



SALAM INTERNATIONAL  
TRANSPORT & TRADING CO. PLC

## السلام الدولية للنقل والتجارة شركة مساهمة عامة

إشارتنا رقم : 2020/223  
التاريخ: 2020/ 8 /11

السادة/ بورصة عمان المحترمين

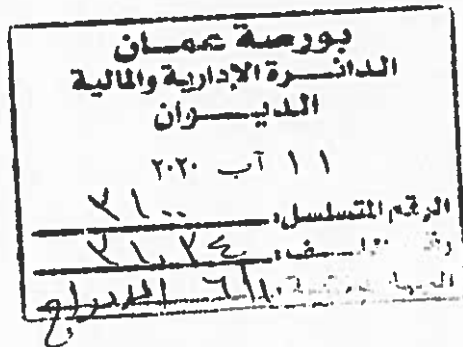
تحية طيبة وبعد ,

مرفق طيه البيانات المالية عن الفترة كما في 2020/3/31 باللغة الانجليزية.

وتفضلوا بقبول فائق الاحترام.....

رئيس مجلس الإدارة

الدكتور محمد أبو حمور



Acc223/2020

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

CONSOLIDATED CONDENSED  
INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD ENDED  
MARCH 31, 2020

SALAM INTERNATIONAL TRANSPORT  
AND TRADING COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AQABA – JORDAN  
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION  
AND INDEPENDENT AUDITOR'S REVIEW REPORT FOR THE THREE MONTHS ENDED  
MARCH 31, 2020

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Review Report	1 – 2
Consolidated Condensed Interim Statement of Financial Position	3
Consolidated Condensed Interim Statement of Profit or Loss	4
Consolidated Condensed Interim Statement of Profit or Loss and Other Comprehensive Income	5
Consolidated Condensed Interim Statement of Changes in Owners' Equity	6
Consolidated Condensed Interim Statement of Cash Flows	7
Notes to the Consolidated Condensed Interim Financial Information	8 – 27



Deloitte & Touche (M.E.)  
Jabal Amman, 5<sup>th</sup> Circle  
190 Zahran Street  
Amman, P.O. Box 248  
Jordan

Tel: +962 (0) 6 550 2200  
Fax: +962 (0) 6 550 2210  
[www.deloitte.com](http://www.deloitte.com)

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

AM \ 000744

To the Chairman and Members of the Board of Directors of  
Salam International Transport and Trading Company  
Public Shareholding Limited Company  
Aqaba – The Hashemite Kingdom of Jordan

### **Introduction**

We have reviewed the accompanying consolidated condensed interim statement of financial position of Salam International Transport and Trading Company (a Public Shareholding Limited Company) as of March 31, 2020 and the related consolidated condensed interim statements of profit or loss and consolidated condensed interim statements of comprehensive income for the three months period ended March 31, 2020, and the consolidated condensed interim statements of changes in equity and cash flows for the nine months period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard (34) Interim Financial Reporting. Our responsibility is to express an opinion on these consolidated condensed interim financial information based on our review.

### **Scope of Review**

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

## Conclusion

Based on our review above, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed interim financial information is not fairly presented, in all material respects, the consolidated condensed interim financial position of Al Salam International Transport and Trading Company (Public Shareholding Limited Company) as of March 31, 2020 and its consolidated condensed interim financial performance and its consolidated condensed interim cash flows for the period then ended in accordance with International Accounting Standard (34) related to the consolidated condensed interim financial reports.

## Emphasis of Matters

We draw attention to the following:

1. Note (8) of the consolidated condensed interim financial information, which describes projects under construction which are not yet completed.
2. Note (9) of the consolidated condensed interim financial information, which describes that advance payments to acquire land for which the ownership has not yet transferred to the Company.

Our conclusion is not modified in respect of this matter.

## Other Matters

The consolidated condensed interim financial information are a translation of the statutory consolidated condensed interim financial information which are in the Arabic language and to which reference should be made.

Amman – Jordan  
August 8, 2020

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)  
ديلويت آند توش (الشرق الأوسط)  
010105



SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AOABA - THE HASHEMITE KINGDOM OF JORDAN  
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2020 (Reviewed not Audited) JD	December 31, 2019 (Audited) JD
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and balances at banks	4	340,875	187,992
Accounts receivable-net	5	938,328	610,822
Due from related parties	10/A	698,775	643,544
Accounts receivable - Decent Housing for Decent Living project		60,000	60,000
Residential units available for sale		325,503	325,503
Checks under collection and notes receivable maturing during the year		83,279	96,934
Financial assets at fair value through profit or loss	17	8,891	8,852
Inventory - net		288,617	232,557
Other debit balances	6	445,547	242,043
<b>Total Current Assets</b>		<b>3,189,815</b>	<b>2,408,247</b>
<b>Non-Current Assets:</b>			
Checks under collection and notes receivable maturing in more than a year		142,679	157,540
Financial assets at fair value through other comprehensive income	A/17	623,573	644,471
Properties investment - net	B/17	4,663,581	4,681,579
Investments in associates	7	14,762,321	14,737,063
Projects under construction	8	2,632,924	2,632,924
Advance payments for land acquisition	9	6,431,223	6,431,223
Property and equipment - net		786,791	739,218
<b>Total Non-Current Assets</b>		<b>30,043,092</b>	<b>30,024,018</b>
<b>TOTAL ASSETS</b>		<b>33,232,907</b>	<b>32,432,265</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Current Liabilities:</b>			
Due to banks	11	606,476	560,829
Accounts payable		2,058,846	1,563,879
Due to related parties - short term	10/B	2,820,391	2,808,430
Loans - short term	12	729,911	818,166
Deferred checks and notes payable - short term		109,924	181,069
Income tax provision	13	62,671	63,521
Other credit balances		851,228	466,044
<b>Total Current Liabilities</b>		<b>7,239,447</b>	<b>6,461,938</b>
<b>Non-Current Liabilities:</b>			
Due to related parties- long term	10/B	3,955,216	3,944,707
Partner Current Account	10/B	111,256	203,085
Long-term Loans	12	420,427	441,032
<b>Total Non-Current Liabilities</b>		<b>4,486,899</b>	<b>4,588,824</b>
<b>Total Liabilities</b>		<b>11,726,346</b>	<b>11,050,762</b>
<b>OWNERS' EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Authorized and Paid-up capital	1, 15	18,000,000	18,000,000
Share discount	15	(1,349,998)	(1,349,998)
Statutory reserve		2,186,726	2,186,726
Voluntary reserve		48,024	48,024
Financial assets at fair value through other comprehensive income revaluation reserve		(316,405)	(297,413)
Accumulated (losses)		(885,592)	(850,790)
Profit for the period		210,197	-
<b>Net Shareholders' Equity</b>		<b>17,892,952</b>	<b>17,736,549</b>
Non-controlling interests		3,613,609	3,644,954
<b>Net Owners' Equity</b>		<b>21,506,561</b>	<b>21,381,503</b>
<b>TOTAL LIABILITIES AND NET OWNERS' EQUITY</b>		<b>33,232,907</b>	<b>32,432,265</b>

H.E. Chairman of the Board of Directors

General Manager

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

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AQABA - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE THREE MONTHS ENDED MARCH 31, 2020

	Note	<u>For the Three Months Ended March 31,</u>	
		<u>2020</u>	<u>2019</u>
		<u>(Reviewed)</u>	<u>(Reviewed)</u>
		JD	JD
Revenue		1,129,171	1,143,579
<u>Less:</u> Cost of revenue		<u>(901,356)</u>	<u>(811,956)</u>
<b>Gross Profit</b>		<b>227,815</b>	<b>331,623</b>
 <u>Less:</u> General and administrative expenses		(207,209)	(253,471)
Marketing expenses		(969)	(12,301)
Borrowing costs		(43,996)	(68,982)
Company's share of associate companies profits	7	166,815	264,801
Gain (losses) from valuation of financial assets at fair value through profit or loss		39	(949)
Other income - net		<u>36,357</u>	<u>23,402</u>
<b>Profit for the Period before Income Tax</b>		<b>178,852</b>	<b>284,123</b>
<u>Less:</u> Income tax for the period	13/b	<u>-</u>	<u>(6,825)</u>
<b>Profit for the Period</b>		<b><u>178,852</u></b>	<b><u>277,298</u></b>
 <b>Attributable to:</b>			
The Company's shareholders		210,197	331,235
Non-controlling interest		<u>(31,345)</u>	<u>(53,937)</u>
<b>Total</b>		<b><u>178,852</u></b>	<b><u>277,298</u></b>
 Earnings per Share for the Period Attributable to the Company's			
Shareholders (Basic & Diluted)	18	<u>0.012</u>	<u>0.018</u>

H.E. Chairman of the Board of Directors

General Manager

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

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

AQABA - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTHS ENDED MARCH 31, 2020

	<u>For the Three Months</u>	
	<u>Ended March 31,</u>	
	<u>2020 (Reviewed)</u>	<u>2019 (Restated)</u>
	JD	JD
Profit for the period	178,852	277,298
<u>Comprehensive Income Items:</u>		
<u>Items not to be subsequently transferred to consolidated condensed interim statement of profit or loss:</u>		
Change in fair value of financial assets at fair value through other Comprehensive Income	<u>(18,992)</u>	<u>(6,178)</u>
Total Comprehensive Income for the Period	<u>159,860</u>	<u>271,120</u>
<u>Total Comprehensive Income for the Period Attributable to:</u>		
Company's shareholders	191,205	325,057
Non- controlling interest	<u>(31,345)</u>	<u>(53,937)</u>
Total	<u>159,860</u>	<u>271,120</u>

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



**SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY**  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AQABA - JORDAN

