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Sent: 29 م 06:41 2020، حزيران

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Subject: Sitt

السادة هيئة الأوراق المالية المحترمين
السادة بورصة عمان المحترمين
السادة مركز إيداع الأوراق المالية المحترمين
تحية وبعد

مرفق طيه البيانات المالية باللغة الانجليزية للفترة المنتهية ٣١/كانون الاول/٢٠١٩ لشركة السلام الدولية للنقل والتجارة
Regards,

Mohammad Al Taweel

Chief Accountant



SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA – JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2019 TOGETHER
WITH INDEPENDENT AUDITOR'S REPORT

SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA – JORDAN
DECEMBER 31, 2019

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INDEPENDENT AUDITOR'S REPORT

AM \ 000744

To the shareholders of
Salam International Transport and Trading Company
(Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Opinion

We have audited the consolidated financial statements of Salam International Transport and Trading Company (The "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Salam International Transport and Trading Company as of December 31, 2019, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's consolidated financial statements, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant to our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Our description of how our audit addressed the key audit matter is provided in that context.

Payments on Account of Acquiring Land and Projects under Construction

The consolidated financial statements include payments on account for acquiring plots of land and projects under construction, which include the value of work done and its directly related costs totaling JD 9 million as of December 31, 2019, which represents 30% of the Group's non-current assets.

The Group signed an agreement with the government and related entities to develop on certain plots of land. The agreement states that the plots of land will be transferred to the Group once the aforementioned development has been completed. The ownership of the plots of land had not been transferred to the Group in a legal manner at the reporting.

The following indicators were identified which indicate that the payments made and projects under construction referred to in the first paragraph above may be impaired:

- The non-transfer of the land to the Group as referred to above; and
- The recoverable amount of the land may be less than the advance payments referred to in the first paragraph.

The Group, in conjunction with an external valuer, has determined that the payments made and projects under construction are not impaired. In making this determination, the Group has applied certain judgements and made certain estimates about the transfer of the land to the Group and the fair value of the land which are considered to be significant. Consequently, we have identified this as a key audit matter.

Refer to notes 16 and 17 of the consolidated financial statements for further disclosure about this matter.

How our audit addressed the key audit matter

Our audit procedures included, but were not limited to, the following:

- We assessed the design and implementation of controls over the process of determining that the payments and projects under construction, referred to in the adjacent paragraph, were not impaired.
- We obtained confirmations from the related governmental entities, to confirm the payments on account for acquiring plots of land.
- We reviewed the contracts between the Group and the government and related entities to determine if there were any contractual impediments to the land being transferred which had not yet been addressed by the reporting date.
- We assessed the skills, competence, objectivity and qualification of the external valuers appointed by the Group to determine the value of these lands.
- We inspected minutes of Board of Directors meetings and correspondence between the Group and the government and related entities to determine whether it was probable that the land would be transferred to the Group.
- We determined if the valuations performed by the external valuer indicated that the value of the land was more than the payments made to acquire the land.
- We reperformed the mathematical accuracy of the valuations, where applicable.
- We assessed the disclosure in the consolidated financial statements, relating to this matter, against the requirements of IFRSs.

Other Matter

The accompanying consolidated financial statements are a translation of the statutory consolidated financial statements in the Arabic language to which reference should be made.

Other Information

Management is responsible for the other information. The other information comprises the information in the Annual Report, other than the consolidated financial statements, and the auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines necessary to enable preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard procedures.

From the matters communicated with those charged with governance, we determine those matters that were of most significance to the audit of the consolidated financial statements for the current year and are therefore key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper accounting records, which are in line with the accompanying consolidated financial statements. We recommend that the General Assembly of the Shareholders approve these consolidated financial statements.

Amman – Jordan
May 13, 2020

Deloitte & Touche (Middle East) – Jordan

 Deloitte & Touche (M.E.)

ديلويت آند توش (الشرق الأوسط)

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA - JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		December 31,		January 1,
	Note	2019	2018 (Restated)	2018 (Restated)
		JD	JD	JD
ASSETS				
Current Assets:				
Cash and balances at banks	5	187,992	646,463	278,463
Accounts receivable-net	6	610,822	734,104	874,309
Due from related parties	24/a	643,544	1,473,892	1,796,725
Accounts receivable - Decent Housing for Decent Living project	7	60,000	406,625	8,957,230
Residential units available for sale	8	325,503	519,974	519,974
Checks under collection and notes receivable maturing in one year	9	96,934	95,099	144,949
Financial assets at fair value through profit or loss	10	8,852	10,004	10,866
Inventory - net	11	232,557	243,604	507,161
Other debit balances	12	242,043	300,236	489,488
Total Current Assets		2,408,247	4,430,001	13,579,165
Non-Current Assets:				
Checks under collection and notes receivable maturing in more than one year	9	157,540	99,536	154,560
Financial assets at fair value through other comprehensive income	13	644,471	613,190	678,219
Investment properties - net	14	4,681,579	4,753,573	4,825,596
Investments in associate companies	15	14,737,063	13,532,777	12,510,804
Projects under construction	16	2,632,924	1,897,966	1,893,999
Advance payments for land acquisition	17	6,431,223	3,146,817	3,146,817
Property and equipment - net	18	739,218	873,472	1,286,294
Total Non-Current Assets		30,024,018	24,917,331	24,496,289
TOTAL ASSETS		32,432,265	29,347,332	38,075,454
LIABILITIES AND OWNERS' EQUITY				
Current Liabilities:				
Due to banks	19	560,829	666,939	728,856
Accounts payable	20	1,563,879	1,647,510	4,554,455
Due to related parties- short term	24/b	2,808,430	1,603,393	2,984,650
Loans - short term	21	818,166	950,257	2,069,525
Deferred cheques and notes payable - short term		181,069	410,365	126,343
Income tax provision	22	63,521	224,194	71,557
Other credit balances	23	466,044	524,511	2,794,623
Total Current Liabilities		6,461,938	6,027,169	13,330,009
Non-Current Liabilities:				
Due to related parties- long term	24/b	3,944,707	-	-
Partner Current Account	24/b	203,085	1,015,950	274,085
Loans long- term	21	441,032	1,133,135	2,960,936
Total Non-Current Liabilities		4,588,824	2,149,085	3,235,023
Total Liabilities		11,050,762	8,176,254	16,565,032
OWNERS' EQUITY				
SHAREHOLDERS' EQUITY				
Authorized and Paid-up capital	25	18,000,000	18,000,000	18,000,000
Share discount	25	(1,349,998)	(1,349,998)	(1,349,998)
Statutory reserve	26	2,186,726	2,059,079	1,970,514
Voluntary reserve	26	48,024	48,024	48,024
Fair value reserve for financial assets stated at fair value through other comprehensive income	28	(297,413)	(212,192)	(151,214)
(Accumulated losses)	29	(850,790)	(1,953,666)	(2,039,596)
Net Shareholders' Equity		17,736,549	16,591,247	16,477,730
Non-controlling interests		3,644,954	4,579,831	5,032,692
Net Owners' Equity		21,381,503	21,171,078	21,510,422
TOTAL LIABILITIES AND OWNERS' EQUITY		32,432,265	29,347,332	38,075,454

General Manager

Chairman of Board of Directors

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH
THE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AOABA - JORDAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended	
		December 31,	
		2019	2018 (Restated)
		JD	JD
Revenue	30	4,480,974	4,559,769
<u>Less: Cost of revenue</u>	31	<u>(3,313,409)</u>	<u>(3,655,346)</u>
Gross Profit		1,167,565	904,423
<u>Less: General and administrative expenses</u>	32	<u>(851,685)</u>	<u>(930,507)</u>
Marketing expenses		(23,285)	(49,852)
Borrowing costs		(234,097)	(479,222)
Company's share of associated companies' profits	15	1,225,757	1,083,175
(Loss) from valuation of financial assets at fair value through profit or loss		(1,147)	(866)
Provision for expected credit losses	5&6&7	(286,119)	(210,500)
Other Income - Net	33	<u>84,266</u>	<u>41,738</u>
Profit for the Year before Income Tax from Continuing Operations		1,081,255	358,389
<u>Less: Income tax expense for the year</u>	22	<u>(32,744)</u>	<u>(72,217)</u>
Income tax expense from prior years	22	<u>(5,566)</u>	<u>(208,976)</u>
Profit for the Year from Continuing Operations		1,042,945	77,196
Net (Loss) for the year from discontinued operations	39	<u>(2,877)</u>	<u>(20,348)</u>
Profit for the Year		<u>1,040,068</u>	<u>56,848</u>
<u>Attributable to:</u>			
The Company's shareholders' share from continuing and discontinued operation		1,230,523	612,820
Non-controlling interests' share from continuing and discontinued operation		<u>(190,455)</u>	<u>(555,972)</u>
Total		<u>1,040,068</u>	<u>56,848</u>
<u>Attributable to:</u>			
The Company's shareholders' share from continuing operations		1,233,400	637,168
Non-controlling interests' share from continuing operations		<u>(190,455)</u>	<u>(559,972)</u>
Total		<u>1,042,945</u>	<u>77,196</u>
Earnings per Share for the year from continuing operations attributable to the Company's Shareholders	34	<u>0.069</u>	<u>0.035</u>
Earnings per Share for the year from continuing and discontinued operations attributable to the Company's Shareholders	34	<u>0.068</u>	<u>0.034</u>

General Manager

Chairman of Board of Directors

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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AOABA - JORDAN

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year	
	Ended December 31,	
	2019	2018 (Restated)
	JD	JD
Profit for the year	1,040,068	56,848
<u>Comprehensive Income Items:</u>		
<u>Items not to be subsequently transferred to consolidated statement of profit or loss :</u>		
Change in fair value of financial assets at fair value through other comprehensive income	(85,221)	(60,978)
Total Comprehensive Income / (Comprehensive Loss) for the Year	954,847	(4,130)
 Total Comprehensive Income / (Comprehensive Loss) for the Year Attributable to:		
Company's shareholders	1,145,302	551,842
Non- controlling interests	(190,455)	(555,972)
Total	954,847	(4,130)

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**SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY,
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN**

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

Note	Company's Shareholders' Equity									
	Financial Assets					Accumulated (Losses)				
	Paid-up Capital	Share Discount	Statutory Reserve	Voluntary Reserve	at Fair Value	Total	Realized	Unrealized	Total	Non-Controlling Interests
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2019										
Balance as of January 1, 2019	18,000,000	(1,349,998)	2,059,079	48,024	(212,192)	(3,870,275)	1,916,009	-	16,591,247	4,579,831
Profit for the year	-	-	-	-	-	1,230,523	-	-	1,230,523	(190,455)
Change in fair value of financial assets at fair value	-	-	-	-	(85,221)	-	-	-	(85,221)	-
Total Comprehensive Income / (Loss) for the Year	-	-	-	-	(85,221)	1,230,523	-	-	1,145,302	954,847
Transferred to Statutory Reserve	-	-	127,647	-	-	(127,647)	-	-	-	-
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	-
Balance - End of the Year	18,000,000	(1,349,998)	2,186,726	48,024	(297,413)	(2,267,399)	1,916,009	-	17,736,549	5,534,678
For the Year Ended December 31, 2018 (Restated)										
Balance as of January 1, 2018	18,000,000	(1,349,998)	1,970,514	48,024	(151,214)	(3,311,405)	1,916,609	-	17,122,530	5,103,933
Prior years' adjustments	-	-	-	-	-	(844,300)	-	-	(844,300)	(71,241)
Adjusted balance - beginning of the year	18,000,000	(1,349,998)	1,970,514	48,024	(151,214)	(3,955,205)	1,916,609	-	16,477,730	5,032,692
Impact of IFRS 9 Implementation-Iet	-	-	-	-	-	(438,325)	-	-	(438,325)	(553,225)
Beginning balance of the year after the implementation of IFRS 9-Net	18,000,000	(1,349,998)	1,970,514	48,024	(151,214)	(4,393,530)	1,916,609	-	16,039,405	4,507,092
Profit / (loss) for the year	-	-	-	-	-	612,820	-	-	612,820	(555,972)
Change in fair value of financial assets at fair value	-	-	-	-	(60,978)	-	-	-	(60,978)	-
Total Comprehensive Income / (Loss) for the Year	-	-	-	-	(60,978)	612,820	-	-	551,842	(555,972)
Transferred to Statutory Reserve	-	-	88,565	-	-	(88,565)	-	-	-	-
Net change in non-controlling interests	-	-	-	-	-	-	-	-	-	-
Balance - End of the Year	18,000,000	(1,349,998)	2,059,079	48,024	(212,192)	(3,870,275)	1,916,009	-	16,591,247	4,579,831

* An amount equivalent to the negative balance of financial assets revaluation reserve is restricted according to the Jordan Securities Commission's instructions.

