

United Group for Land Transport

Public Shareholding Company

2022

Board of Directors Annual Report
For the year ending on 31 December 2022.

Board of Directors

- Muataz Azmi Al-Qawasmi
Chairman of the Board / Executive Manager
- Wael Azmi Al-Qawasmi
Board Member / Maintenance and Work Manager
- Mazen Azmi Al-Qawasmi
Board Member / General Manager
- Naser Azmi Al-Qawasmi
Vice Chairman / Financial Manager
- Maysoun Azmi Al-Qawasmi
Board Member
- Abeer Azmi Al-Qawasmi
Board Member
- Lina Azmi Al-Qawasmi
Board Member
- Nisreen Azmi Al-Qawasmi
Board Member

Al–Methaq Consulting and Auditing
Public Accountant & Consultants

Chairman of the Board letter & Board Report for the year 2022

Dear shareholders, Greetings, Peace and God's mercy and blessings may be bestowed upon you.

I am honored to meet with you again. I also pleased to present to you a summary of what was achieved during the year 2022:

- 1- Revenues for this year amounted to 4,578,529 JD and administrative and general expenses to 284,638 JD.**
- 2- Profits after tax and allocations amounted to 1,031,605 JD.**
- 3- The company's management has renewed the transportation contract with the Jordanian Indian Fertilizer Company (JIFCO) from 1/1/2023 to 31/12/2023, with the transport rate being adjusted according to the fuel pricing imposed monthly by the Ministry of Trade and Industry.**
- 4- The company has signed a deal with Tawfic Gargour & Sons Company to purchase 15 locomotive heads, with the aim of modernizing the fleet, and it is expected to receive them during 2023.**
- 5- The company also obtained a share of the external transportation tender supplied by the Ministry of Industry, Trade and Supply, expected day of commencement is March 1st 2023.**
- 6- The company's management purchased stainless steel sheets to manufacture new tanks to modernize the fleet.**
- 7- Despite the difficulties that the transportation sector in the Kingdom is going through and within the capabilities available to it, the company's management has tried its best to improve its performance in order to reach the best of results.**
- 8- The company will do everything that is expected of it in the future to ensure the continued success of our journey.**

In the end, I and all members of the Board would like to thank all the employees of the company for the efforts made during the year, wishing all the best of success.

Peace, mercy and God's blessing may be bestowed on you.

**Chairman of the Board of Directors.
Muataz Azmi Al-Qawasmi.**

Pursuant to the disclosure instructions required by the Securities Commission, we provide the following:

First:

A description of the company's main activities, its geographical locations, the volume of capital investment, and the number of employees.

A- The company's main activities:

The main activity of the company is in land transport of various goods, our main head quarter is located near Amman which serves as well as a parking garage for our fleet of trucks, in addition to logistics our activities engulf the representation of companies and factories, including in our portfolio is both liquid and fixed assets, and any other type of assets required to facilitate our activities.

B - The company's geographical locations and the number of employees:

- The Company's offices are located in Amman – Al-Faysalieh, Islamic Cemetery Street.
- The Company' has a garage for accommodation and maintenance in Rashidya Area in the South.
- The Company has (77) employees, which are appointed based on vacancies and needs.

C – The size of the Company's Capital Investment.

Capital Investment amounted to (6,354,119) JD till the end of 2022, while the Capital Investment in 2021 amounted to (6,819,977) JD.

Second:

The Company does not have any subsidiary or sister company.

Third: Names of members of the Board and names and ranks of the higher Management with Executive authority, along with an introduction.

#	Board member	position	Birth Date	Nationality	Qualification	experience	Other membership
1	Mazen Azmi Al-Qawasmi	Board member General Manager	1960	Jordanian	Bachelor degree in Business	General Manager at UGLT 2006-2010 and from 2015-2021	none
2	Wael Azmi Al-Qawasmi	Board member	1963	Jordanian	Industrial diploma	Over 25 years as maintenance manager.	none
3	Muataz Azmi Al-Qawasmi	Board Chairman Executive Manager	1964	Jordanian	Bachelor degree in Engineering	Over 25 years as Executive manager.	none
4	Nasser Azmi Al-Qawasmi	Vice Chairman Board member	1968	Jordanian	Bachelor degree in Business	Over 25 years as Financial manager.	none
5	Maysoun Azmi Al-Qawasmi	Board member	1961	Jordanian	High School	Board member since 2006.	none
6	Abeer Azmi Al-Qawasmi	Board member	1973	Jordanian	College degree	Board member since 2006.	none
7	Lina Azmi Al-Qawasmi	Board member	1974	Jordanian	Bachelor degree in nutrition and Master degree in business	Teaching experience for over 10 years.	none
8	Nisreen Azmi Al-Qawasmi	Board member	1982	Jordanian	Bachelor in Political science and Master degree in sales	9 years experience in teaching and sales.	none

Senior Management personnel with Executive authority:

#	Board member	position	Birth Date	Nationality	Qualification	experience	Other membership
1	Mazen Azmi Al-Qawasmi	Board member General Manager	1960	Jordanian	Bachelor degree in Business	General Manager at UGLT 2006-2010 and from 2015-2022	none
2	Wael Azmi Al-Qawasmi	Board member	1963	Jordanian	Industrial diploma	Over 25 years as maintenance manager.	none
3	Muataz Azmi Al-Qawasmi	Board chairman	1964	Jordanian	Bachelor degree in Engineering	Over 25 years as Executive manager.	none
4	Nasser Azmi Al-Qawasmi	Vice Chairman Board member	1968	Jordanian	Bachelor degree in Business	Over 25 years as Financial manager.	none

Fourth:

A statement of the names of the major shareholders that own more than 5% of the Company shares issued, as in the table shown below.

