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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2022 TOGETHER
WITH INDEPENDENT AUDITOR'S REPORT

SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA – JORDAN
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

AM \ 000744

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

Opinion

We have audited the consolidated financial statements of Salam International Transport and Trading Company (The "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as of December 31, 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Salam International Transport and Trading Company as of December 31, 2022, and its financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Opinion

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

Key Audit Matters

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

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

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

Key Audit Matters	Scope of Audit to Address the Risks
Payments on Account of Acquiring Land and Projects under Construction	
The consolidated financial statements include payments on account for acquiring plots of land and projects under construction, which include the value of work done and its directly related costs of JD 7.6 million as of December 31, 2022, which represents around 23% of the Group's non-current assets.	• We assessed the design and implementation of controls over the process of determining that the payments and projects under construction, referred to in the adjacent paragraph, were not impaired.
The Group signed an agreement with the government and related entities to develop certain plots of land. The agreement states that the plots of land will be transferred to the Group once the aforementioned development has been completed. The ownership of the plots of land had not been legally transferred to the Group at the reporting date.	• We reviewed the contracts between the Group and the Government and related entities to determine if there were any contracted impediments to the land being transferred which had not yet been addressed by the reporting date. • We reviewed the engagement letter between the external valuers and the Group to determine if the scope of their work was sufficient.
The risks that were identified in the payments made and projects under construction that may be impaired is the recoverable amount of the land may be less than the advance payments referred to in the first paragraph.	• We assessed the skills, competence, objectivity, and qualification of the external valuers appointed by the Group to determine the value of these lands.
The Group, in conjunction with an external valuer, has determined that the payments made and projects under construction are not impaired. In making this determination, the Group has applied certain judgments and made certain estimates about the transfer of the land to the Group and the fair value of the land which are considered to be significant. Consequently, we have identified this as a key audit matter.	• We inspected minutes of Board of Directors meetings and correspondence between the Group and the government and related entities to determine whether it was probable that the land would be transferred to the Group.
Refer to notes 17 and 18 of the consolidated financial statements for further disclosure about this matter	• We determined if the valuations performed by the external valuer indicated that the value of the land was more than the payments made to acquire the land and projects under construction. • We reperformed the mathematical accuracy of the valuations, where applicable. • We assessed the disclosure in the consolidated financial statements, relating to this matter, against the requirements of IFRSs.

Other Matter

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

Other Information

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

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

<u>Report on Other Legal and Regulatory Requirements</u>
The Group maintains proper accounting records, which are in agreement line with the accompanying consolidated financial statements. We recommend that the General Assembly of the Shareholders approve these consolidated financial statements.