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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA - JORDAN
CONSOLIDATED STATEMENT OF CASH FLOWS

		For the Year Ended December 31,	
	Note	2019 JD	2018 (Resated) JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before income tax from continuing operations		1,081,255	358,389
Net (Loss) for the year from discontinued operations		(2,877)	(20,348)
Adjustments:			
Real estate Investment depreciation	14	71,994	72,023
Property and equipment depreciation	18	78,804	159,290
Provision for slow - moving inventory	11	6,047	238,009
Impairment Property and equipment	18	-	240,510
(Revenue) transfer contracts	33	-	(372,000)
Arbitration results	33	-	432,870
Amortization of Investment in associate company	15	-	17,691
Loss (gain) from sale of property and equipment		861	(13,620)
Company's share of associated companies' (profits)	15	(1,225,757)	(1,083,175)
Loss from valuation of financial assets at fair value through profit or loss		1,147	866
Provision for expected credit loss	5&6&7	286,119	210,500
Borrowing costs		234,097	479,222
Net Cash flows from Operating Activities before Changes in Working Capital		531,690	720,227
Decrease in accounts receivable		125,138	158,059
Proceeds from Housing & Urban Development Corporation		-	3,758,453
(Increase) decrease in cheques under collection and notes receivable		(59,839)	104,874
Decrease in inventory		16,047	25,548
Decrease in other debit balances		218,140	187,520
(Decrease) in accounts payable		(83,631)	(414,832)
(Decrease) increase in other credit balances		(58,467)	45,611
Net Cash Flows from Operating Activities before Income Tax and Provision Paid		689,078	4,585,460
Income tax paid	22	(198,983)	(128,556)
Net Cash Flows from Operating Activities		490,095	4,456,904
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in financial assets at fair value through other comprehensive income		(31,281)	-
Decrease in residential units available for sale	8	194,471	-
Decrease in investments in associate companies	15	64,009	1,138,974
Dividends in associate companies	15	536,529	-
(Purchase) of property and equipment	18	(31,623)	(23,127)
Proceeds from selling property and equipment		861	49,769
Net Cash Flows from Investing Activities		732,966	1,165,616
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowing costs (paid)		(234,097)	(479,222)
(Increase) decrease in deferred checks and notes payable		(229,296)	284,022
Change in due from/to related parties		454,225	(2,209,171)
(Decrease) in due to banks		(106,110)	(61,917)
Loans - received		-	137,000
Loans - paid	21	(824,194)	(3,084,071)
Change in non-controlling interests		(744,422)	163,150
Net Cash flows (used in) Financing Activities		(1,683,994)	(5,250,209)
Net (Decrease) Increase in Cash		(460,833)	372,311
Cash on hand and at banks - beginning of the year		650,774	278,463
Cash on Hand and at Banks Before Provision - End of the Year	5	189,941	650,774
Non-Cash Transactions:			
Increase in non- controlling interests as a result of amortized subsidiary's losses		-	149,863
Changes in non-controlling Interests		-	(84,902)
Decrease in projects under constructions	16	(734,958)	(3,967)
Increase in account payable		-	3,967
Change in due from/to related parties		4,713,002	983,636
(Increase) in payment on account of land acquisition	17	(3,284,406)	-
Proceess from transfer contracts		-	150,000
(Increase) investment in associate company		-	(1,097,122)
Decrease Investment in associate company		(693,638)	336,850
Impact of IFRS 9 Implementation		-	(438,325)

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONSOLIDATED FINANACIAL STATEMENTS AND SHOULD BE READ WITH THEM

SALAM INTERNATIONAL TRANSPORT AND
TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA - JORDAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General

- a. Salam International Transport and Trading Company was established and registered as a Public Shareholding Limited Company on January 30, 1997 under registration No. (326), with a paid-up capital of JD 1,200,000. The Company's paid-up capital was gradually increased to JD 15 million, distributed over 15 million shares at JD 1 par value per share. In its extraordinary meeting held on April 22, 2014, the Company's General Assembly approved increasing the Company's capital of JD 15 million so that authorized and paid-up capital would become JD 18 million through public underwriting to the Company's shareholders.
- On September 13, 2011, the Company was registered at the Aqaba Special Economic Zone according to Law No. (32) for the Year 2000.
- The Company's Head Office is located in Aqaba - Hashemite Kingdom of Jordan.
- b. The Parent Company's and its Subsidiaries' main objectives include the following:
- Conducting all types of marine activity (transporting passengers and various types of goods, in addition to touristic marine transportation).
 - Possessing, managing, operating and leasing ships of all kinds.
 - Obtaining maritime agencies, brokering, and representing international rating agencies.
 - Obtaining commercial agencies and tendering.
 - Renting marine maintenance workshops of all kinds, including repairing ships.
 - Conducting land transport, business and related tendering.
 - Conducting real estate activities (buying and selling real estates and other real estate-related activities).
 - Providing services, operating touristic restaurants, and supplying hotels with food.
 - Guaranteeing others while benefiting the Company.
 - Transporting crude oil.
 - Investing in other companies.
 - Borrowing funds from banks to finance its activities.
- c. The consolidated financial statements have been approved by the Board of Directors on May 6th, 2020.

2. Significant Accounting Policies

- Basis of Preparation of the Consolidated Financial Statements

- The accompanying consolidated financial statements have been prepared in accordance with the Standards issued by the international accounting standards Committee and the interpretations issued by International Financial Reporting Interpretations Committee arising from International Financial Reporting Standards Committee.
- The consolidated financial statements have been prepared according to the historical cost principle, except for financial assets and financial liabilities, which are stated at fair value through the statement of profit or loss, and financial assets at fair value through comprehensive income, stated at fair value on the date of the consolidated financial statements. Furthermore, hedged financial assets and financial liabilities are also stated at fair value.

- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Company.
- The accounting principles adopted for the consolidated financial statements for the year are consistent with those used in the prior year ended December 31, 2018, except for what is mentioned in Note (3-a) to the consolidated financial statements.
- **Basis of Consolidation of the Financial Statements**
- The consolidated financial statements includes the company's financial statements and its associates and subsidiaries. The control exists when the Company controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.
- The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.
- When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the Company's 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.
 - Any additional facts and circumstances that indicate that the Company's 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.
- All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.
- The subsidiaries' financial statements are prepared under the same accounting policies adopted by the Company. If the subsidiaries apply different accounting policies than those used by the company, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Company.
- The results of the subsidiaries' operations are consolidated in the consolidated statement of profit or loss effective their acquisition date, which is the date on which control over subsidiaries is effectively transferred to the Company. Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Company loses control over the subsidiaries.
- The non-controlling interests represents the portion which is not owned by the company on the subsidiaries. Non-controlling interests are shown in the subsidiaries net assets as a separate line item within the Company's statement of shareholders equity.

- The Company owns the following subsidiary companies as of December 31, 2019:

Company's Name	Paid-up Capital	Ownership Percentage	Nature of Activity	Place of Work	Date of Ownership	Total Assets		Total Liabilities		Total Revenue		Total Expenses	
	JD	%				JD	JD	JD	JD	JD	JD	JD	JD
Farah International Catering Service Company	1,000,000	100	Trading	Jordan	September 21, 1992	2,247,049		338,183		3,178,174		2,978,519	
Golden State For Commercial Services Company	204,874	100	Trading	Jordan	September 4, 2005	10,117		450		-		1,550	
Mada'en Al - Noor Investment and Real Estate Development	6,000,000	75	Real estate	Jordan	June 3, 2004	8,037,247		2,594,315		62,210		850,324	
Al - Ibtikar Land Transportation	2,600,000	70	Transportation	Jordan	March 9, 2005	435,975		222,298		-		166,493	
Afaq Supply and Storage Company	500,000	90	Supply & storage	Jordan	February 18, 2008	1,205,941		829,363		114,285		11,187	
Amman River Transport and Supply Company	1,000	100	Trading	Jordan	August 31, 2008	2,851		3,230		-		-	
Mada'en Al - Bahr Investment and Real Estate Development	1,000,000	100	Trading	Jordan	September 5, 2010	1,883,676		1,310,722		-		56,417	
Technical for Construction and Real Estate Services	1,000,000	98.75	Real estate	Jordan	September 1, 1992	4,973,753		1,714,251		321,859		212,823	
Mada'en Al - Shorouq Investment Real Estate Company	6,660,000	69.99	Real estate	Jordan	November 20, 2006	12,237,999		4,966,717		158,500		306,757	
Mada'en Al - Aqaba Investment Real Estate Company *	2,500,000	-	Real estate	Jordan	September 6, 2007	-		-		-		3,661	
Mada'en Al - Salam Construction Company	250,000	80	Real estate	Jordan	May 15, 2006	311,682		275		-		1,228	
Zain Al Maha Jordanian Real Estate Development Company *	544,192	100	Real estate	Jordan	January 30, 2019	544,192		-		-		-	
Maha Al Sharq Real Estate Investment and Development *	1,709,608	100	Real estate	Jordan	January 30, 2019	1,709,608		-		-		-	
Al Maha Arabian Real Estate Investment and Development *	715,150	100	Real estate	Jordan	January 30, 2019	715,150		-		-		-	
Arabian Maha Land Real Estate Development Company *	1,050,413	100	Real estate	Jordan	January 30, 2019	1,050,413		-		-		-	

- Subsidiaries' results of operations are included in the consolidated statement of profit or loss effective from the acquisition date, which is the date of the actual transfer of the control over the subsidiary by the Group. The results of operations of subsidiaries disposed of during the year were included in the consolidated statement of profit or loss up to the effective date of disposal, which is the date of losing control over the subsidiary.

* According to Mada'en Al Noor Investment and Real Estate Development Company's Board Of Directors second meeting (a subsidiary company) and the third for the year 2019 held on October 1, 2019, and after reviewing the minutes of the Board of Directors meeting of Al Salam International Transport and Trading Company held on September 18, 2019 and its intention to sell the investment of Mada'en Al Noor Investment and Real Estate Development Company in Mada'en Aqaba for investment and real estate development. The intention was approved and the necessary measures were taken for this process. Moreover, the committee has reviewed the financial position as of June 30, 2019 of Mada'en Aqaba Company for Real Estate Investment and Development, it was approved to sell the investment in the net book value as follows:

- A. Selling the shares of Mada'en Al Noor Real Estate Investment and Development Company of 60%, on the net book value basis of the share, which is JD 0.677, for a total amount of JD 1,015,500, taking to consideration to give the current partner the priority of the purchase in Mada'en Al - Aqaba Investment Real Estate Company (Shareholder in the Parent Company-Related Party) and holds 40% of company's shares and address him in this regard.
- B. The buyer's agreed to keep the debts of Mada'en Al Noor Real Estate Investment and Development Company in the books of Mada'en Al Aqaba Real Estate Investment and Development Company in the current period.

This process has been completed and the investment was transferred to the current partner before the end of 2019.

Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect investee's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the Company voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

When the Company loses control of a subsidiary, the Company performs the following;

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes transfer difference accumulated in Owners Equity.
- Derecognizes the fair value to the next controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the statement of profit or loss.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss or retained earnings statement as appropriate.

The non-controlling interests represents the portion not owned by the Company relating to ownership of the subsidiaries.

Segments Information

- The business segment represents a set of assets and operations that jointly provide products and services subject to risks and returns different from those of other business segments, measured according to the reports used by the executive manager and the Company's key decision makers.
- The geographic segment is associated with providing products or services in a defined economic environment subject to risks and returns different from those of other economic environments.

Residential Units Available for Sale

Residential units available for sale are stated at the lower of cost or net realizable value (NRV). The actual cost for each unit is determined using specific identification method, where cost includes lands cost, construction materials costs, direct wages and salaries, and other direct costs.

Inventory

Goods are shown at cost according to the first-in-first-out method, or the net realizable value, whichever is lower after downloading the allowance for damaged and obsolete items, spare parts are valued at the end of the year at the cost (using the first-in-first out method) or net realizable value, whichever is lower, and the part items value booked in the consolidated statement of profit or loss when used.

Financial Instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (except for financial assets at fair value through statement of Profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in consolidated statement of Profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Provision for expected credit loss

The Company has adopted the simplified approach to recognize expected credit losses over the life of its receivables as permitted by IFRS 9. Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of stage 2 with the recognition of expected credit losses over their lifetime.

A provision for the expected credit loss should be recognized over the life of the financial instrument if the credit risk on that financial instrument increases substantially since the initial recognition and the expected credit loss is an expected weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the expectation of several future economic scenarios, discounted at the effective interest rate of the asset.

The Company assesses whether there is objective evidence of impairment on an individual basis for each asset of individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

Write off

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 24 months past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of Profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through statement of Profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Trade and other payables classified as financial liabilities are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised based on effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised consolidated statement of Profit or loss.

Investments in Associates and Companies Subject to Joint Control

Associated companies are those companies whereby the Company exercises significant influence over their financial and operating policies but does not control them, and whereby the Company owns between 20% to 50% of the voting rights. Moreover, associates are established through contractual agreements and their operating and financial decisions require unanimous approval.

Investments in associated companies are accounted for according to the equity method, and initially recognized at cost which includes all acquisition costs.

The consolidated financial statements include the Company's share of the profit and loss from the investment in associated companies, according to the equity method, after the required necessary adjustments are made to comply with the accounting policies adopted by the parent company.

As of December 31, 2019, the details of investments in associates are as follows:

<u>Company's Name</u>	<u>Percentage of Ownership</u> %	<u>Business Location</u>
Jordanian Marine Real Estate Investment Complex Company	26	Jordan
Jordan National Shipping Lines Company *****	20.64	Jordan
Jordanian Academy for Marine Studies	25	Jordan
Jordanian National Line for Ships Operation Company ***	50	Jordan
Maset Al Aqaba for Ships Building Company ***	50	Jordan
Aqaba Storing Chemicals Company	15	Jordan
Al Maha Real Estate Development Company	33.33	Jordan
Marine Lines for Storage and Port Services Company ***	50	Jordan
Arabian Ships Management Company	20	Jordan
Maset Al Salam Company - Sudan *	46	Sudan
Al Shams Economics Company	30	Jordan
Sea Star for Shipping and Logistics Company ***	50	Jordan
Hagel al Aqaba for Investment **	33.33	Jordan
Ayyam Amman Company for real estate improvement ****	40	Jordan

* On February 3, 2020, the Board of Directors of Al Salam International Transport and Trading Company approved the closing of Maset Al-Sudan Company investment account for an amount of JD 140,184 as of December 31, 2019.

** Hagel al Aqaba One for Investment Company was established by a group of Aqaba Storing Chemicals Company partners, and will have significant influence over the financial and operating policies of the Aqaba Storing Chemicals Company (An Affiliate Company).

*** The Company does not exercises significant influence over the financial and operating policies of these companies.

**** According to the Board Of Directors meeting of Salam Transport and Trading Company (Parent Company) held on January 8, 2018, it was agreed to accept the partnership of AL-Salam International Transport And Trading Company (Parent) as a partner in Ayyam Amman For State Development Company an associate with 40% in exchange of transferring Farah International Catering Service Company project contracts (a subsidiary) to Ayyam Amman For Real Estate Development Company (an associate) in a condition that Salam International Transport And Treeding Company (Parent Company) will pay an amount of JD 150 thousands for Farah International Catering Service Company a (subsidiary) as compensation for waving their interests in those projects noting that their fair value for the project amounted to JD 388 thousands.

***** During the second quarter of the year 2018, Salam International Transport and Trading (The Parent Company) sold part of its shares in Jordan National Shipping Line (associate company) to related parties.

Investment Property

Investment property is property held to earn rental income, for capital appreciation, or for both, but not for sale in the ordinary course of business. Investment properties are carried at cost less accumulated depreciation. Their fair values are disclosed in the notes to the consolidated financial statements, and they are revaluated annually, by independent real-estate experts, based on market values at the end of the year.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Property and equipment (except for land) are depreciated over their useful lives, using the straight-line method at annual rates as follows:

	<u>%</u>
Building and hangars	2 - 4
Furniture and fixtures	15 - 20
Devices and equipment	10 - 15
Cars and trucks	5 - 15
Computers	20

- When the recoverable amount of property and equipment is less than the carrying amount, their value is reduced to the recoverable amount, and the impairment loss is recorded in the consolidated statement of profit or loss.
- The useful lives of property and equipment are reviewed at year-end. If they differ from previously prepared expectations, the difference in estimate for the upcoming years is recorded, as a change in estimate.
- Property and equipment are derecognized when disposed of or when there is no expected future benefit from their use or disposal.

Projects under construction

This item represents the value of works on the project plus related costs. Moreover, direct costs are deferred and charged to the project upon its completion.

Provisions

Provisions are recognized at the date of the consolidated statement of financial position only when a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be reliably estimated.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.
- Income tax expenses are accounted for on the basis of taxable income. Moreover, income subject to tax differs from income declared in the consolidated financial statements because the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, as well as unallowable and non-taxable items.
- Taxes are calculated on the basis of the tax rates prescribed by the prevailing laws, regulations, and instructions of the countries where the Company operates.

- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount. Moreover, deferred taxes are calculated, according to the consolidated statement of financial position liability method, at the tax rates expected to be applied at the tax settlement date or the realization of the deferred tax assets or liabilities.
- Deferred tax assets and liabilities are reviewed as of the date of the consolidated statement of financial position, and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Revenue Recognition

The Company recognises revenue mainly from sales of apartments. Revenue is measured at the fair value of the amounts received or to be collected from the contracts with customers. Revenue is recognized when the Company transfers the ownership of the apartments to the customer when the ownership of the apartments is waived in the Department of Land and Survey according to the Jordanian law. All contracts are considered void if they are not documented in the department.

Apartment available for sales revenue is recognized at the fair value of the consideration received when all the following conditions are met:

- a. The Company has transferred to the buyer all of the significant risks and benefits related to the ownership of the apartments to the buyer.
- b. The Company does not maintain its ongoing management relationship, which is usually related to the ownership of the apartments or their actual control over these sold apartments; and
- c. The amount of revenue can be measured reliably;
- d. It is probable that the economic benefits associated with the transaction will flow to the Company; and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest Income and Expenses

Interest income and expense for all financial instruments are recognized in the statement of profit or loss using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Leases Contracts

Lease

- lease payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.
- In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Construction contracts

Contract revenue is recognized in the consolidated statement of profit or loss in accordance with the completion stage. Moreover, expenses incurred are recognized unless project-activity-related assets arise in the future. Moreover, the completion stages are evaluated according to previous studies.

Borrowing Costs

Finance expenses comprise of interest expense on borrowings. All borrowing costs are recognized in the consolidated statement of profit or loss, using the effective interest method.

Foreign Currencies

- Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.
- Financial assets and liabilities denominated in foreign currencies are translated at the date of the consolidated statement of financial position, using the average exchange rates prevailing as of that date.
- Non-financial assets and liabilities denominated in foreign currencies are presented at fair value, using the rates prevailing at the date of their evaluation.
- Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of profit or loss.
- Differences resulting from the translation of non-financial assets and liabilities denominated in foreign currencies, such as equity shares, are recorded as part of the change in fair value.
- Upon consolidation, the financial assets and financial liabilities of the Company and its subsidiaries are translated from the local currency to the reporting currency at the average exchange rates prevailing at the date of the consolidated financial position. Moreover, profit and loss items are translated at the average exchange rates prevailing during the year. Exchange differences are recorded in a separate item in the consolidated comprehensive statement of profit or loss and within owners' equity. In case one of the subsidiaries is sold, the exchange differences are recorded within revenues and expenses in the consolidated statement of profit or loss.

3. Application of new and revised International Financial Reporting Standards

a. Amendments with no material effect on the consolidated financial statements of the Company:

The following new and revised IFRSs, which are effective for annual periods beginning on or after January 1, 2019 or later, have been adopted in the preparation of the Company's financial statements. These new and revised IFRSs have not materially affected the amounts and disclosures in the financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

<u>New and revised standards</u>	<u>Amendments to new and revised IFRSs</u>
<u>Annual improvements to IFRSs issued between 2015 and 2017</u>	Improvements include amendments to IFRS (3) "Business Combinations", (11) "Joint Arrangements", International Accounting Standards (12), "Income Taxes" and (23) "Borrowing Costs" and as the following: <u>IFRS (12) "Income Tax"</u> The amendments clarify that an entity should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. <u>IFRS (23) "Borrowing Costs"</u> The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. <u>IFRS (3) "Business Combination"</u> The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, the entity applies the requirements for a business combination achieved in stages, including re-measuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be re-measured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. <u>IFRS (11) "Joint Arrangements"</u> The amendments to IFRS 11 clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the entity does not re-measure its PHI in the joint operation.

New and revised standards

IFRIC (23) Uncertainty on the Treatment of Income Tax

Amendments to new and revised IFRSs

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses:

- whether the tax treatment should be considered in aggregate;
- assumptions regarding the procedures for the examination of tax authorities;
- determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances.

Amendments to IFRS 9 Financial Instruments.

These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.

Amendments to IAS (28) "Investment in Associates and Joint Ventures".

These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "*Financial Instruments*" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendments to IAS 19 Employee Benefits.

These amendments relate to adjustments to plans, reductions, or settlements.

Effect of Application of IFRS (16) "Lease Contracts":

The Company adopted IFRS 16 'Leases' the standard replaces the existing guidance on leases, including IAS 17 "Leases Contracts". IFRIC 4 "Determining whether an Arrangement contains a Lease". SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS 16 was issued in January 2016 and is effective for annual periods commencing on or after January 1, 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognized in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has adopted for the simplified approach application permitted by IFRS (16) upon adoption of the new standard. During the first time application of IFRS (16) to operating leases, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

Right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated statement of financial position as at December 31, 2018, there were no adjustments on the returned earnings using the simplified approach, there were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to leased properties as of December 31, 2019.

As of December 31, 2019, the Company did not have any long-term lease contracts, and accordingly, the application of the standard did not have any material impact on the financial statements.

The leasing activities of the company and its accounting treatment mechanism:

Until the end of the fiscal year 2018, real estate leases were classified as either an operating lease or a finance lease, and amounts paid against operating leases are recorded in the statement of profit or loss according to the straight-line method during the lease term.

As of January 1st, lease contracts are recognized as right to use assets and liabilities obligations on the date when the asset is ready for use by the group, the value of each lease payment is distributed between the lease obligations and financing costs, and financing costs are recorded in statement of profit or loss during the lease period to reach a fixed periodic interest rate on the remaining balance of the obligation for each period and assets are depreciated during the useful life of the asset or the lease period, whichever is shorter according to the straight-line method.