#	Name	Number of shares 2022	Percentage 2022	Number of shares 2021	Percentage 2021
1	Wael Azmi Al-Qawasmi	1,304,000	19.76 %	1,258,999	19.08 %
2	Muataz Azmi Al-Qawasmi	1,147,001	17.38 %	1,144,505	17.34 %
3	Nasser Azmi Al-Qawasmi	1,133,999	17.18 %	1,133,999	17.18 %
4	Maysoun Azmi Al-Qawasmi	720,000	10.91 %	707,500	10.72 %
5	Lina Azmi Al-Qawasmi	670,000	10.15 %	610,000	9.24 %
6	Nisreen Azmi Al-Qawasmi	585,000	8.86 %	585,000	8.86 %
7	Abeer Azmi Al-Qawasmi	560,000	8.48 %	560,000	8.48 %
8	Mazen Azmi Al-Qawasmi	380,000	5.76 %	499,999	7.58 %

Fifth:

The company's competitive position.

The main activity of the company is concentrated in land transport of various goods and products in the local market, which is characterized by intense competition, especially with the presence of several companies working in this field.

The company is not able to determine and evaluate the percentage of its share in the local market due to the lack of necessary statistics for that.

Sixth:

The degree of dependence on specific suppliers locally or abroad:

There is no dependence on specific suppliers that make up 10% or more, with the exception of the Modern Jordanian Company for Oil and Fuel, whose percentage of trucks and trailers expenditures is around 46.9 %.

The degree of dependence on major clients (local revenue and abroad), which constitute 10 % or more of total revenue, is as follows:

* Jordan Indian Fertilizer Company.

Seventh:
A description of any government protection, privileges, or any patent enjoyed by the company.

There is no government protection or privileges that the company enjoys under laws, regulation or others.

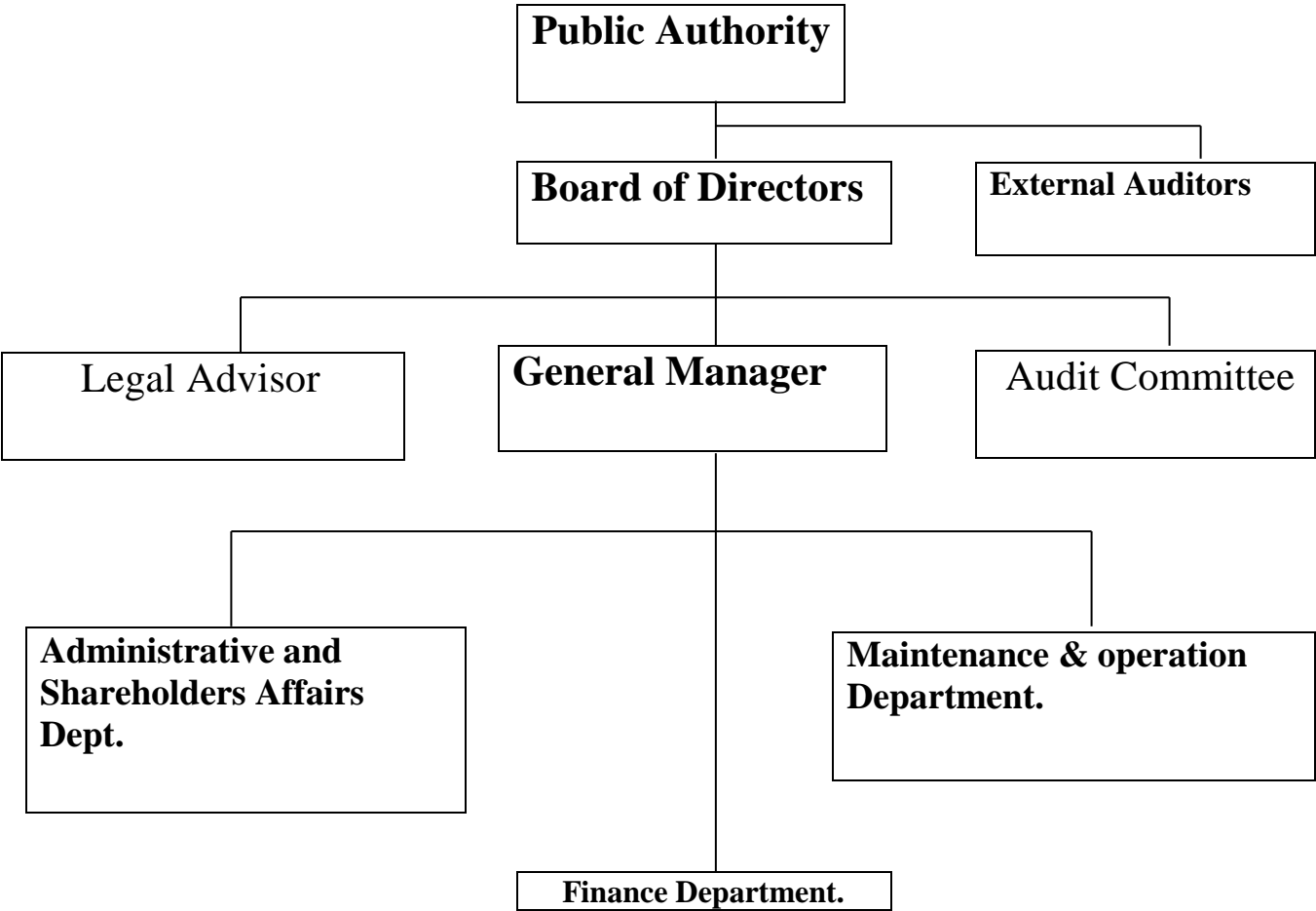
There are no patent or franchises obtained by the company.