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2020**

Company's Shareholders' Equity													
Note	Paid-up Capital	Share Discount	Statutory Reserve	Voluntary Reserve	Financial Assets			Accumulated (Losses)			Non-Controlling Interest		
					at Fair Value	Revaluation Reserve	Realized	Unrealized	Total	Profit for the Period	Total	JD	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD		JD	JD	JD
For the Three Months Ended March 31, 2020													
Balance - As of January 1st, 2020 (Audited)	18,000,000	(1,349,998)	2,186,726	48,024	(297,413)	(2,767,399)	(2,767,399)	1,916,609	(850,790)	-	17,736,549	3,644,954	21,381,503
Prior years' adjustment	-	-	-	-	-	(34,802)	(34,802)	-	(34,802)	-	(34,802)	-	(34,802)
Adjusted balance - beginning of the year	18,000,000	(1,349,998)	2,186,726	48,024	(297,413)	(2,802,201)	(2,802,201)	1,916,609	(885,592)	-	17,701,747	3,644,954	21,346,701
Total Comprehensive Income For the Period	-	-	-	-	(18,992)	-	-	-	(18,992)	210,197	191,205	(31,345)	159,860
Balance - End of the Period (Reviewed)	<u>18,000,000</u>	<u>(1,349,998)</u>	<u>2,186,726</u>	<u>48,024</u>	<u>(316,405)</u>	<u>(2,802,201)</u>	<u>(2,802,201)</u>	<u>1,916,609</u>	<u>(885,592)</u>	<u>210,197</u>	<u>17,892,952</u>	<u>3,613,609</u>	<u>21,506,561</u>
For the Three Months Ended March 31, 2019 (Restated)													
Balance - As of January 1st, 2019	18,000,000	(1,349,998)	2,059,079	48,024	(212,192)	(3,079,564)	(3,079,564)	1,916,609	(1,162,955)	-	17,381,958	4,710,714	22,092,672
Prior years' adjustment	-	-	-	-	-	(790,711)	(790,711)	-	(790,711)	-	(790,711)	(130,883)	(921,594)
Adjusted balance - beginning of the year	18,000,000	(1,349,998)	2,059,079	48,024	(212,192)	(3,870,275)	(3,870,275)	1,916,609	(1,953,666)	-	16,591,247	4,579,831	21,171,078
Total Comprehensive Income For the Period	-	-	-	-	(6,178)	-	-	-	-	331,235	325,057	(53,937)	271,120
Balance - End of the Period (Reviewed) - Restated	<u>18,000,000</u>	<u>(1,349,998)</u>	<u>2,059,079</u>	<u>48,024</u>	<u>(218,370)</u>	<u>(3,870,275)</u>	<u>(3,870,275)</u>	<u>1,916,609</u>	<u>(1,953,666)</u>	<u>331,235</u>	<u>16,916,304</u>	<u>4,525,894</u>	<u>21,442,198</u>

- An amount equivalent to the negative balance of financial assets revaluation reserve is restricted from retained earnings according to the Jordanian Securities Exchange Commission's Instructions.

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

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

		For the Three Months Ended March 31,	
	Note	2020 (Reviewed)	2019 (Restated)
		JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit for the period before income tax		178,852	284,123
<b>Adjustments:</b>			
Property and equipment and Investment properties depreciation		31,276	16,478
Company's share of associate companies (profits)	7	(166,815)	(264,801)
(Gain) loss from valuation of financial assets at fair value through profit or loss		(39)	949
Borrowing costs		43,996	68,982
<b>Net Cash flow from (used in) Operating Activities before Changes in Working Capital</b>		<b>87,270</b>	<b>105,731</b>
(Increase) in accounts receivable		(340,831)	(125,049)
(Increase) decrease in checks under collection and notes receivable		28,516	(130,095)
(Increase) in inventory		(56,060)	(8,761)
(Increase) in other debit balances		(238,306)	(138,151)
(Increase) in accounts payable		476,760	86,058
Increase in other credit balances		385,184	343,967
<b>Net Cash Flows from Operating Activities before Income Tax Paid</b>		<b>342,533</b>	<b>133,700</b>
Income tax paid	13/A	(850)	(20,164)
<b>Net Cash Flows from Operating Activities</b>		<b>341,683</b>	<b>113,536</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Net (increase) decrease in investments in associates		(25,258)	239,011
Decrease accounts receivable - Decent Housing for Decent Living project		-	60,000
Sales of residential units available for sale		-	48,612
Net change in property and equipment		47,573	-
<b>Net Cash Flows from Investing Activities</b>		<b>22,315</b>	<b>347,623</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Borrowing cost settlements		(43,996)	(68,982)
(Decrease) in deferred checks and notes payable		(71,145)	(101,350)
(Increase) in due from/to related parties		(43,270)	(626,470)
Increase in due to related parties - long term		10,509	-
Increase in due to banks		45,647	39,770
(Loans paid)		(108,860)	(244,752)
<b>Net Cash flows (used in) Financing Activities</b>		<b>(211,115)</b>	<b>(1,001,784)</b>
Net Increase (Decrease) in Cash		152,883	(540,625)
Cash on hand and at banks - beginning of the year		187,992	646,463
<b>Cash on Hand and at Banks - End of the Period</b>	4	<b>340,875</b>	<b>105,838</b>
<b>Non-Cash Transactions</b>			
(Decrease) in shareholder's current account from related parties		-	(247,232)
Loss on disposal of property and equipment from related parties		-	110,393
(Increase) in projects under constructions		-	(734,957)
(Increase) in advance payment for land acquisition		-	(3,284,405)
Other income		18,207	-
(Decrease) in account payable		(18,207)	-

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

SALAM INTERNATIONAL TRANSPORT AND  
TRADING COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

**1. Incorporation and Activities**

- 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 15,000,000, 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 – 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.

**2. Basis of Preparation**

- The accompanying consolidated condensed interim financial information have been prepared in accordance with International Accounting Standard (IAS) 34 " Condensed Interim Financial Reporting".
- The consolidated condensed interim financial information are prepared in accordance with the historical cost principle, except for certain financial assets which are stated at fair value through profit or loss and financial assets stated at fair value through other comprehensive income as of the date of the consolidated condensed interim financial information. Furthermore, hedged financial assets and financial liabilities are also stated at fair value.