Assets and liabilities arising from lease contracts are initially measured based on the present value, and the lease obligations include the net present value of the following lease payments:

- Fixed payments (including fixed payments) minus receivable lease incentives;
- Variable lease payments based on an indicator or rate;
- The amounts expected to be paid by the lessee under the residual value guarantees;
- Purchase option if the tenant is reasonably certain of this option, and
- Paying the contract termination fines if the terms of the lease include this option.

Lease payments are deducted using the interest rate of the underlying lease or the additional borrowing rate of the lessee if they are not available, which is the amount that the lessee must pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right of use assets are measured at cost, which includes the following:

The value of the initial measurement of the lease obligations;

Any lease payments made on or before the start date minus any lease incentives received;

Any initial direct costs, and

Return costs (renewal and restoration).

Payments related to short-term leases and contracts for lease of low-value assets are included on a straight-line basis as an expense in the statement of profit or loss. Short-term leases are 12-month or less. While low-value assets such as low-value IT equipment and small items of office furniture.

When applying the IFRS 16 for the first time, the Company used the following:

- Use a single discount rate for a portfolio of lease contracts with reasonably similar characteristics;
- Depending on previous evaluations of whether lease contracts are low;
- Accounting operating leases with a remaining lease term of less than 12 months in January 1, 2019 as short-term leases;
- excluding the initial direct costs for measuring the right to use assets at the date of the initial application, and
- Using the previous perception to determine the term of the lease, as the contract contains options for extending or terminating the lease.

The Company also chose not to reassess whether the contract contains or does not contain a lease on the date of the initial application. Instead, the Company relied on the evaluation of contracts that were concluded before the date of the transition, which was applied through the application of International Accounting Standard No. (17) "Lease Contracts" and International Interpretation (4) "Determining whether an arrangement involves a lease contract."

b. New and revised IFRS in issue but not yet effective and not early adopted

The Company has not adopted the following new and amended IFRSs issued but not yet effective as of the date of the consolidated financial statements with its details as follows:

<u>New and revised standards</u>	<u>Amendments to new and revised IFRSs</u>
Amendments to IAS 1 Presentation of Financial Statements. (Effective January 2020).	These amendments relate to the definition of materiality. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'
Amendments to IFRS 3 Business Combinations (Effective January 2020.)	<p>These amendments clarify the definition of business as the International Accounting Standards Board published the Revised Financial Reporting Framework. This includes revised definitions of assets and liabilities as well as new guidance on measurement, derecognition, presentation, and disclosure.</p> <p>In addition to the amended conceptual framework, the IASB issued amendments to the guidelines on the conceptual framework in the IFRS Standards, which contain amendments to IFRS (2), (3), (6) and (14) and IAS (1), (8), (34), (37) and (38)) and IFRIC (12), Interpretation (19), Interpretations 20 and 22 and Interpretations of the Standing Committee for the Interpretation of Standards Number (32) in order to update those statements with regard to references and quotations from the framework or to refer to a different version of the conceptual framework.</p>

New and revised standards
IFRS 17 "Insurance Contracts"

(Effective January 1, 2022.)

Amendments to new and revised IFRSs

Provides a more consistent measurement and presentation approach to all insurance contracts. These requirements are aimed at achieving a consistent, principled accounting objective for insurance contracts. IFRS (17) replaces IFRS (4) *Insurance Contracts*.

IFRS (17) requires measurement of insurance liabilities at present value to meet.

Amendments to IFRS 10 " Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures (2011)"

These amendments relate to the treatment of the sale or contribution of the assets of the investor in the associate or joint venture.

(The start date has been postponed indefinitely, and the application is still permitted)

Management expects to apply these new standards, interpretations, and amendments to the financial statements of the Company when they are applicable. Moreover, the adoption of these new standards, interpretations, and amendments may have no material impact on the Company's consolidated financial statements in the initial application period.

4. Significant Accounting Judgments and Key Source of Uncertainty

Preparation of the consolidated financial statements and application of the accounting policies require management to make judgments, estimates, and assumptions that affect the amounts of financial assets and financial liabilities and to disclose potential liabilities. Moreover, these estimates and judgments affect revenues, expenses, provisions, in general, expected credit losses, as well as changes in fair value that appear in the consolidated statement of comprehensive income and within shareholders' equity. In particular, the Company's management requires judgments to be made to estimate the amounts and timing of future cash flows. These estimates are necessarily based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Meanwhile, the actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Judgments, estimates, and assumptions are reviewed periodically. Moreover, the effect of the change in estimates is recognized in the financial period in which the change occurs if the change affects only the financial period. On the other hand, the effect of the change in estimates is recognized in the financial period in which the change occurs and in future periods if the change affects the financial period and future financial periods.

Management believes that its estimates in the consolidated financial statements are reasonable. The key estimates used by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Productive lifespan of tangible assets and intangible assets

The Company's management periodically recalculates the useful lives of tangible assets and intangible assets for calculating annual depreciation and amortization based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Income tax

The fiscal year is charged with the income tax expense in accordance with the accounting regulations, laws and standards. Moreover, deferred tax assets and liabilities and the required tax provision are recognized.

Lawsuits provision

A provision is made to meet any potential legal liabilities based on a legal study prepared by the Company's legal counsel. This study identifies potential future risks and is reviewed periodically.

Assets and liabilities at cost

Management periodically reviews the assets and liabilities at cost for estimating any impairment in value, which is recognized in the consolidated statement of profit or loss for the year.

Fair value measurement and valuation procedures

When estimating the fair value of financial assets and financial liabilities, the Company uses available observable market data. In case of the absence of level 1 inputs, the Company conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

Calculation of provision for expected credit losses

The management is required to use important judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risk of significant increase in credit risk for financial assets after the initial recognition and future measurements information for expected credit losses.

The expected credit loss is measured as an allowance equivalent to the expected credit loss over the life of the asset.

Determining the number and relative weight of forward looking scenarios for each type of products / market and the identification of future information relevant to each scenario

When measuring the expected credit loss, the Company uses reasonable and reliable future information based on the assumptions of the future movement of the various economic factors and how these economic factors affect each other.

Probability of default

The probability of default is a key input in measuring the expected credit loss. The probability of default is considered an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions and expectations relating to future circumstances.

Loss given default

Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financier expects to collect, taking into account cash flows from collaterals and credit adjustments.

Revenue recognition

The Company's management uses significant estimates and assumptions to determine the amount and timing of revenue recognition under IFRS 15, "Revenue from contracts with customers".

Key Sources of Uncertainty Estimates:

- The following are the most significant assumptions about the future and other uncertain assumptions at the reporting date that have a risk ratio that could cause a material adjustment to the carrying amount of assets and liabilities during the next financial year.

- Calculation of expected credit losses: When measuring expected credit losses, the Company uses reasonable and verifiable future information based on assumptions about the future movement of the various economic engines and how these will affect each other. Loss given default is an estimate of loss arising from default and is based on the difference between the contractual cash flows due and those foreseen by the lender, taking into account cash flows from collateral and integrated credit enhancements. The possibility of default is a key input in measuring expected credit losses. The probability of default is known to estimate the probability of default in a given period of time and includes historical data, assumptions and expectations for future circumstances.

5. Cash and Balances at Banks

This item consists of the following:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
Cash on hand	33,091	50,395	39,263
Current accounts at banks	156,850	600,379	239,200
Total	189,941	650,774	278,463
<u>Less: provision for expected credit loss *</u>	<u>(1,949)</u>	<u>(4,311)</u>	<u>-</u>
Net cash on hand and current accounts at banks	187,992	646,463	278,463

- * The movement on provision for expected credit loss of current accounts at bank during the year is as follows:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
Balance - beginning of the year	4,311	-	-
Impact of IFRS 9 implementation	-	4,311	-
Adjusted beginning balance	4,311	4,311	-
<u>Less: retrieved during the year</u>	<u>(2,362)</u>	<u>-</u>	<u>-</u>
Ending balance	1,949	4,311	-

6. Accounts Receivable - Net

This item consists of the following:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
Trade receivables	847,288	966,420	1,104,159
Employees' receivable	13,572	15,866	21,311
Total	860,860	982,286	1,125,470
<u>Less: Provision for expected credit loss *</u>	<u>(250,038)</u>	<u>(248,182)</u>	<u>(251,161)</u>
Net Accounts receivable	610,822	734,104	874,309

- * The movement on provision for expected credit loss during the year is as follows:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
Balance - beginning of the year	248,182	251,161	251,161
Impact of IFRS(9) implementation	-	20,354	-
Adjusted beginning balance	248,182	271,515	251,161
<u>Add: retrieved during the year</u>	<u>1,856</u>	<u>2,500</u>	<u>-</u>
<u>Less: written off debts *</u>	<u>-</u>	<u>(25,833)</u>	<u>-</u>
Ending balance	250,038	248,182	251,161

7. Accounts Receivable - Decent Housing for Decent Living Project

This item represents receivables from the Housing and Urban Development Corporation on the "Decent Housing for Decent Living" project after booking the provision for the expected credit loss, where during the third quarter of the year 2018 the decision of the arbitral tribunal has been issued with an amount less than the amount claimed. Accordingly, the Company has adjusted the deferred revenue related to the project which amounted to JD 2.2 million. In addition to accounts payable for the project developers which amounted to JD 2.5 million in accordance with the clearances which have been reached with them. However, the arbitration decision related to one of the items dated October 16, 2018 has been appealed, and legal counsel believe that the possibility of a reversal of the decision is strong. A provision has been made for the entire balance, with the exception of an amount of JD 60,000, representing refundable cash deposits.

This item consists of the following:

	December 31,		January 1,
	2019	2018	2018
	JD	(Restated)	JD
Accounts receivable - Decent Housing for Decent Living project	1,054,625	1,114,625	8,957,230
<u>Less: Provision for expected credit loss*</u>	<u>(994,625)</u>	<u>(708,000)</u>	<u>-</u>
Ending balance	60,000	406,625	8,957,230

* The movement on provision for expected credit loss during the year is as follows:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
Balance - beginning of the period/year	708,000	-	-
Impact of IFRS(9) implementation	-	500,000	-
Adjusted beginning balance	708,000	500,000	-
Retrieved during the year	286,625	208,000	-
Ending balance	994,625	708,000	-

8. Residential Units Available for Sale

This item represents residential units available for sale in ZARQA and ABU - NSAIR as of December 31, 2019 and 2018.

Movement on the residential units available for sale during the year is as follows:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
Balance - beginning of year	519,974	519,974	910,183
<u>Less: Cost of apartments sold</u>	<u>(194,471)</u>	<u>-</u>	<u>(390,209)</u>
Balance - End of Year	325,503	519,974	519,974

- The selling price of residential units available for sale does not exceed their book value as of December 31, 2019 and 2018.
- The fair value for residential units available for sale according to the latest estimate of real estate appraiser is JD 469,615 as of December 31, 2019.

9. Cheques under Collection and Notes Receivable

The item consists of the following:

	December 31,	January 1,
	2019	2018
	(Restated)	(Restated)
	JD	JD
Maturing in one year	96,934	144,949
Maturing in more than one year *	157,540	154,560
	254,474	299,509

- * The maturity of the checks under collection and notes receivable until October 31, 2024.

10. Financial Assets at Fair Value through Profit or Loss

The item consists of the following:

	December 31,	January 1,
	2019	2018
	JD	JD
Shares quoted in active markets	8,852	10,866
	8,852	10,866

11. Inventory-Net

The item consists of the following:

	December 31,	January 1,
	2019	2018
	JD	JD
Spare parts	340,089	340,089
Food inventory and other saleable materials	205,643	239,476
Others	14,737	11,452
	560,469	591,017
<u>Less: Provision for slow moving inventory *</u>	<u>(327,912)</u>	<u>(83,856)</u>
	232,557	507,161

- * Movement on the provision for slow moving inventory during the year is as follows:

	December 31,	January 1,
	2019	2018
	JD	JD
Balance at the beginning of the year	321,865	83,856
Provision for the year **	6,047	-
Balance at the End of the Year	327,912	83,856

- ** According to the third meeting of Al-Ibtikar for Land Transport (Subsidiary) dated December 23, 2018, impairment loss on spare parts inventory was approved to be booked with an amount of JD 238,009.