Deloitte & Touche

Amman – Jordan
March 30, 2023

Deloitte & Touche (Middle East) – Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY
(A PUBLIC SHAERHOILDING LIMITED COMPANY)
AQABA - JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2022	December 31, 2021
ASSETS		JD	JD
Current Assets:			
Cash and balances at banks	5	979,349	844,365
Accounts receivable-net	6	750,825	456,560
Financial assets at amortized cost	7	-	353,649
Due from related parties	25/a	572,748	777,427
Accounts receivable - Decent Housing for Decent Living project	8	2,400	2,400
Residential units available for sale	9	117,824	201,018
Checks under collection and notes receivable maturing in one year	10	238,723	178,795
Financial assets at fair value through profit or loss	11	10,324	10,702
Inventory - net	12	104,560	60,655
Other debit balances	13	350,524	312,024
Total Current Assets		**3,127,277**	**3,197,595**
Non-Current Assets:			
Checks under collection and notes receivable maturing in more than one year	10	94,604	103,448
Financial assets at fair value through other comprehensive income	14	515,171	559,609
Investment properties - net	15	4,465,597	4,537,591
Investments in associate companies	16	15,779,831	14,584,042
Projects under construction	17	2,390,893	2,470,248
Advance payments for land acquisition	18	5,179,080	5,682,492
Property and equipment - net	19	920,162	640,887
Right of Use Asset - net	35	237,812	-
Total Non-Current Assets		**29,583,150**	**28,578,317**
TOTAL ASSETS		**32,710,427**	**31,775,912**
LIABILITIES AND OWNERS' EQUITY			
Current Liabilities:			
Due to banks	20	81,096	109,408
Accounts payable	21	2,097,690	1,763,118
Due to related parties- short term	25/b	685,502	753,357
Loans - short term	22	-	240,000
Lease liability - short term	35	22,887	-
Deferred cheques and notes payable - short term		25,100	24,000
Income tax provision	23	93,512	64,459
Other credit balances	24	797,135	585,086
Total Current Liabilities		**3,802,922**	**3,539,428**
Non-Current Liabilities:			
Deferred cheques and notes payable - long term		54,244	78,244
Due to related parties- long term	25/b	3,971,445	3,971,445
Partner Current Account	25/b	54,495	570,935
Lease liability - long term	35	218,136	-
Loans long- term	22	-	33,721
Total Non-Current Liabilities		**4,298,320**	**4,654,345**
Total Liabilities		**8,101,242**	**8,193,773**
OWNERS' EQUITY			
SHAREHOLDERS' EQUITY			
Authorized and Paid-up capital	26	18,000,000	18,000,000
Share discount	26	(1,349,998)	(1,349,998)
Statutory reserve	27	224,676	153,776
Fair value reserve for financial assets stated at fair value	29	(285,238)	(326,297)
Retained earnings	30	4,610,885	3,475,144
Net Shareholders' Equity		**21,200,325**	**19,952,625**
Non-controlling interests		3,408,860	3,629,514
Net Owners' Equity		**24,609,185**	**23,582,139**
TOTAL LIABILITIES AND OWNERS' EQUITY		**32,710,427**	**31,775,912**

General Manager Chairman of Board of Directors

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

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended December 31, 2022	2021
		JD	JD
Revenue	31	5,098,968	3,814,787
Less: Cost of revenue	32	(3,492,089)	(2,571,878)
Gross Profit		**1,606,879**	**1,242,909**
Less: General and administrative expenses	33	(780,194)	(789,679)
Depreciation and Amortization		(60,245)	(57,279)
Right of use asset amortization	35	(24,601)	-
Lease interest expense	35	(7,360)	-
Marketing expenses		(23,697)	(19,633)
Borrowing costs		(22,507)	(88,084)
Company's share of associated companies' profits	16	1,526,078	1,068,603
(Loss) profits from valuation of financial assets at fair value through profit or loss		(378)	1,159
Other income - Net		73,030	87,223
Profit for the Year before Income Tax from Continuing Operations		**2,287,005**	**1,445,219**
Less: Income tax for the year	23	(66,913)	(37,413)
Profit for the Year		**2,220,092**	**1,407,806**
Attributable to:			
The Company's shareholders' share		2,107,271	1,377,986
Non-controlling interests' share		112,821	29,820
Total		**2,220,092**	**1,407,806**
Earnings per Share for the year attributable to the Company's Shareholders	36	-/12	-/077

General Manager

Chairman of Board of Directors

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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2022	**2021**
	JD	**JD**
Profit for the year	2,220,092	1,407,806
Comprehensive Income Items:		
Items not to be subsequently transferred to consolidated statement of profit or loss :		
Change in fair value- financial assets at fair value through other comprehensive income	41,059	106,964
Total Comprehensive Income for the Year	**2,261,151**	**1,514,770**
Total Comprehensive Income for the Year Attributable to:		
Company's shareholders	2,148,330	1,484,950
Non- controlling interests	112,821	29,820
Total	**2,261,151**	**1,514,770**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE

CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH

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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Company's Shareholders' Equity										
					Financial Assets						
	Paid-up	Share	Statutory	Voluntary	at Fair Value	Retained Earning / Accumulated (Losses)				Non-Controlling	
	Capital	Discount	Reserve	Reserve	Revaluation Reserve	Realized	Unrealized	Total	Total	Interests	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2022											
Balance as of January 1, 2022	18,000,000	(1,349,998)	153,776	-	(326,297)	1,558,535	1,916,609	3,475,144	19,952,625	3,629,514	23,582,139
Prior years' adjustment	-	-	-	-	-	(630)	-	(630)	(630)	(3,600)	(4,230)
Adjusted balance - beginning of the year	18,000,000	(1,349,998)	153,776	-	(326,297)	1,557,905	1,916,609	3,474,514	19,951,995	3,625,914	23,577,909
Profit for the year	-	-	-	-	-	2,107,271	-	2,107,271	2,107,271	112,821	2,220,092
Change in fair value of financial assets at fair value	-	-	-	-	41,059	-	-	-	41,059	-	41,059
Total Comprehensive Income for the Year	-	-	-	-	41,059	2,107,271	-	2,107,271	2,148,330	112,821	2,261,151
Non-controlling interest share of capital reduction of a subsidiary	-	-	-	-	-	-	-	-	-	(536,868)	(536,868)
Non-controlling interest share of losses amortization for a subsidiary	-	-	-	-	-	-	-	-	-	206,993	206,993
Transferred to statutory reserved	-	-	70,900	-	-	(70,900)	-	(70,900)	-	-	-
Dividends	-	-	-	-	-	(900,000)	-	(900,000)	(900,000)	-	(900,000)
Balance - End of the Year	**18,000,000**	**(1,349,998)**	**224,676**	**-**	**(285,238)**	**2,694,276**	**1,916,609**	**4,610,885**	**21,200,325**	**3,408,860**	**24,609,185**
For the Year Ended December 31, 2021											
Balance as of January 1, 2021	18,000,000	(1,349,998)	103,800	-	(433,261)	281,727	1,916,609	2,198,336	18,518,877	3,603,224	22,122,101
Prior years' adjustment	-	-	-	-	-	(51,202)	-	(51,202)	(51,202)	(3,530)	(54,732)
Adjusted balance - beginning of the year	18,000,000	(1,349,998)	103,800	-	(433,261)	230,525	1,916,609	2,147,134	18,467,675	3,599,694	22,067,369
Profit for the year	-	-	-	-	-	1,377,986	-	1,377,986	1,377,986	29,820	1,407,806
Change in fair value of financial assets at fair value	-	-	-	-	106,964	-	-	-	106,964	-	106,964
Total Comprehensive Income for the Year	-	-	-	-	106,964	1,377,986	-	1,377,986	1,484,950	29,820	1,514,770
Transferred to statutory reserved	-	-	49,976	-	-	(49,976)	-	(49,976)	-	-	-
Balance - End of the Year	**18,000,000**	**(1,349,998)**	**153,776**	**-**	**(326,297)**	**1,558,535**	**1,916,609**	**3,475,144**	**19,952,625**	**3,629,514**	**23,582,139**

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

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD

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

	Note	For the Year Ended December 31, 2022	2021
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before income tax		2,287,005	1,445,219
Adjustments:			
Real estate investment depreciation	15	71,994	71,994
Property and equipment depreciation	19	111,981	57,279
Right of use asset amortization		24,601	-
Lease interest expense		7,360	-
(Gain) from sale of property and equipment		(789)	-
Net Company's (profit) from selling a Associate companies	16	(1,526,078)	(1,068,603)
(Gain) from valuation of financial assets at fair value through profit or loss		378	(1,159)
Borrowing costs		22,507	88,084
Net Cash flows from Operating Activities before Changes in Working Capital		**998,959**	**592,814**
(Increase) decrease in accounts receivable		(294,265)	324,829
(Increase) decrease in cheques under collection and notes receivable		(51,084)	30,264
(Increase) decrease in inventory		(43,905)	82,183
(increase) decrease in other debit balances		(38,500)	43,644
Increase (decrease) in accounts payable		334,572	(40,860)
Increase (decrease) in other credit balances		212,049	(40,058)
Net Cash Flows from Operating Activities before Income Tax Paid and Provisions		**1,117,826**	**992,816**
Income tax paid	23	(37,860)	(42,330)
Net Cash Flows from Operating Activities		**1,079,966**	**950,486**
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease (increase) in financial assets at fair value through other comprehensive income		85,497	188,389
Decrease in residential units available for sale	9	83,194	124,485
Decrease in investments in associate companies	16	(734,096)	357,253
Proceeds from projects under constructions	17	79,355	47,189
Proceeds from advance payments for land acquisition	18	503,412	320,025
Dividends distribution in associate companies	16	941,529	574,028
(Purchase) of property and equipment	19	(391,855)	(16,612)
Maturied (purchase) of financial assets at amortized cost	7	353,649	(353,649)
Proceeds from selling property and equipment		-	24,013
Net Cash Flows from Investing Activities		**920,685**	**1,265,121**
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Paid) from borrowing costs		(22,507)	(88,084)
Dividends paid		(900,000)	-
(Paid) of lease liability		(28,750)	-
Increase (decrease) in deferred checks and notes payable		(14,056)	95,644
Change in due from/to related parties		(379,616)	(1,066,372)
(Decrease) in due to banks		(28,312)	(232,426)
Change in non contoling interest		(220,654)	-
(Paid loans)	22	(273,721)	(781,341)
Net Cash (used in) Financing Activities		**(1,867,616)**	**(2,072,579)**
Net increase in Cash		133,035	143,028
Cash on hand and at banks - beginning of the year		846,314	703,286
Cash on Hand and at Banks Before Provision - End of the Year	5	**979,349**	**846,314**
Non-Cash Transactions:			
Decrease in projects under constructions	17	-	191,666
(Increase) in cheques under collection and notes receivable		-	(191,666)
Change in due from/to related parties		-	-
Increase in partner current account from related parties		-	-