Eighth:
A description of any decision issued by the government or international organizations that have a material impact on the company’s work, performance and its competitiveness.

There are no decisions issued by the government, international organizations or others that have a material impact on the company’s work, performance or competitiveness.

International quality standards do not apply to the Company and the company do not apply international quality standards.

Ninth:
A- The organizational structure of the company, the number of its employees, and the training programs.



B- The number of the Company's employees and their categories of qualifications:

#	Qualification	Number of employees in 2021	Number of employees in 2022
1	Bachelor Degree	4	4
2	Diploma or Professional Institute	3	3
3	High School and Below	69	70
	Total:	76	77

C: Qualifications and training programs for company employees:

The company conducted general safety training for the company's drivers working on the transportation of phosphoric acid.

Tenth:

A description of the risks the company is exposed to:

There are no risks that the company was exposed to in the current year or that it may be exposed to during next year that has an impact on it.

Eleventh:

The events and achievements of the company during the year 2021.

The company's most important achievements during this fiscal year are as follows:

1- Revenues for this year amounted to 4,578,529 JD, and the administrative and general expenses 284,638 JD.

2- Profits after appropriations and tax amounted to 1,031,605 JD.

Twelfth:

The financial impact of operations of a non-recurring nature that occurred during the year and did not fall within the main activity of the company.

There is no financial impact of operations of a non-recurring nature that occurred during the year and did not fall within the main activity of the company.

Thirteenth:

The time series of realized and distributed profits and losses, and the net equity of shareholders.

Statement	2018	2019	2020	2021	2022
Profits & Losses	1,241,030	967,968	706,657	860,018	1,031,605
Dividends	2,233,971	1,200,000	985,053	706,657	860,018
Net Shareholder equity	9,467,085	9,235,053	8,956,657	9,110,018	9,281,605
Stock price *	-	-	-	-	-

- Shares were traded and sold during the year 2022 among members of the board of directors only.

Fourteenth:

Analyzing the company's financial position and the results of its business during the last four years.

Indicators	2019	2020	2021	2022
Earnings per Share in JD	0,147	0,107	0,130	0.156
Return on Investment (Total Assets) %	% 10,41	% 7,804	% 9,327	% 10,95
Return on Equity %	% 10,48	% 7,890	% 9,440	% 11,11
Return on paid Capital %	% 14,66	% 10,707	% 13,030	% 15,60
Trade Rate	1 : 20,50	1:16,17	1:21,68	1:22,29
Quick liquidity ratio	1 : 18,76	1:15,07	1:20,25	1:19,39
Working Capital	1,205,360	1,487,369	2,290,041	2,927,486

Fifteenth:

Developments and the future plan of the company for the year 2023 and the expectations of the Board of Directors.

The company's Management seeks to develop, diversify and increase the volume of its activity to achieve the largest possible return through:

The company purchased 15 new Mercedes locomotive trucks.

The company has also purchased a quantity of Stainless-steel sheets in order to manufacture new tankers when necessary.

Part of the Ministry of Industry and Trade tender, has been awarded to us, and its implementation is expected to start in March of 2023.

Sixteenth:

Auditors fees.

The fees of the company auditors, Al-Methaq Consulting and Auditing, amounted to 2,750 JD. Including Sales -Tax.

Seventeenth:

A Statement of the number of Securities owned by the members of the board of Directors, and by Senior Management employees as on 31/12/2022.