- The reporting currency of the consolidated condensed interim financial information is the Jordanian Dinar, which is the functional currency of the Company.
- The accompanying consolidated condensed interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and should be read with the annual report of the Company as of December 31, 2019. In addition, the results of the Company's operations for the month ended March 31, 2020 do not necessarily represent indications of the expected results for the year ending December 31, 2020, and do not contain the appropriation of the profit of the months period ended March 31, 2020, which is usually performed at the financial year-end.

#### Judgments, estimates and risk management

The preparation of consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments adopted by management in applying the Company's accounting policies and the main sources of uncertainty in the estimation are the same as those applied to the Company's annual financial statements for the year ended December 31, 2019, except as noted in note (3).

We believe that our used estimates for the preparation of the interim condensed consolidated financial information are reasonable and consistent with the estimates approved for the preparation of the consolidated financial statements for the year 2019, except for the following:

The occurrence of the outbreak of the Corona virus (COVID-19) at the beginning of the year 2020 and its spread in several geographical regions around the world has caused disturbances to economic activities and businesses, and this event is witnessing continuous and rapid developments, which requires the group management to conduct an assessment of the expected effects on the group's business, and conducting a study to review and evaluate potential risks in the interim consolidated financial information as of March 31, 2020, based on the foregoing, the group has taken the following measures to contain the crisis as follows:

- a. The group has formed a Business continuity planning includes the following:
  - Providing alternative locations to distribute the employees on, in order to ensure continuity of work and to maintain social separation among employees.
  - Activate working remotely feature for sensitive jobs in order to ensure the continuity of providing service to customers through electronic channels.
  - Maintaining the safety of all employees and clients, through taking all procedures related to the sterilization of branches and workplaces.

- b. In terms of monitoring the impact of the COVID-19 crisis on the group's business results, the management has updated the forward-looking assumptions used in calculation of expected credit losses provision.
- c. As for monitoring the impact of the COVID-19 crisis on the group's liquidity levels, the group's management took into consideration all scenarios related to stressful situations that enables it to respond to market conditions and economy developments.

#### **Basis of Consolidated Financial Information**

- The consolidated condensed interim financial information of the Company and its subsidiaries under its control, 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.
- All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.
- The subsidiaries financial information 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 income 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 income 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 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.

Control is achieved when the Company:

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

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



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

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

When the Company loses control of 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 income statement.
- Reclassifies owners equity already booked in other comprehensive income to the profit or loss statement as appropriate.

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

- The Company owns the following subsidiary companies as of March 31, 2020:

Company's Name	Paid-up Capital JD	Ownership Percentage %	Nature of Activity	Place of Work	Date of Ownership	As of March 31, 2020			For the Three months ended March 31, 2020	
						Total Assets JD	Total Liabilities JD	Total Revenue JD	Total Expenses JD	
Farah International Catering Service Company	1,000,000	100	Trading	Jordan	September 21, 1992	2,699,899	890,698	828,382	863,251	
Golden State For Commercial Services Company	204,874	100	Trading	Jordan	September 4, 2005	219,642	5,754	-	653	
Mada'en Al - Noor Investment and Real Estate Development	6,000,000	75	Real estate	Jordan	September 3, 2004	8,122,786	2,720,969	9,000	49,339	
AI - Ibtikar Land Transportation	2,600,000	70	Transportation	Jordan	March 9, 2005	420,118	647,461	18,207	31,873	
Afaq Supply and Storage Company	500,000	90	Supply & storage	Jordan	February 18, 2008	1,219,823	831,930	23,676	818	
Amman River Transport and Supply Company	1,000	100	Trading	Jordan	August 31, 2008	2,851	16,642	-	13,412	
Mada'en Al - Bahr Investment and Real Estate Development	1,000,000	100	Trading	Jordan	September 5, 2010	1,407,761	1,160,209	-	18,985	
Technical for Construction and Real Estate Services	1,000,000	98.75	Real estate	Jordan	September 1, 1992	4,570,042	1,578,048	67,767	28,323	
Mada'en Al - Shorouq Investment Real Estate Company	6,660,000	69.99	Real estate	Jordan	November 20, 2006	12,220,290	4,980,630	-	31,622	
Mada'en Al - Salam Construction Company	250,000	80	Real estate	Jordan	May 15, 2006	311,041	300	-	666	
Zain AL Maha Al Ordouni Real Estate Development Company *	544,192	100	Real estate	Jordan	January 30, 2019	544,192	775	-	525	
Maha Al Sharq Real Estate Investment & Development Company *	1,709,608	100	Real estate	Jordan	January 30, 2019	1,709,608	685	-	435	
Al Maha Al Arabi Real Estate Investment & Development Company *	715,150	100	Real estate	Jordan	January 30, 2019	715,150	725	-	475	
Ard Al Maha Al Arabi Real Estate Development Company *	1,050,413	100	Real estate	Jordan	January 30, 2019	1,050,413	775	-	525	

- Subsidiaries' result of operations are included in the consolidated statement of profit or losses 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 losses up to the effective date of disposal, which is the date of losing control over the subsidiary.

\* Based on the Board of Directors' decision of Madaen Al Shorouk Investment & Real Estate Development Company dated December 16, 2018 an approval to purchase and own the whole shares of the subsidiaries companies of the associate company "Al Maha Real Estate Development Company", and as follows:

1. Zain AL Maha Al Ordouni Real Estate Development Company with a capital after the addition of JD 544,192 / share.
2. Maha Al Sharq Real Estate Investment & Development Company with a capital after the addition of JD 1,709,608 / share.
3. Al Maha Al Arabi Real Estate Investment & Development Company with a capital after the addition of JD 715,150 / share.
4. Ard Al Maha Al Arabi Real Estate Development Company with a capital after the addition of JD 1,050,414 / share.