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

1. General

a. Salam International Transport and Trading Company were established and registered as a Public Shareholding Limited Company on January 30, 1997, under registration No. (326), with a paid-up capital of JD 1,200,000. The Company's paid-up capital was gradually increased to JD 15 million, distributed over 15 million shares at JD 1 par value per share. In its extraordinary meeting held on April 22, 2014, the Company's General Assembly approved increasing the Company's capital of JD 15 million so that authorized and paid-up capital would become JD 18 million through public underwriting to the Company's shareholders.

- On September 13, 2011, the Company was registered at the Aqaba Special Economic Zone according to Law No. (32) for the Year 2000.

- The Company's Head Office is located in Aqaba – Hashemite Kingdome of Jordan.

b. The Parent Company's and its Subsidiaries' main objectives include the following:

  - Conducting all types of marine activity (transporting passengers and various types of goods, in addition to touristic marine transportation).
  - Possessing, managing, operating, and leasing ships of all kinds.
  - Obtaining maritime agencies, brokering, and representing international rating agencies.
  - Obtaining commercial agencies and tendering.
  - Renting marine maintenance workshops of all kinds, including repairing ships.
  - Conducting land transport, business, and related tendering.
  - Conducting real estate activities (buying and selling real estate and other real estate-related activities).
  - Providing services, operating touristic restaurants, and supplying hotels with food.
  - Guaranteeing others while benefiting the Company.
  - Transporting crude oil.
  - Investing in other companies.
  - Borrowing funds from banks to finance its activities.

c. The consolidated financial statements have been approved by the Board of Directors on March 27, 2023.

2. Significant Accounting Policies

- Basis of Preparation of the Consolidated Financial Statements

- The accompanying consolidated financial statements have been prepared in accordance with the Standards issued by the international accounting standards Committee and the interpretations issued by International Financial Reporting Interpretations Committee arising from International Financial Reporting Standards Committee.

- The consolidated financial statements have been prepared according to the historical cost principle, except for financial assets and financial liabilities, which are stated at fair value through the statement of profit or loss, and financial assets at fair value through comprehensive income stated at fair value on the date of the consolidated financial statements. Furthermore, financial assets and financial liabilities which been hedged from the risk from the changes in their fair value are also stated at fair value.

- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Company.

- The accounting principles adopted for the consolidated financial statements for the year are consistent with those used in the prior year ended December 31, 2021, except for what is mentioned in Note (3-a) to the consolidated financial statements.

- **Basis of Consolidation of the Financial Statements**

- The consolidated financial statements include the company's financial statements and its associates and subsidiaries. The control exists when the Company controls the subsidiary's significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.

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

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

    - The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

    - Potential voting rights held by the Company, other vote holders or other parties.

    - Rights arising from other contractual arrangements.

    - Any additional facts and circumstances that indicate that the Company's has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

- All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

- The subsidiaries' financial statements are prepared under the same accounting policies adopted by the Company. If the subsidiaries apply different accounting policies than those used by the company, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Company.

- The results of the subsidiaries' operations are consolidated in the consolidated statement of profit or loss effective their acquisition date, which is the date on which control over subsidiaries is effectively transferred to the Company. Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Company loses control over the subsidiaries.