#	Name	position	Nationality	Number of Shares on 31/12/2022	Number of Shares on 31/12/2021
1	Mazen Azmi Al-Qawasmi	Board Member /General Manager	Jordanian	380,000	499,997
2	Wael Azmi Al-Qawasmi	Board Member /Maintenance Manager	Jordanian	1,304,000	1,258,999
3	Muataz Azmi Al-Qawasmi	Board Chairman /Executive Manager	Jordanian	1,147,001	1,144,505
4	Nasser Azmi Al-Qawasmi	Vice Chairman /Financial Manager	Jordanian	1,133,999	1,133,999
5	Maysoun Azmi Al-Qawasmi	Board Member	Jordanian	720,000	707,500
6	Abeer Azmi Al-Qawasmi	Board Member	Jordanian	560,000	560,000
7	Lina Azmi Al-Qawasmi	Board Member	Jordanian	670,000	610,000
8	Nisreen Azmi Al-Qawasmi	Board Member	Jordanian	585,000	585,000
9	Amani Abu-Khalaf (wife of Exe. Manager)	Shareholder	Jordanian	100,000	100,000

There are no other companies controlled by the members of the company's Board of Directors, Senior Management, or company employees that contribute in our company capital.

Eighteenth:

The benefits and rewards enjoyed by members of the board of Directors and persons of senior management with executive authority.

Name	Position	Salary	Benefits & Rewards	Travel Expenses	Other Allocations	Total	Other Benefits
Mazen Al-Qawasmi	Board Member General Manager	48,000	-	-	-	48,000	Car Usage
Wael Al-Qawasmi	Board Member Maintenance Manager	48,000	-	-	-	48,000	Car Usage
Muataz Al-Qawasmi	Board Chairman Executive Manager	48,000	-	-	-	48,000	Car Usage
Naser Al-Qawasmi	Vice Chairman Financial Manager	48,000	-	-	-	48,000	Car Usage
Total:		192,000	-	-	-	192,000	-

Nineteenth:

Donations and grants paid by the company.

The donations, grants and financial assistance that the company paid during the fiscal year 2022 amounted to (300) JD only.

Twentieth:

A statement of contracts, projects and engagements that the company concluded with the subsidiary, sister company, the chairman and members of the Board of Directors, or any employee of the company or their relatives.

There are no contracts, projects or engagement that the company entered into with subsidiary, sister company, the Chairman and members of the Board of Directors, or any employee of the company or their relatives during the year 2021.

Twenty-first:

The Company's contribution to protecting the environment or serving the local community in 2022.

The Company has no contribution to protecting the environment in 2022.

The Company has no contribution to serving local community in 2022.

Twenty- second:

The number of Boar meetings during the year 2022.

The Company's Board of Directors held 8 meetings during the year 2022.

Declarations:

We, the undersigned, acknowledge the correctness, accuracy and completeness of the information and data contained in the annual report.

Chairman of the Board of Directors

Muataz Azmi Qawasmi



General Manager

Mazen Azmi Al-Qawasmi



Financial Manger

Naser Azmi Al-Qawasmi

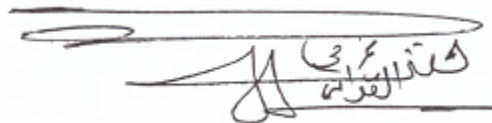


The Board of Directors also acknowledges that there are no material matters that may affect the continuity of the Company during the next fiscal year.

Disclosure of the partially applied and non-applied guiding principles of the governance guide for public shareholding Companies listed on the Amman Stock Exchange.

Chairman of the Board / Executive Manager

Muataz Azmi Al-Qawasmi



Board Member / Maintenance and Work Manager

Wael Azmi Al-Qawasmi



Board Member / General Manager

Mazen Azmi Al-Qawasmi




Vice Chairman / Financial Manager

Naser Azmi Al-Qawasmi



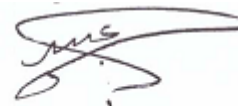
Board Member

Maysoun Azmi Al-Qawasmi



Board Member

Abeer Azmi Al-Qawasmi



Board Member

Lina Azmi Al-Qawasmi



Board Member

Nisreen Azmi Al-Qawasmi



**UNITED GROUP FOR LAND TRANSPORT COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

**UNITED GROUP FOR LAND TRANSPORT COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

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Independent Auditor's Report

To the Dear Shareholders,
United Group for Land Transport Company
(Public Limited Shareholding Company)
Amman – the Hashemite Kingdom of Jordan

Opinion:

We have audited the financial statements of **United Group for Land Transport Company (the "Company")** which comprises statement of financial position as at 31 December 2022 and the related statements profit or loss, changes in Shareholders Equity and cash flows for the year then ended and a summary of significant accounting policies and explanatory notes from 1 to 19.

In our opinion, the financial statements referred to above in whole present fairly, in all material respects, the financial position of the Company as of 31 December 2022 and the results of its operations, its cash flows and changes in Shareholders Equity for the year then ended are in accordance with International Financial Reporting Standards ("IFRS") as endorsed in the Hashemite Kingdom of Jordan.

Basis for Opinion:

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

Other matter:

The financial statements for the year ended 31 December 2021, which show their numbers for comparative purposes, were audited by another auditor and an unqualified report was issued on 16 January.2022 .