During the second quarter of the year 2019, the Company completed the procedures to transfer the ownerships and capital increase of the above mentioned companies.



### **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 condensed interim financial information 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 March 31, 2020, 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
Haqel 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.

\*\* Haqel 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.

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

### **3. Significant Accounting Policies**

The accounting policies adopted in preparing the condensed consolidated interim financial information are consistent with those applied in the year ended December 31, 2019 except for the effect of the adoption of the new and revised standards which are applied on current periods as follow:

#### **a. Amendments to IAS 1 and IAS 8 and related to definition of materiality**

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.



The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

#### Amendments to IFRS 3 and related to definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020,

#### Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC 32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Conceptual Framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020, with early application permitted.

#### **4. Cash on Hand and at Banks**

This item consists of the following:

	<b>March 31, 2020 (Reviewed) JD</b>	<b>December 31, 2019 (Audited) JD</b>
Cash on hand	24,883	33,091
Current accounts at banks	317,941	156,850
Total	342,824	189,941
<u>Less: provision for expected credit loss *</u>	<u>(1,949)</u>	<u>(1,949)</u>
Cash on hand and banks - Net	<u>340,875</u>	<u>187,992</u>

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

	<b>March 31, 2020 (Reviewed) JD</b>	<b>December 31, 2019 (Audited) JD</b>
Balance - beginning of the period / year	1,949	4,311
<u>Less: reversal during the year</u>	<u>-</u>	<u>(2,362)</u>
<b>Balance – End of Period / Year</b>	<b><u>1,949</u></b>	<b><u>1,949</u></b>

## 5. Accounts Receivable - Net

This item consists of the following:

	<b>March 31, 2020 (Reviewed)</b>	<b>December 31, 2019 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Trade receivables	1,041,626	847,288
Employees' receivables	16,483	13,572
Total	1,058,109	860,860
Less: provision for expected credit loss *	(119,781)	(250,038)
<b>Accounts Receivable - Net</b>	<b>938,328</b>	<b>610,822</b>

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

	<b>March 31, 2020 (Reviewed)</b>	<b>December 31, 2019 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Balance - beginning of the period / year	250,038	248,182
Add: Added during the period / year	-	1,856
Less: Written off debts during the period / year **	(130,257)	-
<b>Balance - End of Period / Year</b>	<b>119,781</b>	<b>250,038</b>

- \*\* According to the minutes of the first board of directors meeting of Al Ibtikar Company for Land Transport (a subsidiary) for the year 2020 and its appendix, held on December 19, 2020, it was agreed to write off Mr. Yasser Tafish recivable balance amounting to JD 30,807 through the expected credit losses provision. Moreover, the committee approved to write off the receivables amounting to JD 99,450 through the provision for expected credit losses.

## 6. Other Debit Balances

The item consists of the following:

	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	<b>JD</b>	<b>JD</b>
Prepaid expenses	192,098	24,905
Refundable deposits	67,640	50,844
Guarantees *	117,203	112,429
Income and Sales tax deposit	49,712	49,367
Cheques box	17,278	4,220
Other	1,616	278
	<b>445,547</b>	<b>242,043</b>

- \* The Guarantees balance includes a cash guarantees of JD 110,000 against the overdraft account for a limit of JD 710,000.



## 7. Investment in Associate Companies

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

Company	Nature of Business	Location	Paid-up Capital JD	Distributed Dividends JD	Company's share of the Associate Companies Profit		Ownership Percentage			
					March 31, 2020 (Reviewed)	March 31, 2019 (Reviewed)	March 31, 2020 %	December 31, 2019 %	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
					JD	JD	%	%	JD	JD
Maset Al Aqaba for ships building Company	Navigation	Aqaba	500,000	-	(75)	(249)	50	50	204,079	204,154
Arabian Ships Management Company	Ships Management	Aqaba	149,000	-	17,336	15,200	20	20	193,042	175,706
Marine Lines for Storage and port Services Company	Navigation	Aqaba	350,000	-	(75)	(251)	50	50	314,772	314,847
Jordan National Line for Ships Operation Company	Marine	Aqaba	700,000	-	18,956	10,510	50	50	660,325	641,369
Jordanian Marine Real Estate Investment Complex Company	Real Estate Properties	Aqaba	15,600,000	-	(68,654)	(47,927)	26	26	1,824,362	1,893,016
Jordan National Shipping Lines Company	Marine	Amman	15,000,000	-	148,608	182,274	20.64	20.64	5,330,714	5,182,106
Jordanian Academy for Marine Studies	Education	Amman	2,000,000	162,500	40,100	39,488	25	25	860,590	982,990
Aqaba storing Chemicals Company*	Chemical Storage	Amman	600,000	-	23,676	41,083	15	15	597,550	573,875
Al Maha Real Estate Development Company	Real Estate Properties	Amman	4000,000	-	(24,193)	(3,150)	33.33	33.33	3,977,568	3,980,817
Al Shams Economics Company	Commercial Agencies	Amman	30,000	-	-	-	30	30	7,200	7,200
Sea Star for Shipping and logistics Company	Marine Services	Aqaba	200,000	-	(12,023)	(11,593)	50	50	181,351	193,374
Haqel Al Aqaba for Investment	Real Estate Properties	Aqaba	50,000	-	-	-	33.33	33.33	16,667	16,667
Ayyam Amman Company For Real Estate Improvement	Real Estate Properties	Amman	750,000	-	23,159	39,416	40	40	594,101	570,942
Total Investment in Associate Companies				<b>162,500</b>	<b>166,815</b>	<b>264,801</b>			<b>14,762,321</b>	<b>14,737,063</b>

\* The Company has a significant influence on the operational and administrative decisions of the company.