12. Other Debit Balances

The item consists of the following:

	December 31,		January 1,
	2019	2018 (Restated)	2018 (Restated)
	JD	JD	JD
Prepaid expenses	24,905	22,729	30,595
Refundable deposits	50,844	42,952	73,802
Guarantees	112,429	112,951	240,383
Income and Sales tax deposit	49,367	96,770	91,306
Cheques box	4,220	23,524	51,923
Other	278	1,310	1,479
	<u>242,043</u>	<u>300,236</u>	<u>489,488</u>

13. Financial Assets at Fair Value through Other Comprehensive Income

The item consists of the following:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
Quoted stocks in active market	312,471	281,190	346,219
Unquoted stocks in active markets	332,000	332,000	332,000
	<u>644,471</u>	<u>613,190</u>	<u>678,219</u>

14. Investment Properties - Net

The movement on this item during the year is as follows:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
<u>Cost</u>			
Balance at the beginning of the year	3,599,696	3,599,696	9,459,477
Effect of disposal of a subsidiary	-	-	(5,859,781)
Balance at the End of the Year	<u>3,599,696</u>	<u>3,599,696</u>	<u>3,599,696</u>
<u>Accumulated depreciation</u>			
Balance at the beginning of the year	747,827	675,754	747,263
Effect of disposal of a subsidiary	-	-	(143,453)
Depreciation for the year	71,994	72,073	71,994
Balance at the End of the Year	<u>819,821</u>	<u>747,827</u>	<u>675,754</u>
Net Book Value	<u>2,779,875</u>	<u>2,851,869</u>	<u>2,923,942</u>
<u>Add: Land</u>			
Balance at the beginning of the year	1,901,704	1,901,704	3,276,981
Effect of disposal of a subsidiary	-	-	(1,375,277)
Balance at the End of the Year	<u>1,901,704</u>	<u>1,901,704</u>	<u>1,901,704</u>
	<u>4,681,579</u>	<u>4,753,573</u>	<u>4,825,596</u>

- The fair value of the investment properties according to the latest real estate independent appraisers' assessment was JD 7.7 million.

15. Investment In Associates

This item consists of the following:

Company's name	December 31,				Movement during the year				2019			2018 (Restated)			January 1, 2018 (Restated)		
	2019		2018		Investments under Equity Method at the Beginning of the Year	Received cash dividends	Net change in investment in associate company	Share of Companies' gains (Losses)	Valuation Share of Financial Assets at Fair Value Reserve	Investments under Equity Method at the End of the Year	Share of Companies' gains (Losses)	Investments under Equity Method at the End of the Year	Share of Companies' gains (Losses)	Investments under Equity Method at the End of the Year	Share of Companies' gains (Losses)		
	Percentage of Contribution	2018 Percentage of Contribution	Percentage of Contribution	2018 Percentage of Contribution													
	%	%	%	%	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	
Jordan National Shipping Lines Company	20.64	21.91			5,005,027	(371,529)	(64,009)	707,227	(94,610)	5,182,106	5,005,027	633,389	5,257,271	765,849			
Jordanian Marine Real Estate Investment Complex Company	26	26			1,268,272	-	693,638	(68,894)	-	1,893,016	1,268,272	(66,465)	1,334,737	(197,221)			
Jordanian Academy for Marine Studies	25	25			913,491	(125,000)	-	194,499	-	982,990	913,491	165,917	863,458	160,738			
Jordanian National Line for Shipping Operations' Company	50	50			569,676	-	-	91,654	(19,961)	641,369	569,676	52,968	513,742	49,935			
Maset Al Aqaba for Ships Building Company	50	50			205,615	-	-	(1,461)	-	204,154	205,615	(1,190)	206,805	(1,321)			
Aqaba Chemicals Storage Company *	15	15			460,744	-	-	113,131	-	573,875	460,744	139,885	331,245	32,914			
Al Maha Real Estate Development Company	33.33	33.33			3,984,409	-	-	(3,592)	-	3,980,817	3,984,409	(11,267)	3,286,554	(10,668)			
Marine Lines for Storage and Port Services Company	50	50			316,320	-	-	(1,473)	-	314,847	316,320	(1,085)	317,405	6,581			
Arabian Ships Management Company	20	20			144,272	(40,000)	-	71,434	-	175,706	144,272	39,480	135,265	35,098			
Sea Star for Shipping and Logistics' Services Company	50	50			202,595	-	-	(9,221)	-	193,374	202,595	63,364	240,455	136,905			
Haqel al Aqaba One for Investment	33.33	33.33			16,667	-	-	-	-	16,667	16,667	-	16,667	-			
Investment in Maset Al Salam Company - Sudan	46	46			-	-	-	-	-	-	-	-	-	-			
Investment in Shams Economics Company	30	30			7,200	-	-	-	-	7,200	7,200	-	7,200	-			
Amman Days for Real Estate Development Company **	40	40			438,489	-	-	132,453	-	570,942	438,489	68,179	-	-			
					13,532,777	(536,529)	629,629	1,225,757	(114,571)	14,737,053	13,532,777	1,083,175	12,510,804	978,810			

The net share of the Company was calculated from the Investment's profits in the associate companies for the year ended December 31, 2019 and 2018, based on the audited financial statements of these companies.

* The Company has an effective influence on decisions related to the company's financial, operating, and administrative policies.

** In accordance with the Board of Directors meeting held on January 8, 2018, it was approved to enter Al Salam International Transport and Trade Company parent company) as a partner in Ayam Oman Real Estate Development Company (associate company) at a rate of 40% in exchange for transferring contracts of Farah International Food Services Company (subsidiary company) to Ayam Oman Real Estate Development Company (Associate Company). Provided that Al Salam International Transport and Trade Company (owner company) pays 150,000 dinars to Farah International Food Services(Subsidiary) as compensation for assignment by contracts, where the fair value of the projects reached 388 thousand dinars.

16. Projects under Construction

This item consists of the following:

	December 31,		January 1,
	2019	2018	2018
		(Restated)	(Restated)
	JD	JD	JD
Al Shouroq City Project *	1,225,162	490,204	490,204
Dead Sea project	1,657,762	1,657,762	1,653,795
Total	2,882,924	2,147,966	2,143,999
Less: Impairment	(250,000)	(250,000)	(250,000)
	2,632,924	1,897,966	1,893,999

- Projects under construction represent total value JD 2,882,924 as of December 31, 2019 are not completed yet. However, the recovery of these amounts depends on executing the future plans of the subsidiaries to complete the projects and obtain the necessary funding.

According to the Department of Land and Survey, the market value based on the price of the plot, of land on which Al Shorouq City Project and Dead Sea Project is erected, for these projects under construction, including the value of the land on which the projects are built exceeds their book value as of December 31, 2019.

- * Mada'en Al Shorouq Investment and Development Company purchases and owns the full shares of which are subsidiaries to Al Maha Real Estate Development Company at an amount of JD 4,019,364, noting that the financial statements of those companies includes projects under construction at an amount of JD 735 thousands.

17. Advance Payments for Land Acquisition

This item consists of the following:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
Advance payments related to contracts for Mada'en Al Shorouq *	6,431,223	3,146,817	3,146,817
	6,431,223	3,146,817	3,146,817

- * This item represents advance payments related to contracts with Mada'en Al Shorouq Real Estate Investment and Development Company (subsidiary company) and its subsidiaries to purchase land from the National Resources Investment and Development Institute, for development and construction purposes. According to the latest real estate valuation from three appraisers, the fair value for these lands exceeds their costs, in addition to the capitalised expenses; accordingly, there is no need to book any impairments.

Mada'en Al-Shorouk for Investment and Real Estate Development Company has purchased and owned the full shares of companies which are subsidiaries to Al-Maha Real Estate Development Company (Associated Company) as follows:

- Jordanian Zain Al Maha Real Estate Development Company LLC with a capital after the increase of 544.192 JD / share.
- Maha Al Sharq Investment and Real Estate Development Company LLC with a capital after the increase of 1.709,608 JD / share.
- Al Maha Arabian Real Estate Investment and Development Company LLC with a capital after the increase of 715,150 JD / share.
- Arabian Al-Maha Land Real Estate Development Company LLC with a capital after the increase of 1,050,414 JD / share.

The procedures for transferring ownership and increasing the capital of the above mentioned companies were completed during the second quarter of 2019.

18. Property and Equipment - Net

This item consists of the following:

Year 2019	Land JD	Buildings and Hangar JD	Furniture and Fixtures JD	Devices and Equipments JD	Vehicles and Trucks JD	Computers JD	Total JD
Cost:							
Balance - beginning of the year	204,874	145,386	471,363	671,240	1,138,618	228,350	2,859,831
Additions	-	8,625	186	-	20,638	2,174	31,623
Disposals	-	-	(2,408)	-	-	-	(2,408)
The effect of a subsidiary disposal	-	(21,310)	-	-	(110,393)	-	(131,703)
Balance - End of the Year	204,874	132,701	469,141	671,240	1,048,863	230,524	2,757,343
Accumulated Depreciation:							
Balance - beginning of the year	-	154,011	461,160	644,743	502,245	224,200	1,986,359
Depreciation for the year	-	-	1,163	346	75,957	1,338	78,804
Disposals	-	-	(1,478)	(47)	-	(22)	(1,547)
The effect of a subsidiary disposal	-	(21,310)	-	-	(24,181)	-	(45,491)
Balance - End of the Year	-	132,701	460,845	645,042	554,021	225,516	2,018,125
Net Book Value for property and equipment at year end	204,874	-	8,296	26,198	494,842	5,008	739,218
Year 2018							
Cost:							
Balance - beginning of the year	204,874	187,948	471,363	668,397	1,395,601	224,477	3,152,660
Additions	-	8,625	-	3,015	7,614	3,873	23,127
Disposals	-	(42,562)	-	(172)	(32,712)	-	(75,446)
Impairment effect *	-	-	-	-	(240,510)	-	(240,510)
Balance - End of the Year	204,874	154,011	471,363	671,240	1,129,993	228,350	2,859,831
Accumulated Depreciation:							
Balance - beginning of the year	-	144,242	458,236	621,991	423,318	218,579	1,866,366
Depreciation for the year	-	23,591	2,924	22,774	104,380	5,621	159,290
Disposals	-	(13,822)	-	(22)	(25,453)	-	(39,297)
Balance - End of the Year	-	154,011	461,160	644,743	502,245	224,200	1,986,359
Net Book Value for property and equipment at year end	204,874	-	10,203	26,497	627,748	4,150	873,472
Net Book Value for property and equipment at January 1, 2018	204,874	43,706	13,127	46,406	972,283	5,898	1,286,294
Depreciation Rate %	-	2-4	15-20	10-15	5-15	20	

- Property and equipment includes fully depreciated assets of JD 1,655,785 as of December 31, 2019 (JD 1,614,465 as of December 31, 2018).

* According to the third Board of Directors meeting of Al - Ibtakar for Land Transport (subsidiary company) dated December 27, 2018, it was approved to book an impairment amounted to JD 240,510 on the tanks and trucks based on studies prepared by companies specialized in the losses settlements.

19. Due to Banks

This item consists of the following:

	<u>December 31,</u>		<u>January 1,</u>
	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>
Current overdrawn accounts	-	-	36,756
Overdraft *	560,829	666,939	692,100
	<u>560,829</u>	<u>666,939</u>	<u>728,856</u>

- * This item represents direct credit facilities in the form of a debit current account granted by several local banks, with a total limit of 710,000 JD, with interest ranging from 7.5% to 9.5%. The objective of these facilities is to finance the Company's regular activities, which are guaranteed by personal guarantees for Mr. Ahmed Helmy Armoush and cash security of 110,000 JD.