Key Audit Matters:

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

Independent Auditor's Report (continued)**To the Dear Shareholders,****United Group for Land Transport Company****(Public Limited Shareholding Company)****Amman – the Hashemite Kingdom of Jordan****Property and equipment:**

The value of property and equipment shown in the financial statements represents 71% of total assets in accordance with International Financial Reporting Standards (IFRS), the management reviews the useful life and the method of depreciation and performs a test for impairment of property and equipment (if any) through the use of assumptions and estimates and, because of the importance of such assets, is an important audit.

The most important audit procedures:

- Study and examination of the internal control systems related to financial operations related to property and equipment.
- Conducting an analytical and documentary study of additions and exclusions on property and equipment accounts.
- Verification of the actual existence and ownership of such property and equipment by the company.
- Ensure the correct calculation of consumption and study management estimates of approved consumption rates.
- Verify that there is no indication of impairment in the value of the property and equipment that requires an impairment test.
- Validation of presentation, disclosure and accounting policies consistent with International Financial Reporting Standards.

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

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

In preparing the 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.

Independent Auditor's Report (continued)**To the Dear Shareholders,****United Group for Land Transport Company****(Public Limited Shareholding Company)****Amman – the Hashemite Kingdom of Jordan****Auditor's Responsibilities for the Audit of the Financial Statements:**

Our objectives are to obtain reasonable assurance about whether the 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 guarantee that an audit conducted in accordance with the ISAs that are endorsed in the Hashemite Kingdom of Jordan 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 those financial statements. As part of an audit in accordance with International Standards on Auditing ("ISAs") that are endorsed in the Hashemite Kingdom of Jordan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, Deprecations, 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 Company's 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (continued)

To the Dear Shareholders,

United Group for Land Transport Company

(Public Limited Shareholding Company)

Amman – the Hashemite Kingdom of Jordan

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 compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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 Legal Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend approving these financial statements by the general assembly.

Methaq consulting & auditing

Ali Atieh
License 895

Amman – Jordan
1 February 2023



UNITED GROUP FOR LAND TRANSPORT COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	<u>Notes</u>	<u>31 December 2022</u>	<u>31 December 2021</u>
		JD	JD
<u>Assets</u>			
<u>Non-current assets</u>			
Property, plant and equipment - Net	6	6,354,119	6,819,977
Total Non-current assets		6,354,119	6,819,977
<u>Current assets</u>			
Accounts receivable - Net	7	364,649	375,682
Other debit balances	8	317,382	57,987
Inventory	9	398,396	158,544
Cash and cash equivalent	10	1,984,585	1,808,554
Total current assets		3,065,012	2,400,767
Total Assets		9,419,131	9,220,744
<u>Shareholders' equity and Liabilities</u>			
<u>Shareholders' equity</u>			
Authorized and paid-up capital	1	6,600,000	6,600,000
Statutory reserve		1,650,000	1,650,000
Retained earnings		1,031,605	860,018
Total Shareholders' equity		9,281,605	9,110,018
<u>Current liabilities</u>			
Other credit balances	11	38,603	43,187
Income tax provision	12	98,923	67,539
Total Current liabilities		137,526	110,726
Total Shareholders' equity and Liabilities		9,419,131	9,220,744

The accompanying notes from 1 to 19 are an integral part of these financial statements

UNITED GROUP FOR LAND TRANSPORT COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	31 December 2022 JD	31 December 2021 JD
Revenues		4,578,529	4,351,431
Cost of revenues	13	(3,027,140)	(2,961,837)
Gross profit		1,551,389	1,389,594
General and administrative expenses	14	(284,638)	(306,308)
Other income		51,928	51,113
Expected credit loss provision		-	(36,842)
Net profit before income tax		1,318,679	1,097,557
Income tax	12	(263,736)	(226,228)
National contribution tax	12	(13,187)	(11,311)
Previous years income tax		(10,151)	-
Total comprehensive Income for the year		1,031,605	860,018
 Earnings per share for the year (Basic & Diluted)	 15	 0.156	 0.130

The accompanying notes from 1 to 19 are an integral part of these financial statements

UNITED GROUP FOR LAND TRANSPORT COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	<u>Paid-up capital</u>	<u>Statutory</u>	<u>Retained</u>	<u>Total</u>
	<u>JD</u>	<u>reserve</u>	<u>earnings</u>	<u>JD</u>
<u>At 31 December 2022</u>				
Balance at 1 January 2022	6,600,000	1,650,000	860,018	9,110,018
Comprehensive income	-	-	1,031,605	1,031,605
Dividends paid	-	-	(860,018)	(860,018)
Balance as at 31 December 2022	<u>6,600,000</u>	<u>1,650,000</u>	<u>1,031,605</u>	<u>9,281,605</u>
<u>At 31 December 2021</u>				
Balance at 1 January 2021	6,600,000	1,650,000	706,657	8,956,657
Comprehensive income	-	-	860,018	860,018
Dividends paid	-	-	(706,657)	(706,657)
Balance as at 31 December 2021	<u>6,600,000</u>	<u>1,650,000</u>	<u>860,018</u>	<u>9,110,018</u>

The accompanying notes from 1 to 19 are an integral part of these financial statements.