- The Company's share of associate companies' profits amounted JD 166,815 for the first quarter of the year 2020 (JD 264,801 for the quarter of the year 2019)

## **8. Projects under Construction**

This item consists of the following:

	<b>March 31, 2020 (Reviewed)</b>	<b>December 31, 2019 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Al Shouroq City Project	1,225,162	1,225,162
Dead Sea project	1,657,762	1,657,762
Total	2,882,924	2,882,924
<u>Less: Impairment</u>	(250,000)	(250,000)
	<b><u>2,632,924</u></b>	<b><u>2,632,924</u></b>

- Projects under construction represent total value JD 2,882,924 as of March 31, 2020 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 are erected, for these projects under construction, including the value of the land on which the projects are built exceeds their book value as of March 31, 2020.

## **9. Advance Payments for Land Acquisition**

This item consists of the following:

	<b>March 31, 2020 (Reviewed)</b>	<b>December 31, 2019 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Advance payments on Mada'en Al – Shorouq Investment Real Estate Company contracts*	6,431,223	6,431,223
	<b><u>6,431,223</u></b>	<b><u>6,431,223</u></b>

- \* 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.

# **10. Balances and Transactions with Related Parties**

## **a. Due from related parties during the period / year**

Company Name:	Nature of Relationship	Nature of Transaction	March 31, 2020 JD	December 31, 2019 JD
Jordanian Marine Real Estate Investment Complex Company	Associate Company	Financing	13,716	3,024
Zahret AL Ordoon Clearance Company	Sister Company	Financing	28,360	28,360
Aqaba for Storing Chemical	Associate Company	Financing	575,404	570,708
CMA CGM Company	Sister Company	Expenses	27,665	3,760
Al Shams for General Investment	Sister's Company	Financing	811	13,941
Others			91,479	62,411
Total			737,435	682,204
Less: Provision for expected credit loss *			(38,660)	(38,660)
Due from related parties - net			698,775	643,544

\* The movement on provision expected credit loss during the period / year is as follows:

	March 31, 2020 JD	December 31, 2019 JD
Balance - beginning of the period / year	38,660	38,660
Balance - End of the Period / Year	38,660	38,660

## **b. Due to related parties during the period / year**

Company Name:	Nature of Relationship	Nature of Transaction	March 31, 2020 JD	December 31, 2019 JD
<b>Long term</b>				
Al Maha Real Estate Development Company **	Associate Company	Financing	3,955,216	3,944,707
Partner Current Account -Ahmad Armosh	Shareholder	Financing	111,256	203,085
<b>Short term</b>				
Jordanian Academy for Marine Studies	Associate Company	Expenses	-	2,909
Jordanian National Line for Ships Operating Company	Associate Company	Financing	395,125	397,115
Marine Lines for Storage and Port Services Company	Associate Company	Financing	292,786	292,936
Jordanian National Shipping Lines Company	Associate Company	Financing	-	2,993
CMA CGM Company	Company Owned by a Shareholder	Expenses	-	45,487
Maset Al Aqaba Ships for Building Company	Associate Company	Financing	194,078	194,228
Jordan - Dubai for Properties Company	Partner in a Subsidiary	Financing	432,000	442,000
Sun General Investments Company	Company Owned by a Shareholder	Financing	106,353	-
Petra Navigations Company	Company Owned by a Shareholder	Expenses	67,687	35,613
Armouh Tourist Investment	Company Owned by a Shareholder	Expenses	4,433	51,609
Sea Star for Shipping and Logistics Company	Associate Company	Financing	10,000	10,326
Madaen Aqaba for Investment and Real Estate Development Company	Company Owned by a Shareholder	Financing	1,262,282	1,262,711
Others	Sister Companies within the Group	Expenses	55,647	70,503
Total			2,820,391	2,808,430

- 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 69,875 for the Three months ended March 31, 2020 (JD 51,710 for the Three months ended March 31, 2019).

- The total earnings for Transportation for CMA CGM Company (Sister Company) amounted to JD 26,726 for the Three months ended March 31, 2020 (JD 66,820 for the Three months ended March 31, 2019).

- The total earnings of management and supervision from Sea Star for Shipping and Logistics' Company (Associate Company) is JD 3,000 for the Three months ended March 31, 2020 (JD 15,000 for the Three months ended March 31, 2019).

- The supervision and follow-up revenue from the Jordanian National Lines Ship Operation Company (associate Company) reached JD 6,000 for the Three months ended March 31, 2020 (JD 6,000 for the Three months ended March 31, 2019).

- 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 salaries and remunerations**

Executive management salaries amounted to JD 27,210 for Three months ended March 31, 2020 (JD 27,210 for Three months ended March 31, 2019).