- The non-controlling interests represent the portion which is not owned by the company on the subsidiaries. Non-controlling interests are shown in the subsidiaries net assets as a separate line item within the Company's statement of shareholders equity.

- The Company owns the following subsidiary companies as of December 31, 2022:

Company's Name	Paid-up Capital	Ownership Percentage	Nature of Activity	Place of Work	Date of Ownership	Total Assets	Total Liabilities	Total Revenue	Total Expenses
	JD	%				JD	JD	JD	JD
Farah International Catering Service Company	1,000,000	100	Trading	Jordan	September 21, 1992	2,697,554	1,144,002	2,560,002	2,637,517
Golden State for Commercial Services Company	204,874	100	Trading	Jordan	September 4, 2005	212,721	400	-	491
Mada'en Al – Noor Investment and Real Estate Development	6,000,000	75	Real estate	Jordan	June 3, 2004	15,604,929	6,799,640	1,472,616	1,148,959
Al - Ibtikar Land Transportation	2,600,000	70	Transportation	Jordan	March 9, 2005	293,840	269,722	-	152,573
Afaq Supply and Storage Company	500,000	90	Supply & Storage	Jordan	February 18, 2008	1,123,261	552,544	85,996	9,183
Mada'en Al – Bahr Investment and Real Estate Development	1,000,000	100	Trading	Jordan	September 5, 2010	1,418,999	1,383,052	-	74,978
Technical for Construction and Real Estate Services	1,000,000	98.75	Real estate	Jordan	September 1, 1992	4,453,160	1,216,617	314,790	229,338
Mada'en Al – Shorouq Investment Real Estate Company	6,660,000	69.99	Real estate	Jordan	November 20, 2006	10,921,868	4,930,491	1,106,484	772,502
Mada'en Al–Salam Investment Real Estate Company*	250,000	80	Real estate	Jordan	May 15, 2006	296,810	500	-	42
Maha Al Sharq Real Estate Investment and Development	1,709,608	100	Real estate	Jordan	January 30, 2019	1,709,608	2,953	-	725
Al Maha Arabian Real Estate Investment and Development	715,150	100	Real estate	Jordan	January 30, 2019	715,150	2,994	-	685
Arabian Maha Land Real Estate Development Company	1,050,413	100	Real estate	Jordan	January 30, 2019	1,050,413	2,633	-	775

* Under liquidation.

Control is achieved when the Company:

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

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

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

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

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

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

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

Segments Information

- The business segment represents a set of assets and operations that jointly provide products and services subject to risks and returns different from those of other business segments, measured according to the reports used by the executive manager and the Company's key decision makers.

- The geographic segment is associated with providing products or services in a defined economic environment subject to risks and returns different from those of other economic environments.

Assets Available for Sale

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

Inventory

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

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

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

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

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

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortized cost:
- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

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

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

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

Impairment of financial assets

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

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

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

Provision for expected credit loss

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

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

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

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

Write off

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

Derecognition of financial assets

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

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

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

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

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

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

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

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

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

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

Investments in Associates and Companies Subject to Joint Control
Associated companies are those companies which the group exercises substantial influence, Significant influence is the ability to participate in the financial and operating policies of the investee and not joint control or control over those policies.

The considerations used to define joint control are to some extent similar to the considerations used to define control over subsidiaries.

The Group's investment in the associate is recognized under the equity method.

Under the equity method, investments in associate companies are shown at cost. The carrying amount of investments in the associate company is adjusted to record the group's share in the changes in the net assets of the associate company at the date of acquisition. The goodwill resulting from the affiliate company is recorded as part of the investment account and is not amortized, nor is it individually impaired that an impairment test is taken.

The consolidated statement of income reflects the group's share of the results of business of the affiliate company. Any changes in the comprehensive income statement of this investment are classified under the group's comprehensive income statement. In the event that there is a change in the equity of the affiliate company, these changes, if any, are shown in the list of changes in the group's consolidated equity. Profits and losses resulting from transactions between the group and the affiliate companies are excluded to the extent of the group's share in the affiliate company.

The group’s share of the profits or losses of the associate company is shown in the consolidated income statement within the operating profit and represents the profit or loss after tax and the rights of non-controllers in the subsidiary of the associate company.