20. Accounts Payable

This item consists of the following:

	<u>December 31,</u>		<u>January 1,</u>
	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>JD</u>	<u>(Restated)</u>	<u>(Restated)</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>
Trade payables	1,563,879	1,647,510	2,058,366
Developers payable *	-	-	2,496,089
	<u>1,563,879</u>	<u>1,647,510</u>	<u>4,554,455</u>

- * Developers payable represent amounts due to the developers who assisted in the construction of Decent Housing for Decent Living Project, during the third quarter, 2018 an arbitral decision was issued for less than the amount claimed, accordingly a settlement agreement with project developers was made, and a repayments on the accrued payables for the developers was issued as per the agreement.

21. LOANS

The details of the loans is as follows:

Granting Party	Loan Principle	Remaining Installments	Method of Payment	Interest Rate	December 31, 2019			December 31, 2018			January 1, 2018		
					Due	Due during	Due during	Due	Due during	Due during	Due	Due during	Due during
					Installment	a Year	More than a Year	Installment	a Year	More than a Year	Installment	a Year	More than a Year
	JD			%	JD	JD	JD	JD	JD	JD	JD	JD	JD
Housing Bank for Trade and Finance *	2,650,000	9	Monthly	8	-	562,168	-	160,000	540,000	-	69,624	240,018	309,642
Ethiad Bank *****	1,446,209	2	Monthly	8.75	25,000	34,000	59,000	305,182	-	-	-	300,000	300,000
Arab Bank *****	137,000	-	Monthly	6.5	-	-	-	82,908	-	-	-	-	-
Standard Chartered Bank **	3,566,192	-	Monthly	9.6	-	-	-	228,770	-	-	-	-	-
Housing Bank for Trade and Finance ****	400,000	15	Monthly	8.5	-	66,359	15,642	60,000	81,364	-	115,000	1,154,569	1,269,569
Housing Bank for Trade and Finance ****	250,000	14	Monthly	8	10,000	60,639	10,000	58,397	70,000	-	-	100,468	100,468
Housing Bank for Trade and Finance ****	501,154	95	Monthly	7.75	-	60,000	415,390	55,000	441,771	-	-	64,846	64,846
					35,000	783,156	818,166	950,257	1,133,135	-	184,624	25,000	25,000
												1,884,801	2,069,525
													2,960,938

* During the third quarter of the year 2013, the Company has changed the due note into a loan, the first installment of which matures on January 1, 2015 and in a monthly basis, where each installment amounted to JD 20,000 and JD 380,000 for the last installment on the loan full repayment, in order stabilize the liquidity position in the company as done during the year 2015, as an agreement was signed with the Housing Bank for Trade and Finance for which to postpone the due installments during the year 2015, to February 1, 2016 till September 1, 2020.

** During the first half of the year 2015, the loan has been rescheduled and merged with the overdraft account, and the agreement was signed on April 23, 2015. Noting that the loan was repaid during the year of 2019.

*** At the beginning of 2017, the Company was granted a discounting loan from Housing Bank for Trade and Finance for an amount of JD 250,000 with annual interest rate 8%, the loan shall be repaid over 50 installments where the first was due on January 1, 2017 and the other installments are due at the beginning of each month. Noting that as of December 31, 2019 there were two outstanding installments for a total of JD 10,000 excluding the interest.

**** During the year 2017, the Company was granted discounted loan from Housing Bank for Trade and Finance for an amount of JD 400,000 with annual interest rate of 8.5%, the loan shall be repaid over 30 installments where the first was due on August 1, 2017 noting that the loan was rescheduled to be settled with installments that are due at the beginning of each month for JD 5,000 including the interest.

***** During the year 2017, company's debit was rescheduled, where it shall be paid over equal monthly installments amounted to JD 5,000 each, including interest, starting from August 2018.

***** The Company was granted a loan from Bank AL-Ettihad with a total amount of JD 1,446,209, that shall be paid on a monthly basis each installment amounted to JD 25,000 with an average interest rate of 8.75% and it is paid according to equal monthly installments including interest, as of December 31, 2019 there was a due installment of JD 25,000, and the last installment is in February with an amount of 9,500 including interest.

***** During the second quarter of the year 2018, the Company was granted a loan from Arab Bank with a total amount of JD 137,000 which represents part of the paid guarantee balance for Jordan Enterprise Development Corporation in an amount of JD 220,000, noting that the loan is paid based on 12 equivalent and subsequent monthly installments including the interests; each amounted to JD 11,400 except for the last installment which amounted to JD 11,600. The full balance was paid during the year 2019.

The guarantees against the direct credit facilities mentioned above represent personal guarantee of Mr. Ahmed Helmi Armoush (major shareholder), cash margins and mortgages of listed shares at a market value amounted to JD 1,515,317 as of December 31, 2019.

The movement on the loans during the years 2019 and 2018 is as follows:

	2019	2018
Balance at the beginning of the year	2,083,392	5,030,463
Loans - Received	-	137,000
Loans - Paid	(824,194)	(3,084,071)
Balance at the End of the Year	1,259,198	2,083,392

22. Income Tax**a. Income Tax Provision:**

The movement on the income tax provision is as follows:

	<u>December 31,</u>		<u>January 1,</u>
	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>JD</u>	<u>(Restated)</u>	<u>JD</u>
Balance beginning of the year	224,194	71,557	61,762
Income tax for the year	32,744	72,217	42,201
Income tax for prior years	5,566	208,976	-
Income tax paid during the year	<u>(198,983)</u>	<u>(128,556)</u>	<u>(32,406)</u>
Balance - End of the Year	<u>63,521</u>	<u>224,194</u>	<u>71,557</u>

b. Income Tax Expense:

Income tax expense shown in the consolidated statement of income represents the following:

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
	<u>JD</u>	<u>(Restated)</u>
	<u>JD</u>	<u>JD</u>
Income tax for the year	32,744	72,217
Income tax for the prior years	<u>5,566</u>	<u>208,976</u>
	<u>38,310</u>	<u>281,193</u>

c. Income Tax Status:

Salam International Transport and Trading Company (The Parent Company):

a. Aqaba:

The discussion of the income tax for the year 2018 has been completed by the Income and Sales Tax Department Commission, and according to the company's management and tax advisor there are no outstanding balances on the company.

b. Amman:

The company has submitted self-assessment statements up to the year of 2018, and the tax file audit has been completed up to the year 2018. According to the company's management and tax advisor, there are no outstanding balances on the company.

Income tax expense for the year 2019 has been appropriately calculated, and according to the company's management no additional provision needed to be booked.

Subsidiaries:

The following schedule shows the tax situation of each subsidiary:

<u>Company</u>	<u>Tax Returns up to Year</u>	<u>Final Settlement up to Year</u>
Farah International Catering Service Company	2018	2014
Golden State for Commercial Services Company	2018	2014
Mada'en Al - Noor Investment and Real Estate Development Company	2018	2014
Al-Ibtikar Land Transportation Company	2018	2017
Afaq Supply and Storage Company	2018	2016
Mada'en Al - Bahr Investment and Real Estate Development Company	2018	2015
Technical for Construction and Real Estate Services Company	2018	2016
Mada'en Al - Shorouq Investment Real Estate Company	2018	2016
Mada'en Al - Aqaba Real Estate Investment and Development Company	2018	2016
Mada'en Al - Salam Construction Company	2018	2015

In the opinion of the Company's management and its tax consultant, the income tax provision for the Company and its subsidiaries is sufficient to settle any potential tax liability arising therefrom as of the date of the consolidated financial statements.

23. Other Credit Balances

This item consists of the following:

	<u>December 31,</u>		<u>January 1,</u>
	<u>2019</u>	<u>2018</u>	<u>2018</u>
	<u>JD</u>	<u>JD</u>	<u>(Restated)</u>
Shareholders' deposits	97,428	98,425	98,425
Unpaid accrued expenses	267,681	303,484	343,310
Income tax deposits	14,676	2,024	5,709
Sales tax deposits	-	-	6,165
Social security deposits	12,655	14,172	41,475
Unrealized revenue	48,604	81,406	105,085
Deferred revenue-Decent Housing for Decent Living	-	-	2,194,454
Lawsuits provision	25,000	25,000	-
	<u>466,044</u>	<u>524,511</u>	<u>2,794,623</u>

24. Balances and Transactions with Related Parties

a. Due from related parties at the end of the year:

Company's Name	Nature of Relationship	Nature of Transaction	December 31,		January 1,
			2019	2018	2018
			JD	JD	JD
Jordan Maritime Real Estate Investment Complex Company	Associate Company	Financing	3,024	516,357	259,174
Al Maha Real Estate Development Company	Associate Company	Financing	-	74,656	759,197
Zahret AL Ordoon Clearance Company	Sister Company within the group	Financing	28,360	28,360	28,360
Armoush Company for Touristic Investments	Sister Company within the group	Financing	-	-	41,734
Aqaba for Chemical Storage	Associate Company	Financing	570,708	667,546	668,116
Al Nahdah for Trading Services	Sister Company within the group	Expenses	-	-	5,380
Al Shams for General Investment	Sister Company within the group	Financing	13,941	140,969	194
Other	Sister Company within the group	Expenses	66,171	84,664	34,570
Total			682,204	1,512,552	1,796,725
Less: Provision for expected credit loss *			(38,660)	(38,660)	-
Net due from related party			643,544	1,473,892	1,796,725

* The movement on provision for expected credit loss during the year is as follow:

	2019	2018	January 1, 2018
Beginning balance	38,660	-	-
The Impact of IFRS (9) Implementation	-	38,660	-
Adjusted beginning balance	38,660	38,660	-
Ending Balance	38,660	38,660	-

b. Due to related parties at the end of the year

	Nature of Relationship	Nature of Transaction	December 31, 2019	December 31, 2018	January 1, 2018
			JD	JD	JD
<u>Long-Term</u>					
Al Maha Real Estate Development Company **	Associate Company	Financing	3,944,707	-	-
Partner Current Account -Ahmad Helmi Armoush	Shareholder	Financing	203,085	1,015,950	274,065
<u>Short-Term</u>					
Jordanian Academy for Marine Studies	Associate Company	Expenses	2,909	1,692	1,386
Jordanian National Line for Ships Operating Company	Associate Company	Financing	397,115	389,706	353,979
Marine Lines for Storage and Port Services Company	Associate Company	Financing	292,936	298,497	300,048
Jordanian National Shipping Lines Company	Associate Company	Financing	2,993	7,482	3,667
Al Madar Al Watani for Transportation and Trade Services Company	Sister Company within the group	Expenses	-	-	105,517
CMA CGM Company	Sister Company within the group	Expenses	45,487	45,336	664,851
Maset Al Aqaba Ships Building Company	Associate Company	Financing	194,228	199,789	201,568
Jordan – Dubai for Properties Company	Partner in an Subsidiary Company	Financing	442,000	472,000	532,000
Al- Shams General Investments Company	Sister Company within the group	Financing	-	-	39,998
Petra Navigation and General Trading Company	Sister Company within the group	Expenses	35,613	72,878	709,248
Armoush Company for Touristic Investments	Sister Company within the group	Expenses	51,609	26,998	-
Sea Star for Shipping and Logistics' Company	Associate Company	Financing	10,326	12,628	16,431
Mada'en Aqaba for Investment and Real Estate Development Company	Acquired by a shareholder	Financing	1,262,711	-	-
Others	Sister Company within the group	Expenses	70,503	76,387	55,957
Total			2,808,430	1,603,393	2,984,650

- The above accounts are non - interest bearing and have no repayment schedule.

** The full shares were purchased and owned for the four companies from the associate company "Al-Maha Real Estate Development Company" at an amount of JD 4,019,364, in the future the company's capital will be decreased in the amount mentioned above.

- The value of the paid logistics consultations for Petra Navigation and Trading Company (sister company within the group) amounted to JD 172,204 for the year 2019 (JD 69,456 for the year 2018).