**11. Due to Banks**

This item consists of the following:

	<b>March 31, 2020 (Reviewed)</b>	<b>December 31, 2019 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Overdraft *	606,476	560,829
	<b>606,476</b>	<b>560,829</b>

- \* This item represents direct credit facilities in the form of an overdraft account, granted by several local banks, with a ceiling of JD 710,000 and an interest rate ranging from 7.5 % to 9.5 %. The purpose of the facilities is to finance the normal activities of the Company, and they have been granted against the personal guarantee of Mr. Ahmed Helmi Armoush. Where cash margin guarantees amounted to JD 110,000.



## 12. Bank Loans

This item consists of the following:

Loan Principle	Remaining Installments	Repayment Method	Interest Rate	March 31, 2020 (Reviewed)			December 31, 2019 (Audited)		
				Due Installments	Due during a Year	Total	Due Installments	Due during a Year	Total
JOD			%	JOD	JOD	JOD	JOD	JOD	JOD
Housing Bank for Trade and Finance *	4	Monthly	8	-	502,327	502,327	-	562,168	562,168
Housing Bank for Trade and Finance **	9	Monthly	8	-	65,462	65,462	10,000	60,639	70,639
Ethad Bank ***	2	Monthly	8.75	-	35,192	35,192	25,000	34,000	59,000
Housing Bank for Trade and Finance ****	12	Monthly	8.5	-	71,930	71,930	-	66,359	15,642
Housing Bank for Trade and Finance *****	93	Monthly	7.75	-	55,000	55,000	-	60,000	415,390
				-	729,911	729,911	35,000	783,166	818,166
				-	729,911	729,911	-	420,427	441,032

\* 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 440,000 for the last installment on the loan full repayment, in order to 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.

\*\* 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 till February 1st 2021, where the last installment will be JD 20,000.

\*\*\* The Company was granted a loan from Bank AL-Ethad 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, and the last installment is in May 2020 with an amount of 9,500 including 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 6,000 including the interest.

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

The guarantees against the direct credit facilities mentioned above represent personal guarantee of Mr. Ahmed Helmi Amoush (major shareholder), cash margins and mortgages of listed shares at a market value amounted to JD 1,515,317 as of March 31, 2020.

The movement on the loans as of March 31, 2020 and December 31, 2019 is as follows:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
JOD	JOD	JOD
Balance at the beginning of the year	1,259,198	2,083,392
Loans - Received	-	-
Loans - Paid	(108,850)	(824,194)
Balance at the end of the year	1,150,338	1,259,198



### **13. Income Tax**

#### **a. Income Tax Provision:**

The movement on the income tax provision during the period / year is as follows:

	<b>March 31, 2020 (Reviewed) JD</b>	<b>December 31, 2019 (Audited) JD</b>
Balance beginning of the period / year	63,521	224,194
Provision for the year	-	32,744
Provision no longer needed-subsiary	-	5,566
Income tax paid during the period / year	(850)	(198,983)
<b>Balance - End of the Period / Year</b>	<b>62,671</b>	<b>63,521</b>

#### **b. Income Tax Expense:**

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

	<b>For the Three Months Ended March 31,</b>	
	<b>2020 JD</b>	<b>2019 JD</b>
Income tax expense for the period	-	5,566
Income tax expense for the prior year	-	1,259
<b>Balance - End of the period</b>	<b>-</b>	<b>6,825</b>

#### **c. Income Tax status:**

Salam International Transport and Trading Company (Parent):

##### **a. Aqaba:**

The discussion of the income tax for the year 2018 has been completed by the Income and Sales Tax Department Commission, and submitted its tax returns for the year 2019, and according to the company's management and tax consultant there are no outstanding balances on the Company.

##### **b. Amman:**

The Company has reached a final settlement with the Income and Sales Tax Department up to the end of the year 2018 and submitted its tax returns for the year 2019, and according to the Company's management and the tax consultants there are no outstanding balances on the Company.

##### **Subsidiaries:**

- The following schedule shows the tax situation of each subsidiary:

<b>Company</b>	<b>Tax Returns up to Year</b>	<b>Final Settlement up to Year</b>
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	2019	2015
Al-Ibtikar Land Transportation Company	2019	2017
Afaq Supply and Storage Company	2019	2019
Mada'en Al - Bahr Investment and Real Estate Development Company	2019	2016
Technical for Construction and Real Estate Services Company	2018	2016
Mada'en Al - Shorouq Investment Real Estate Company	2019	2016
Mada'en Al - Salam Construction Company	2019	2015

- In the opinion of management and the Company's 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 condensed interim financial information.

#### **14. Lawsuits**

There are cases filed against the subsidiary company (Al Ibtikar for Land Transport) for a total amount of JD 193,765 while the lawsuit provision against it reached to JD 25,000 as of March 31, 2020. 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.

#### **15. Paid-up Capital and Shares Discount**

The authorized and paid - up capital was amounted to JD 18 million, and the shares discount was amounted to JD 1,349,998 as of March 31, 2020 and December 31, 2019.