UNITED GROUP FOR LAND TRANSPORT COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	31 December 2022	31 December 2021
	JD	JD
<u>Operating activities</u>		
Net profit before income tax	1,318,679	1,097,557
Depreciation	474,875	678,695
Gains on sale of property and equipment	-	(51,549)
Asset damage losses	-	10,273
Expected credit loss provision	-	36,842
Reversal of impairment Expected credit loss provision	-	(3,260)
Net cash flows from operations before changes in working capital	1,793,554	1,768,558
Accounts receivable	11,033	(20,976)
Other debit balances	(259,395)	(2,838)
Inventory	(239,852)	(50,300)
Other credit balances	(4,584)	12,548
Net cash flows from operating activities before tax paid	1,300,756	1,706,992
Income tax paid	(255,690)	(237,383)
Net cash flows from operating activities	1,045,066	1,469,609
<u>Investing activities</u>		
Purchase of property and equipment	(9,017)	(85,608)
Proceeds from sales of property and equipment	-	97,500
Net cash flows from investing activities	(9,017)	11,892
<u>Financing activities</u>		
Dividends paid	(860,018)	(706,657)
Net cash flows from financing activities	(860,018)	(706,657)
The change in cash and cash equivalents during the period	176,031	774,844
Cash and Cash Equivalents at Year Beginning	1,808,554	1,033,710
Cash and Cash Equivalents at Year End	1,984,585	1,808,554

The accompanying notes from 1 to 19 are an integral part of these financial statements

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1) General

United Group For Land Transport Co. was established on 23 December 1995, and was registered in the Ministry of Industry and Trade – Limited Liability Companies in the Hashemite Kingdom of Jordan under number (4223). The main activities of the company include parking for trucks, commercial agencies, representation of companies, transport for various goods, movable and immovable assets and any other targets designed to implement previous targets.

At the Extraordinary General Assembly meeting on 14 December 2005, it was decided to transfer the company from a limited liability company to a limited shareholding company. The legal procedures were completed by the Ministry of Industry and Trade on 15 August 2006. On 5 September 2006, the company was registered in the Public Shareholding Companies under No. 414 with the same previous objectives.

At its extraordinary meeting held on 2 April 2012, the General Assembly decided to reduce the company's Capital to JD 6,600,000 instead of JD 8,000,000. The legal procedures were completed by the Ministry of Industry and Trade on 17 MAY 2012.

The financial statements were approved by the Board of Directors of the company in its meeting No. (2) on 1 February 2023 and are subject to the approval of the General Assembly of Shareholders.

2) Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statement are presented in JD, which is also the company's functional currency. Amounts are rounded to the nearest JD, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) as adopted by the Jordanian laws.

The preparation of financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires Company management to exercise judgment in applying the Company's accounting policies

Significant accounting policies

The accounting policies adopted in the preparation of the financial statements are consistent with those used in the preparation of the financial statements for the year ended 31 December 2021, except for the adoption of the following new standards effective as of 1 January 2022:

The adoption of the below amendments to existing standards did not result in changes to previously reported net profit or equity of the company, but they may result in additional disclosures at year end.

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Standard	Effective from
Annual Improvements to IFRS Standards 2018 – 2020	1 January 2022
Property, Plant and Equipment: Proceeds before Intended use (Amendments to IAS 16)	1 January 2022
Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022

These amendments had no impact on the interim condensed financial statements of the company. The company intends to use practical means in the future when they become effective.

Standard Issued but not yet

Standard	Effective from
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	1 January 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023
Definition of Accounting Estimate (Amendments to IAS 8)	1 January 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023

The company is currently evaluating the impact of these new standards. The company will adopt these new standards on the effective dates.

3) Significant accounting policies

Revenue

Realized income when you export the invoice to the customer . Recognition of interest included by using the accrual basis

Impairment of non-financial assets

The non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the impairment is recorded in the Income statement.

Foreign currency transactions

Transactions entered into by Company in a currency other than the currency of the primary economic environment in which it operates (function currency) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in profit or loss.

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Financial assets

The Company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The Company has not classified any of its financial assets as held to maturity.

The Company accounting policy for each category is as follows:

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognized when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognized within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The company recognizes a provision for all the receivables that exceeds 120 days of its maturity date.

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

Financial liabilities

The Company classifies its financial liabilities depending on the purpose for which the liability was acquired.

The Company accounting policy for each category is as follows:

Other financial liabilities :

Trade and other credit balances

Trade payables and other short-term monetary liabilities, which are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Leased assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the company (an "operating lease"), the total rental payable under the lease are charged to the statement of comprehensive income on a straight-line basis over the lease term.

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Property and equipment

Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in its value, moreover Property and Equipment (except for land) are depreciated according to the straight- line method over the estimated useful lives when ready for use of these assets using the rates:

Item	Percentage of depreciation	Item	Percentage of depreciation
- Buildings	%2	- Cars and trucks	%7-%20
- Tools	%12	- Hangers	%10
- Electrical and Office Equipment	%20	- Decorations and exterior fittings	%9-%2
- Furniture	%10-%3	- Solar Energy Systems	%10

When the carrying amount of property and equipment exceeds their recoverable value, assets are written down and impairment loss is recorded in the statement of income.