As of December 31, 2022 and 2021, the details of investments in associates are as follows:

Company’s Name	Percentage of Ownership	Business Location
	%	
Jordan Maritime 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
Aqaba Storing Chemicals Company	15	Jordan
Al Maha Real Estate Development Company	33,33	Jordan
Arabian Ships Management Company	20	Jordan
Al-Shams Economics Company	24	Jordan
Sea Star for Shipping and Logistics Company *	50	Jordan
Haqel al Aqaba One for Investment **	33,33	Jordan
Ayyam Amman Company for real estate development	40	Jordan

* The Company does not have control over these companies, but it does exercise significant influence over the financial and operating policies of these companies.

** 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 (An Affiliate Company).

- During the year 2022, Maset Al Aqaba for Ships Building Company and Marine Lines for Storage and Port Services Company was liquidated.

Investment Property

Investment property is property held to earn rental income, for capital appreciation, but not for sale in the ordinary course of business. Investment properties are carried at cost less accumulated depreciation. Their fair values are disclosed in the notes to the consolidated financial statements, and they are revaluated annually, by independent real-estate experts, based on market values at the end of the year, and Real estate investments are depreciated using the straight-line method over their expected useful life using a rate of 2%. When the recoverable amount of property and equipment is less than the carrying amount, their value is reduced to the recoverable amount, and the impairment loss is recorded in the consolidated statement of profit or loss.

Property and Equipment

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

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

- When the recoverable amount of property and equipment is less than the carrying amount, their value is reduced to the recoverable amount, and the impairment loss is recorded in the consolidated statement of profit or loss.

- The useful lives of property and equipment are reviewed at year-end. If they differ from previously prepared expectations, the difference in the estimate for the upcoming years is recorded, as a change in estimate.

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

Projects under construction

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

Provisions

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

Offsetting

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

Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.

- Income tax expenses are accounted for on the basis of taxable income. Moreover, income subject to tax differs from income declared in the consolidated financial statements because the profit includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, as well as unallowable and non-taxable items.

- Taxes are calculated on the basis of the tax rates prescribed by the prevailing laws, regulations, and instructions of the countries where the Company operates.

- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount. Moreover, deferred taxes are calculated, according to the consolidated statement of financial position liability method, at the tax rates expected to be applied at the tax settlement date or the realization of the deferred tax assets or liabilities.

- Deferred tax assets and liabilities are reviewed as of the date of the consolidated statement of financial position and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

Revenue Recognition
The Group recognises revenue mainly from sales of apartments.

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

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

a. The Company has transferred to the buyer all of the significant risks and benefits related to the ownership of the apartments to the buyer.

b. The Company does not maintain its ongoing management relationship, which is usually related to the ownership of the apartments or their actual control over these sold apartments; and

c. The amount of revenue can be measured reliably.

d. It is probable that the economic benefits associated with the transaction will flow to the Company; and

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

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

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

Leases
The Group as a Lessee
The Company assesses whether the contract contains lease when starting the contract. Moreover, the Company recognizes the right-of-use assets and the corresponding lease obligations in relation to all lease arrangements to which the lessee is a party, except for short-term lease contracts (defined as leases of 12 months or less) and low-value asset leases. For these contracts, the Company recognizes the lease payments as an operating expense on a straight-line basis over the period of the lease, unless another regular basis is more representative of the time pattern in which the economic benefits from the leased assets are utilized.

The lease obligation is initially measured at the present value of the lease payments that were not paid on the start date of the lease, and is discounted by using the price implicit in the lease. If this rate cannot be easily determined, the Company uses its expected incremental borrowing rate.

The lease payments included in the rental obligation measurement include:

- Fixed rental payments (essentially including fixed payments), minus rental incentives receivable;
- Variable rental payments that depend on an index or a rate, initially measured using the index or the rate at the date the contract begins.
- The amount expected to be paid by the lessee under the residual value guarantees.
- The price of the exercise of purchase options, if the lessee is reasonably certain of the exercise of the options; and
- Payment of the contract termination fines, if the lease reflects the exercise of the lease termination option.

Rental obligations are presented as a separate note to the consolidated statement of financial position.