16. Segmental Distribution

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

	Projects and Investments	Real Estate and Construction	Services	Transportation	For the Three Months Ended March 31,	
					2020	2019
	JD	JD	JD	JD	JD	JD
Gross revenue	166,485	62,349	828,387	71,950	1,129,171	1,143,579
Less: Cost of revenue	(22,772)	(56,597)	(803,571)	(18,416)	(901,356)	(811,956)
<b>Gross Profit</b>	<b>143,713</b>	<b>5,752</b>	<b>24,816</b>	<b>53,534</b>	<b>227,815</b>	<b>331,623</b>
Less: Expenses allocated to segments						
General and administrative expenses	(74,577)	(67,018)	(40,677)	(24,937)	(207,209)	(253,471)
Marketing expenses	-	(969)	-	-	(969)	(12,301)
<b>Operating Profit</b>	<b>69,136</b>	<b>(62,235)</b>	<b>(15,861)</b>	<b>28,597</b>	<b>19,637</b>	<b>65,851</b>
Profit from investments and other	191,008	(24,193)	-	-	166,815	264,801
Borrowing cost	(30,335)	(11,729)	-	(1,932)	(43,996)	(68,982)
Gains (loss) on revaluation of financial assets at fair value	50	-	(11)	-	39	(949)
Other income - Net	9,000	9,150	-	18,207	36,357	23,402
<b>Profit before tax</b>	<b>238,859</b>	<b>(89,007)</b>	<b>(15,872)</b>	<b>44,872</b>	<b>178,852</b>	<b>284,123</b>
Less: Income tax for the period and previous years	-	-	-	-	-	(6,825)
<b>Profit for the Period</b>	<b>238,859</b>	<b>(89,007)</b>	<b>(15,872)</b>	<b>44,872</b>	<b>178,852</b>	<b>277,298</b>
					March 31, 2020	December 31, 2019
					JD	JD
Total Assets	13,255,589	16,854,450	2,699,899	422,969	33,232,907	32,432,265
Total Liabilities	2,182,100	7,989,445	890,698	664,103	11,726,346	11,050,762

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 (evaluation methods and inputs used).

There were no transfers between Level I and Level II during the ended period March 31, 2020 and 2019.



b. The fair value of 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 condensed interim 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.

	March 31, 2020		December 31, 2019		The Level of
	Book Value	Fair Value	Book Value	Fair Value	
<b>Assets with no fair value</b>	JD	JD	JD	JD	JD
Real estate investments	4,663,581	7,772,550	4,681,579	7,772,550	Level II
<b>Total Assets with no Fair Value</b>	<b>4,663,581</b>	<b>7,772,550</b>	<b>4,681,579</b>	<b>7,772,550</b>	
<b>Financial Liabilities with no Fair Value</b>					
Loans	1,150,338	1,458,576	1,259,198	1,458,576	Level II
<b>Total Financial Liabilities with no Fair Value</b>	<b>1,150,338</b>	<b>1,458,576</b>	<b>1,259,198</b>	<b>1,458,576</b>	

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



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

This item consists of the following:

	For the Three Months Ended March 31,	
	2020 (Reviewed) JD	2019 (Audited) JD
<u>From continuing operations</u>		
Income for the period attributable to the shareholders of the Company	210,197	331,235
Weighted average number of shares	Shares 18,000,000	Shares 18,000,000
Profit per share for the period attributable to the Company's Shareholders	Shares / JD 0.012	Shares / JD 0.018

**19. 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 March 31, 2020 and December 31, 2019 is as follows:

	March 31, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Cash and balances at banks	340,875	187,992
Checks under collection and notes receivable - short term	83,279	96,934
Accounts receivable-net	938,328	610,822
Financial assets at fair value through profit or loss	8,891	8,852
Due from related parties	698,775	643,544
Total	2,070,148	1,548,144
Current Liabilities	(7,239,447)	(6,461,938)
(Deficit) in working capital	(5,169,299)	(4,913,794)

The Company's liquidity position as of the date of the consolidated condensed interim financial information is as follows:

	March 31, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Current assets	3,189,815	2,408,247
<u>Less: Current liabilities</u>	<u>(7,239,447)</u>	<u>(6,461,938)</u>
(Deficit) in Working Capital	(4,049,632)	(4,053,691)

Management believes that the liquidity risk is not significant as of the date of the consolidated financial statements, as current liabilities include JD 2,820,391 which are due to related parties- short term as of March 31, 2020 (JD 2,808,430 as of December 31, 2019). 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.

## **20. Contingent Liabilities:**

The Company has contingent liabilities as of the date of the consolidated condensed interim financial statements as follows:

	<b>March 31, 2020 (Reviewed)</b>	<b>December 31, 2019 (Audited)</b>
	<b>JD</b>	<b>JD</b>
Letter of guarantees	21,675	21,675

## **21. Comparative Figures**

During the year ended December 31, 2019, the company has adjusted accounting errors, as required according to the International Accounting Standard No. (8) - accounting policies, changes in estimates and errors, these errors have been corrected, resulting in retroactive adjustments to the year ended December 31, 2018.

- The impact of the modifications shown is as follows:

### Adjusting items related to 2019:

	<b>December 31, 2019</b>		
	<b>Balance before adjustment</b>	<b>Effect of adjustment</b>	<b>Adjusted Balance</b>
<b>statement of change in partners equity</b> (Accumulated losses)	(850,790)	(34,802)	(885,592)

### Adjusting items related to 2018:

	<b>January 1, 2019</b>		
	<b>Balance before adjustment</b>	<b>Effect of adjustment</b>	<b>Adjusted Balance</b>
<b>statement of change in partners equity</b> (Accumulated losses)	(1,162,955)	(790,711)	(1,953,666)
Non-controlling interests	4,710,714	(130,883)	4,579,831

These adjustments did not have any material impact on the period ending March 31, 2019 and therefore the comparative figures have not been modified.

## **22. Approval of consolidated condensed interim financial information**

The consolidated condensed interim financial information of the Company has been approved by the Company's Board of Directors on July 23<sup>rd</sup>, 2020.