The useful lives of property and equipment are reviewed at the end of each year, in case the expected useful life is different from what was determined before the change in estimate is recorded in the following years being a change in estimates.

Property and equipment are derecognized when disposed or when there is no expected future benefit from their use

4) Financial instruments - risk management

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

(i) Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalent
- Trade and other payables

(ii) Financial instruments not measured at fair value

A financial instrument not measured at fair value includes cash and cash equivalents, trade and other receivables and trade and other payables.

Due to their short-term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables approximates their fair value.

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Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales, the company sell the costumers with creditworthiness history on the other hand new customers are analyzed for creditworthiness before the company's standard payment and delivery terms and conditions are offered.

Creditworthiness and delivery terms are giving through authorized matrix started from the General Manager and the Group's management.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, The Company deals with banks with an acceptable credit rating.

Market risk

Market risk arises from the Company use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

The Company is not exposed to any of the market risks in the previous paragraph due to not holding any instrument with variable interest rate, no amounts are expected to be settled in foreign currencies and the Company does not hold any equity investments in other companies.

Liquidity risk

Liquidity risk arises from the Company management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due.

Capital Disclosures

The Company monitors "adjusted capital" which comprises all components of equity (paid up capital, retained earnings and statutory reserve).

The Company's objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of return capital to shareholders, issue new shares, or sell assets to reduce debt.

liabilities based on estimates of whether additional taxes and interest will be due.

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5) Critical accounting estimates and judgments

The Company makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Property and equipment

The Company reviewed the estimated useful life of property and equipment and depreciation method to verify that it reflects the used economic benefits and in case there is a difference it will be treated as changes in estimates (in the year of change and subsequent years).

Legal proceedings

The Company reviews outstanding legal cases through following the developments of the legal procedures at each reporting date, in order to assess the need of provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Company management as to how it will respond.

Income tax

The Company is subject to income tax and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the company recognizes tax liabilities based on estimates of whether additional taxes and interest will be due.

6) Property, plant and equipment -Net

	Lands	Cars and trucks	Buildings	Hanagers	Electrical and office equipment	Tools	Decorations and exterior fittings	Solar energy systems	Furniture	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost										
Balance as of 1 January 2022	2,798,006	9,001,062	1,304,792	100,000	39,622	35,286	35,700	30,300	23,194	13,367,962
Additions	-	7,150	-	-	1,680	-	-	-	187	9,017
Balance at 31 December 2022	2,798,006	9,008,212	1,304,792	100,000	41,302	35,286	35,700	30,300	23,381	13,376,979
Accumulated Depreciation										
Balance as of 1 January 2022	-	6,024,204	310,283	100,000	36,297	25,472	22,209	6,501	23,019	6,547,985
Depreciation	-	441,848	25,184	-	844	2,327	1,740	2,904	28	474,875
Balance at 31 December 2022	-	6,466,052	335,467	100,000	37,141	27,799	23,949	9,405	23,047	7,022,860
Net Book Value										
As at 31 December 2022	2,798,006	2,542,160	969,325	-	4,161	7,487	11,751	20,895	334	6,354,119
As of 31 December 2021	2,798,006	2,976,858	994,509	-	3,325	9,814	13,491	23,799	175	6,819,977

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7) Accounts receivable - Net

	31 December 2022 JD	31 December 2021 JD
Accounts receivable	404,691	415,724
Expected credit loss provision	(40,042)	(40,042)
Total	364,649	375,682

The movement of expected credit loss provision is as follows:

	31 December 2022 JD	31 December 2021 JD
Balance at the beginning of the year	40,042	6,460
Component during the year	-	36,842
Reversal of impairment provision	-	(3,260)
Balance at the end of the year	40,042	40,042

8) Other debit balances

	31 December 2022 JD	31 December 2021 JD
Others	211,129	458
Advance payments for the PP&E	67,177	-
Prepaid expenses	36,563	55,016
Refundable deposits	1,770	1,770
Due from employees	743	743
Total	317,382	57,987

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9) Inventory

	31 December 2022	31 December 2021
	JD	JD
Goods in transit (Stainless steel)	263,495	-
Spare parts	73,303	59,544
Tire depot	21,345	19,813
Fuel depot	14,269	-
Stainless steel warehouse	13,671	42,936
Oil depot	12,313	36,251
Total	398,396	158,544

10) Cash and cash equivalent

	31 December 2022	31 December 2021
	JD	JD
Cash in banks	1,965,709	1,795,730
Cash in hand	18,876	12,824
Total	1,984,585	1,808,554

11) Other credit balances

	31 December 2022	31 December 2021
	JD	JD
Accrued expenses	21,515	26,354
Other deposits	9,935	10,168
Other payables	7,153	6,665
Total	38,603	43,187

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12) Income tax

Below is the movement on the income tax expense:

