433,292
Income tax expense	(98,452)	-	-	(98,452)	(76,674)
Income (Loss) for the period	1,383,288	(314,696)	966,995	2,035,587	2,356,618
				June 30, 2023 (Reviewed)	December 31, 2022 (Audited)
<u>Other Information:</u>				JD	JD
Sector Assets	22,761,730	15,734,634	-	38,496,364	39,337,334
	22,761,730	15,734,634	-	38,496,364	39,337,334
Sector Liabilities	1,746,329	7,619,288	-	9,365,617	9,298,751
	1,746,329	7,619,288	-	9,365,617	9,298,751

**15. Approval of the Condensed Consolidated Interim Financial Information**

This consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue on July 30, 2023.

**16. 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).

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 fairvalue 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
	June 30, 2023 (Reviewed)	December 31, 2022 (Audited)				
Financial Assets	JD	JD				
<b>Financial assets at fair value</b>						
Financial assets at fair value through profit or loss:						
Quoted shares	2,160,577	2,197,834	Level 1	Quoted Shares	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted Shares	2,756,107	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
<b>Total Financial Assets at Fair Value</b>	<b>2,905,796</b>	<b>3,096,670</b>				
	<b>5,066,373</b>	<b>5,294,504</b>				

There were no transfers between Level 1 and level 2 during the first half of the year 2023 and 2022.

**b. Fair value of financial assets and financial liabilities not measured at fair value on a recurring basis:**

Except for what is detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the Group's their fair values financial statements approximate

	June 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	1,628,472	4,125,920	1,657,118	4,125,920	Level 2
<b>Total financial assets not calculated at fair value</b>	<b>1,628,472</b>	<b>4,125,920</b>	<b>1,657,118</b>	<b>4,125,920</b>	

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.