- Lease revenue from the Marine Communities for Real Estate Investment and Development Company (associate company) reached JD 41,905 for the year 2019.

- The transportation revenue from CMA CGM (sister company) reached JD 195,000 for the year 2019 (238,994 JD for the year 2018).

- The supervision and follow-up revenues from Sea Star for Shipping and Logistics' Company (associate company) amounted to JD 36,000 as of December 31, 2019 (60,000 JD as of December 31, 2018).

- The supervision and follow-up revenue from the Jordanian National Lines Ship Operation Company (associate Company) reached JD 24,000 as of December 31, 2019 and 2018.

- According to the Board of Directors meeting held on January 8, 2018, It was approved that Salam International Transport and Trading company (the parent company) shall enter as a partner in Amman Days for real Estate Development (Associate company) with a total percentage of 40% against transferring the contracts of Farah International for Food Services company (subsidiary company) to Amman Days for Real Estate Development company (Associate company), under a condition that Salam International Transport and Trading Company (the parent company) shall pay an amount of JD 150 thousands to Farah International for Food Services company (subsidiary company) as a compensation for the waiver of the contracts by which the projects fair value amounted to JD 388 thousands. Note (33).

In accordance with the decision of the extraordinary general assembly of Jordanian Marine Real Estate Investment Complex Company at its meeting on December 19, 2019, It was agreed to amortize the accumulated losses of the company from the accounts payable to the shareholders, each according to his share.

Executive management's salaries and remunerations

Executive management's salaries amounted to JD 88,755 for the year ended December 31, 2019 (JD 117,960 for the year ended December 31, 2018).

25. Subscribed and Paid-up Capital Issuance Discount

The authorized and paid-in capital reached JD 18 million, and the shares discount amounted to JD 1,349,998 as of December 31, 2019 and 2018.

26. Legal Reserves

The details of the reserve as of December 31, 2019 and 2018 are as follows:

a. Statutory Reserve

The accumulated balances in this account represent appropriations from profit before tax at 10% during previous years according to the Jordanian Companies Law.

b. Voluntary Reserve

The accumulated balances in this account represent appropriations from profit before tax at a maximum of 20% during previous years. The voluntary reserve can be used for the purposes decided by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to distribute it as dividends to shareholders, in part or in full.

27. Dividends

The Company has not declared any dividends for the years 2019 and 2018.

28. Financial Assets at Fair Value Revaluation Reserve

This item consists of the following:

	December 31,		January 1,
	2019	2018	2018
	JD	JD	JD
Balance - beginning of the year	(212,192)	(151,214)	(143,453)
Unrealized (loss)	(85,221)	(60,978)	(7,761)
Balance at the End of the Year	(297,413)	(212,192)	(151,214)

29. (Accumulated Losses)

This item consists of the following:

	December 31,		January 1,
	2019	2018	2018
	JD	(Restated)	(Restated)
	JD	JD	JD
Balance - beginning of the year	(1,953,666)	(2,039,596)	(1,394,796)
Prior years' adjustments - Note (41)	-	-	(644,800)
Adjusted beginning balance	(1,953,666)	(2,039,596)	(2,039,596)
The impact of IFRS 9 implementation	-	(438,325)	-
Adjusted beginning balance after the impact of IFRS 9 implementation	(1,953,666)	(2,477,921)	(2,039,596)
Profit for the year - Shareholders	1,230,523	612,820	-
Transferred to statutory reserve	(127,647)	(88,565)	-
Balance at the End of the Year	(850,790)	(1,953,666)	(2,039,596)

30. Revenue

This item consists of the following:

	2019	2018
	JD	JD
Sales of residential units	158,500	-
Projects revenue	19,226	366,027
Rented buildings revenue	619,234	650,135
Restaurants and cafeteria revenue	3,162,161	2,764,993
Transportation and supervision revenue	521,853	778,614
	4,480,974	4,559,769

31. Cost of Revenue

This item consists of the following:

	2019	2018
	JD	JD
Cost of residential units	194,471	-
Projects cost	17,694	290,138
Rented buildings cost	213,569	232,230
Cost of sale of restaurants and cafeteria	2,782,969	2,527,506
Transportations cost	104,706	605,472
	3,313,409	3,655,346

32. General and Administrative Expenses

This item consists of the following:

	2019	2018
	JD	JD
Salaries, wages and bonuses	325,689	325,101
Social security contribution	28,132	36,587
Medical insurance	23,352	20,088
Rent	113,831	155,514
Management depreciations	45,545	61,986
Telephone, postage and internet	14,398	17,734
Travel and transportation	12,792	21,708
Professional fees	141,690	112,022
Hospitality	4,057	2,791
Subscriptions, stamps and governmental fees	47,091	74,117
Computer expenses	2,583	3,389
Maintenance	2,440	1,401
Stationery and printing	9,082	3,918
Advertising	333	1,214
Bank charges	5,017	4,452
Training and courses	402	2,200
Board of Directors' remunerations	23,232	23,074
Water and electricity	3,727	5,137
Other	48,292	58,074
	851,685	507,930

33. Other Income - Net

This item consists of the following:

	2019	2018
	JD	JD
Revenue from transfer contract-Note (24)	-	372,000
Revenue from management and supervision *	24,000	24,000
Revenue from sale of shares	2,376	38,256
Results of arbitration **	-	(432,870)
Other income - net	57,890	40,352
	84,266	41,738

* This item represents revenue from management and supervision from associate companies' note (24).

** The differences resulting from the amounts claimed and the amounts that were judged regarding to the case of the General Organization for Housing and Urban Development for a decent housing project for decent living, where during the third quarter of the year 2018 the decision of the arbitration committee was issued with an amount less than the claimed.

34. Earnings per Share for the Year Attributable to the Company's Shareholders

	For the Year Ended December 31,	
	2019	2018 (Restated)
	JD	JD
<u>From continuing operations</u>		
Profit for the year attributable to the shareholders of the Company	1,233,400	637,168
Weighted average number of shares	18,000,000	18,000,000
Earnings per share for the year attributable to the Company's Shareholders	JD/Share 0.069	JD/Share 0.035

	For the Year Ended December 31,	
	2019	2018 (Restated)
	JD	JD
<u>From continuing and discontinued operations</u>		
Profit for the year attributable to the shareholders of the Company	1,230,523	612,820
Weighted average number of shares	18,000,000	18,000,000
Earnings per share for the year attributable to the Company's Shareholders	JD/Share 0.068	JD/Share 0.034

35. Lawsuits against the Company

There are cases filed against the subsidiary company (Al Ibtikar for Land Transport) for a total amount of JD 193,765 while the lawsuits provision against it reached to JD 25,000 as of December 31, 2019. One of these cases amounted to JD 179,581 based on the cassation list provided to the court of cassation by the Company regarding the decision that was issued by the court of appeal, which was revoked by the court of cassation and the case was returned to the court of appeal. And according to the Company's legal advisor opinion the outcome of this revoke decision will increase the likelihood of the Company's legal position to become a good position, which could increase the possibility to achieve results that could return the case if the court of appeal decided to make a new valuation from three appraisers. According to the Company's management opinion there is no need to book additional provision for this case at all. It worth noting that the company has filled an independent lawsuit against this same party in Amman court of first instance for claim amounted to JD 352,828 the case is still pending in the court.

36. Contingent Liabilities

The Company had contingent liabilities as of the date of the consolidated financial statements as follows:

	December 31,	
	2019	2018
	JD	JD
Letters of guarantees	21,675	21,675

37. Segmental Distribution

a. The following is information on the Company's business segments distributed according to activities:

	Projects and Investments JD	Real Estate and Construction JD	Services JD	Transportation JD	December 31,	
					2019 JD	2018 (Restated) JD
Gross revenue	636,205	488,644	3,162,161	193,964	4,480,974	4,559,769
Less: Cost of revenue	(97,852)	(352,527)	(2,782,969)	(80,061)	(3,313,409)	(3,655,346)
Gross Profit	538,353	136,117	379,192	113,903	1,167,565	904,423
Less: Expenses allocated to segments						
General and administrative expenses	(335,298)	(256,857)	(184,534)	(74,996)	(851,685)	(930,507)
Marketing expenses	-	(23,285)	-	-	(23,285)	(49,852)
Profit (loss) from Operations	203,055	(144,025)	194,658	38,907	292,595	(75,936)
Gains on investments and other	1,139,079	37,769	132,028	-	1,308,876	1,124,047
Expected credit losses	-	(286,119)	-	-	(286,119)	(210,500)
Cost of borrowing	(156,647)	(66,014)	-	(11,436)	(234,097)	(479,222)
Profit (loss) for the Year before tax	1,185,487	(458,389)	326,686	27,471	1,081,255	358,389
Less: Income tax for the year	(15,000)	(6,739)	(11,005)	-	(32,744)	(72,217)
Income tax for the prior year	-	(5,566)	-	-	(5,566)	(208,976)
Profit (loss) for the Continuing Operations	1,170,487	(470,694)	315,681	27,471	1,042,945	77,196
Net (Loss) for the Year Discontinued Operations	-	(2,877)	-	-	(2,877)	(20,348)
profit for the Year	1,170,487	(473,571)	315,681	27,471	1,040,068	56,848
					January 1,	
					2019 JD	2018 (Restated) JD
Segment Assets	13,601,803	17,097,758	1,590,174	142,530	32,432,265	29,347,332
	13,601,803	17,097,758	1,590,174	142,530	32,432,265	29,347,332
Segment Liabilities	2,860,852	7,372,075	338,183	479,652	11,050,762	8,176,254
	2,860,852	7,372,075	338,183	479,652	11,050,762	8,176,254

b. The following is information on the Company's business segments based on geographical distribution:
All of the companies are based inside the kingdom except as shown in the table below:

Company's Name	Geographical Area	For the Year Ended December 31, 2019		December 31, 2019	
		Revenue JD	Expenses JD	Assets JD	Liabilities JD
Maset Al - Salam Company - Sudan "Associate Company"	Sudan	-	-	-	-
Payments on the account of acquiring investment in companies - net*	Sudan	-	-	-	-
Company's Name	Geographical Area	For the Year Ended December 31, 2018		December 31, 2018	
		Revenue JD	Expenses JD	Assets JD	Liabilities JD
Maset Al - Salam Company - Sudan "Associate Company"	Sudan	-	-	140,184	-
Payments on the account of acquiring investment in companies - net*	Sudan	-	-	150,494	-

* On February 3rd, 2020 Al Salam International for Transport and Trading Company Board of Directors approved to close of the investment in Maset Al - Sudan account, with a total amount of JD 140,184. In addition they also approved the close of advance payments for acquiring investment in companies account, amounted to JD 150,494 as of December 31, 2019.

38. Fair Value Hierarchy

a. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Company are evaluated at fair value at the end of each fiscal period. Moreover, the following table shows information on how the fair value of these financial assets and liabilities is determined (valuation methods and inputs used).

	Fair Value		Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	2019	2018				
	JD	JD				
Financial Assets						
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Companies' shares	8,852	10,004	Level I	Quoted Shares	N/A	N/A
Total	8,852	10,004				
Financial assets at fair value through comprehensive income						
Quoted shares	282,471	291,190	Level I	Quoted Shares	N/A	N/A
Unquoted shares	362,000	322,000	Level II	Compared with the market value of a similar instrument	N/A	N/A
Total	644,471	613,190				
Total Financial Assets at Fair Value	653,323	623,194				

There were no transfers between Level I and Level II during the year 2019.

b. The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

Except for what is mentioned in the table below, we believe that the carrying amount of the financial assets and liabilities shown in the consolidated financial statements of the Company approximate their fair value. Moreover, the Company's management believes that the book value of the items is equivalent to their fair value. That is, they will be due on a short-term basis, and interest rates will be repriced during the year.