	31 December 2022	31 December 2021
	JD	JD
Profit for the year accounting	1,318,679	1,097,557
Reversal of impairment provision	-	(3,260)
Expected credit loss provision	-	36,842
Adjusted net profit	1,318,679	1,131,139
Income tax at 20%	263,736	226,228
National Contribution at 1%	13,187	11,311
Balance at the end of the year	276,923	237,539

Movement in provision for income tax can be summarized as follows:

	31 December 2022	31 December 2021
	JD	JD
Balance at the beginning of the year	67,539	67,383
Paid during the year	(67,539)	(67,383)
Income tax for the year	263,736	226,228
Withholding national contribution account for the year	13,187	11,311
Income tax paid in advance	(178,000)	(170,000)
Balance at the end of the year	98,923	67,539

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13) Cost of revenues

	31 December 2022	31 December 2021
	JD	JD
Cost of trucks*	2,335,931	2,258,293
Salaries, wages and other benefits**	592,678	611,651
Organize trucks entry	30,270	32,449
Transfer fees with others	26,962	9,895
Consumed materials	19,729	18,916
Stamp	9,638	9,043
Charges for weighting fees	4,635	4,435
Guarantee fees	3,905	4,737
Insurance on goods in transit	2,900	12,226
Other	492	65
General safety	-	127
Total	3,027,140	2,961,837

* The cost of trucks consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Fuel	1,415,851	1,184,859
Depreciation	460,995	643,394
Repairs and maintenance	200,763	190,269
Tires	130,687	115,309
licenses	41,976	39,952
Insurance	39,487	42,381
Oil	25,088	25,394
Washing and steaming expenses	8,501	6,160
Trucks tracking	6,140	6,424
Other	5,273	3,749
Services of containers and ships	1,170	402
Total	2,335,931	2,258,293

** The Salaries, wages and other benefits consists of the following:

	31 December 2022	31 December 2021
	JD	JD
Salaries, wages	539,203	553,833
Social security	40,361	44,244
Health insurance expenses	13,114	13,574
Total	592,678	611,651

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14) General and administrative expenses

	31 December 2022	31 December 2021
	JD	JD
Salaries and wages	192,000	192,000
Social security	27,360	27,360
Depreciation	13,880	35,301
Security service	13,200	12,100
Professional fees	9,000	5,750
Telegraph and Internet postage	5,987	5,252
Cleaning services	5,080	4,568
Fees and license	4,132	4,548
Securities depository center subscription fees	3,300	3,300
Water and electricity	2,385	2,541
Hospitality	1,903	2,322
Stationery and prints	1,820	1,406
Lawsuits and cases	1,750	4,865
Maintenance	1,722	3,337
Banking expenses	482	700
Travel and transportation	387	758
Advertising	250	200
Total	284,638	306,308

15) Earnings per Share for the year (Basic & Diluted)

	31 December 2022	31 December 2021
	JD	JD
Income for the year attributable to Company's shareholders	1,031,605	860,018
Weighted average number of shares	6,600,000	6,600,000
Earnings per Share for the year (Basic & Diluted)	0.156	0.130

16) Shareholders' equity

Authorized and paid-up capital

The Company's authorized and fully paid share capital is JD 6,600,000 consists of 6,600,000 shares each share is JD 1 shares.

Statutory reserve

- A) The Statutory reserve is formed by deducting 10% of the profits of the year and previous years, and the deduction stops when it reaches a quarter of the company's capital, which is not distributable to shareholders and may be used in amortising the accumulated losses after exhausting the other provisions, provided that it is rebuilt according to the law.
- B) The General Assembly decided, in its meeting held on March 9, 2019, to stop deducting a Statutory reserve, because it has reached a quarter of the capital.

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17) Potential obligations

	31 December 2022 JD	31 December 2021 JD
Guarantee of good execution of Jordanian Indian	364,000	364,000
Bid bond guarantee for the jordanian indian chemical company	200,000	-
Bank guarantees for the Ministry of Transport	30,000	30,000
Bid bond guarantee for the ministry of Industry and trade	30,000	-
Total	624,000	394,000

18) The issues

Issues against the company:

- Case No. 157/2020 filed by a group of drivers with the Wages Authority, the subject of which is a claim for an estimated work risk compensation of JD 30,000, and the case is still under consideration by the Court of Appeal.
- Case No. 159/2020 filed by a group of drivers with the Wages Authority, the subject of which is a claim for a work-risk allowance, estimated at JD 30,000, a decision was issued by the Wages Authority to dismiss the case on behalf of the company, and the decision was approved on appeal.
- Case No. 28969/2022, which is filed against the company and the subject of which is a claim of JD 5,900. The case is still pending at the objection stage.

Cases filed by the company against others:

- Al-Youssef Transport and Clearance Company's lawsuit for a value of 3,310 dinars, a decision was issued to obligate the defendant to the amount claimed, and the lawsuit is still in the implementation stage.

19) Comparative figures

Some of the comparative figures for the year 2021 have been reclassified to correspond with the year ended 31 December 2022 presentation and it did not result in any change to the last year's operating results.