	December 31, 2019		December 31, 2018		The Level of
	Book Value	Fair Value	Book Value	Fair Value	
Financial Assets with no fair value	JD	JD	JD	JD	JD
Real estate investments	4,681,579	7,772,550	4,753,573	7,772,550	Through real estate evaluators
Total Financial Assets with No Fair Value	<u>4,681,579</u>	<u>7,772,550</u>	<u>4,753,573</u>	<u>7,772,550</u>	
Financial Liabilities with No Fair Value					
Loans	1,259,198	1,410,986	2,083,392	2,323,767	Level II
Total Financial Liabilities with No Fair Value	<u>1,259,198</u>	<u>1,410,986</u>	<u>2,083,392</u>	<u>2,323,767</u>	

For the items mentioned above, the fair value of financial assets and financial liabilities was determined for the second and third levels, in accordance with agreed-upon pricing forms, and reflects the credit risk of the parties that the Company deals with.

39. Losing Control of a Subsidiary Company and Discontinued operation

According to Mada'en Al Noor Investment and Real Estate Development Company's Board Of Directors second meeting (a subsidiary company) and the third for the year 2019 held on October 1, 2019, and after reviewing the minutes of the Board of Directors meeting of Al Salam International Transport and Trading Company held on September 18, 2019 and its intention to sell the investment of Mada'en Al Noor Investment and Real Estate Development Company in Mada'en Aqaba for investment and real estate development. The intention was approved and the necessary measures were taken for this process. Moreover, the committee has reviewed the financial position as of June 30, 2019 of Mada'en Aqaba Company for Real Estate Investment and Development, it was approved to sell the investment in the net book value as follows:

- A. Selling the shares of Mada'en Al Noor Real Estate Investment and Development Company of 60%, on the net book value basis of the share, which is JD 0.677, for a total amount of JD 1,015,500, taking to consideration to give the current partner the priority of the purchase in Mada'en Al - Aqaba Investment Real Estate Company (Shareholder in the Parent Company-Related Party) and holds 40% of company's shares and address him in this regard.
- B. The buyer's agreed to keep the debts of Mada'en Al Noor Real Estate Investment and Development Company in the books of Mada'en Al Aqaba Real Estate Investment and Development Company in the current period.

This process has been completed and the investment was transferred to the current partner before the end of 2019.

The following are the most important financial information as on 30 June 2019 for Mada'en Al-Aqaba for Real Estate Investment and Development:

	June 30, 2019 JD	December 31, 2018 JD
<u>Assets</u>		
Property, plant and equipment	2	86,214
Due from related party	1,696,970	1,613,097
Cash on hand and at bank	252	274
Total Assets	1,697,224	1,699,585
<u>Liabilities</u>		
Other credit balances	4,500	4,500
Total Liabilities	4,500	4,500
<u>Shareholder Equity</u>		
Paid up capital	2,500,000	2,500,000
Accumulated (losses)	(807,276)	(804,915)
Total Liabilities and Net Shareholder Equity	1,697,224	1,699,585

The net loss from the discontinued operations for the six months ended 30 June 2019 and 2018 was as follows:

	June 30, 2019 JD	December 31, 2019 JD
<u>Statement of income</u>		
General and administrative expenses	(2,877)	(20,303)
Bank expenses	-	(45)
Loss for the year	(2,877)	(20,348)

40. Risks Management

a. Capital risk management

The Company manages its capital to ensure its continuity as a going concern while maximizing the return to its partners through achieving an optimal balance between debt and equity. Moreover, there has been no change in the Company's policies since the year 2018.

The Company's strategy is to maintain an acceptable debt to owners' equity ratio (calculated by dividing total debt over total owners' equity) where the total debt does not exceed 200%.

The following table shows the total debt in respect to equity as follows:

	December 31,	
	2019	2018
	JD	JD
Total Liabilities	11,050,762	8,176,254
Total Owners' equity	21,381,503	21,171,078
Debt to Equity Ratio	52%	39%

b. Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company's major foreign currency transactions are denominated in Jordanian Dinar and US Dollar.

Currency risk arises from the changes in the foreign currency exchange rates related to foreign currency - denominated payments. As the Jordanian Dinar (the Company's functional currency) is pegged to the US Dollar, management of the Company believes that the foreign currency risk related to the US Dollar is immaterial.

c. Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments. Moreover, the Company manages liquidity risk through maintaining adequate reserves and continuously monitoring forecast and actual cash flows, in addition to matching the maturities of financial assets with those of financial liabilities.

The quick ratio comparing cash and cash at banks balances and accounts receivable, excluding Decent Housing for Decent Living Project balance as of December 31, 2019 and 2018 is as follows:

	December 31,		January 1,
	2019	2018	2018
	JD	(Restated)	(Restated)
	JD	JD	JD
Cash and cash at banks	187,992	646,463	278,463
Checks under collection and notes receivable maturing in one year	96,934	95,099	144,949
Accounts receivable-net	610,822	734,104	874,309
Financial assets at fair value through profit or loss	8,852	10,004	10,866
Due from related parties	643,544	1,473,892	1,796,725
Total	1,548,144	2,959,562	3,105,312
Current Liabilities	(6,461,938)	(6,027,169)	(13,330,009)
(Deficit) in working capital	(4,913,794)	(3,067,607)	(10,224,697)

The Company's liquidity position as December 31, 2019 and 2018 is as follows:

	<u>December 31,</u>		<u>January 1,</u>
	<u>2019</u>	<u>2018</u>	<u>2018</u>
		<u>(Restated)</u>	<u>(Restated)</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>
Current assets	2,408,247	4,430,001	13,579,165
(Less): Current liabilities	(6,461,938)	(6,027,169)	(13,330,009)
(Deficit) in Working Capital	<u>(4,053,691)</u>	<u>(1,597,168)</u>	<u>249,156</u>

Management believes that the liquidity risk is not significant as of the date of the consolidated financial statements, as current liabilities include JD 2,808,430 which are due to related parties- short term as of December 31, 2019 (JD 1,592,934 as of December 31, 2018). As the management plan to face the liquidity deficit is to activate the operational activities of the company and its subsidiaries, bearing in mind that the company's management considers that the obligations to related parties do not constitute a cash burden on the company given that these obligations will be paid either by liquidating some of these companies or through dividends distribution.

The Company estimates the liquidity risk on a monthly basis, based on long-term future projections. Moreover, the Company evaluates capital and financing requirements periodically, and the availability of liquidity depends on the support from the related parties in addition to the banking financings.

d. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. Moreover, the Company has adopted a policy of dealing with only creditworthy counterparties in addition to obtaining sufficient guarantees, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company's financial assets mainly consist of accounts receivable, financial assets at fair value through the consolidated income statement, financial assets at fair value through the consolidated statements of comprehensive income, cash on hand and at banks, and other receivables. Furthermore, trade receivables represent debt due from local customers and employees, and the Company does not follow the policy of obtaining guarantees from them. Consequently, the receivables are not guaranteed. The Company's management believes that the percentage of uncollectible or partially irrecoverable receivables is minimal, as strict credit control and continuous monitoring are maintained on both customer's debt as well as credit limits.

e. Market risk

Market risks are losses resulting from the changes in market prices such as the changes in interest rates, exchange rates, and equity instruments, and consequently, the change in the fair value of the cash flows of the financial instruments inside and outside the consolidated statement of financial position.

f. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Interest rate risk arises from the changes in the value of a financial instrument as a result of changes in market interest rates. Moreover, the sensitivity analysis below has been determined based on the exposure to interest rates for bank borrowings at the consolidated statement of financial position date. The analysis is prepared assuming that the amount of liability outstanding at the statement of financial position date has been outstanding for the whole year. A 0.5% increase or decrease is used:

	<u>+0.5%</u>	<u>-0.5%</u>
	<u>JD</u>	<u>JD</u>
Outstanding credit facilities -(loss)/profit	(9,100)	9,100
	<u>(9,100)</u>	<u>9,100</u>

The Company manages its interest rate exposure on a dynamic basis. Various scenarios are assessed such as refinancing, renewal of existing positions, and alternative financing.

41. The Impact of Previous Years' Adjustments

During the year ended December 31, 2019, the Company have adjusted the retrospectively the comparative figures as a result of accounting errors from prior years which was modified according to International Accounting Standard No. (8) - accounting policies, changes in estimates and errors, as the Company did not reflect its actual share in some associates companies from previous years, moreover the Company adjusted its share of the profits from the associates companies as a result of accounting errors from prior years. In addition, the Company has adjusted the tax provision for the prior years as a result of settlements with the Income and Sales Tax Department and reverse some of the claims, investments and payments in the provision as a result of not reaching for a settlements and obtaining official documents to prove the Company's eligibility to these amounts. The Company has also adjusted the recoverable value of a project under construction, as the recoverable value is less than the value recorded in the records.

- The impact of the modifications shown is as follows:

Adjusting items related to 2018

	December 31, 2018		
	Balance before adjustment	Effect of adjustment	Adjusted Balance
	JD	JD	JD
<u>Statement of financial position</u>			
<u>Assets</u>			
Accounts receivable - Decent Housing for Decent Living project	614,625	(208,000)	406,625
Checks under collection and notes receivable maturing in one year	401,741	(306,642)	95,099
Other debit balances	422,088	(121,852)	300,236
Investments in associates	13,541,063	(8,286)	13,532,777
Projects under construction	2,373,881	(475,915)	1,897,966
Advance payments for investments in companies	150,494	(150,494)	-
<u>Liabilities</u>			
Accounts payable	1,844,289	(196,779)	1,647,510
Deferred checks and notes payable - short term	717,007	(306,642)	410,365
Income tax provision	70,369	153,825	224,194

	December 31, 2018		
	Balance before adjustment	Effect of adjustment	Adjusted Balance
	JD	JD	JD
<u>Statement of profit or loss</u>			
General and administrative expenses	948,355	(17,848)	930,507
Company's share of associated companies' profits	983,675	99,500	1,083,175
Provision for expected credit losses	-	210,500	210,500
Other income - Net	36,738	5,000	41,738
Income tax expense from prior year	55,151	153,825	208,976
Net (Loss) for the year from discontinued operations	-	20,348	20,348
<u>Statement of change in partners equity</u>			
(Accumulated losses)	(1,162,955)	(790,711)	(1,953,666)
Non-controlling interests	4,710,714	(130,883)	4,579,831

Processing items related to before 2018

	January 1, 2018		
	(Adjusted) Balance at the beginning of the year, as previously shown	Effect of adjustment	The Balance at the beginning of the year after the adjustment
	JD	JD	JD
<u>Statement of financial position</u>			
<u>Assets</u>			
Checks under collection and notes receivable maturing during the year	451,591	(306,642)	144,949
Other debit balances	611,342	(121,854)	489,488
Investments in associates	12,618,590	(107,786)	12,510,804
Advance payments for investments in companies	150,494	(150,494)	-
Projects under construction	2,369,914	(475,915)	1,893,999
<u>Liabilities</u>			
Account Payable	4,751,234	(196,779)	4,554,455
Deferred checks and notes payable - short term	432,985	(306,642)	126,343
Other credit balances	2,737,852	56,771	2,794,623
<u>Statement partners equity</u>			
(Accumulated losses)	(1,394,796)	(644,800)	(2,039,596)
The rights of the non-controlling	5,103,933	(71,241)	5,032,692

42. Subsequent events

The existence of novel coronavirus (COVID-19) was confirmed in early 2020 and has spread across around the globe, causing disruptions to businesses and economic activity. The Group considers this outbreak to be a non-adjusting post balance sheet event and therefore has not made any adjustments to the financial statements as a result of this matter.

As the situation is fluid and rapidly evolving, Management do not consider it practicable to provide a quantitative estimate of the potential impact of this outbreak on the Group. However, Management will continue to monitor the situation closely and will assess impact on the estimates for expected credit loss model, valuation of equity investments, valuation of investment properties, impairment of investment in associate, valuation of projects under construction and going concern on its consolidated financial statements in future period.