Subsequently, lease obligations are subsequently measured by increasing the book value to reflect the interest in the rental obligations (using the effective interest method) and by reducing the book value to reflect the rental payments paid.

The lease obligations (and a similar adjustment to the related right-of-use assets) are re-measured whenever:

- The lease term has changed or there is an event or important change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease obligations are re-measured by deducting the adjusted lease payment using the adjusted discount rate.

- Lease payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value, in which cases the lease obligation is re-measured by deducting the modified rental payments using a non-variable discount rate (unless the rental payments change due to a change in the floating interest rate, in this case the adjusted discount rate is used.

- The lease contract is adjusted, and the lease amendment is not accounted for as a separate lease, in which case the lease obligation is re-measured based on the duration of the adjusted lease contract by deducting the adjusted rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right-of-use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease contract transfers the ownership of the underlying asset or the cost of the right to use, which reflects that the company expects to exercise the purchase option, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins on the lease commencement date.

The right-of-use assets are presented as a separate note in the consolidated statement of financial position.

The Company applies International Accounting Standard (36) to determine whether the value of the right to use has decreased and calculates any impairment losses as described in the policy of "property and equipment".

Variable rents that are not dependent on an index or rate are not included in the measurement of lease obligations and right-of-use assets. Related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in "Other Expenditures" in the statement of profit or loss.

The Group as a Lessor

The Group enters into lease contracts as a lessor regarding some investment properties.

Leases in which the Group is the lessor are classified as operating or finance leases. In the event that the terms of the lease contract transfer all risks and rewards of ownership to the lessee, the contract is classified as a finance lease, and all other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The primary direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the company's net investment in the rental contracts. Finance lease income is allocated to the accounting periods to reflect a constant periodic rate of return on the Group's existing net investment with respect to lease contracts.

When the contract includes leasing components and components other than leasing, the Group applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

Construction contracts

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

Borrowing Costs

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

Foreign Currencies

- Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.

- Financial assets and liabilities denominated in foreign currencies are translated at the date of the consolidated statement of financial position, using the average exchange rates prevailing as of that date.

- Non-financial assets and liabilities denominated in foreign currencies are presented at fair value, using the rates prevailing at the date of their evaluation.

- Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of profit or loss.

- Differences resulting from the translation of non-financial assets and liabilities denominated in foreign currencies, such as equity shares, are recorded as part of the change in fair value.

- Upon consolidation, the financial assets and financial liabilities of the Company and its subsidiaries are translated from the local currency to the reporting currency at the average exchange rates prevailing at the date of the consolidated financial position. Moreover, profit and loss items are translated at the average exchange rates prevailing during the year. Exchange differences are recorded in a separate item in the consolidated comprehensive statement of profit or loss and within owners’ equity. In case one of the subsidiaries is sold, the exchange differences are recorded within revenues and expenses in the consolidated statement of profit or loss.

3. Adoption of new and revised Standards

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2022, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018-2020
The Annual Improvements include amendments to four standards:

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

IFRS 9 Financial Instruments
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases
The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

b. New and Revised Standards in issue but not yet effective

At the date of authorization of these Consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.**

New and revised IFRSs	Effective date
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	**The effective date is yet to be set. Earlier application is permitted.**
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.**
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	**January 1, 2023, with earlier application permitted and are applied prospectively.** **The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.**

New and revised IFRSs	Effective date
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.	**January 1, 2023, with earlier application permitted**
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: - Right-of-use assets and lease liabilities - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.	**January 1, 2023, with earlier application permitted**

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the financial statements of the Group in the period of initial application.

4. Significant Accounting Judgments and Key Source of Uncertainty

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

We believe that our estimates included in the financial statements are reasonable and detailed as follows:

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

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

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

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

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

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

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

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

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

Determining the number and relative weight of forward-looking scenarios for each type of products / market and the identification of future information relevant to each scenario
When measuring the expected credit loss, the Company uses reasonable and reliable future information based on the assumptions of the future movement of the various economic factors and how these economic factors affect each other.

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

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

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

Key Sources of Uncertainty Estimates:

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

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

5. Cash and Balances at Banks

This item consists of the following:

	December 31,	
	2022	**2021**
	JD	**JD**
Cash on hand	8,742	4,751
Current accounts at banks	972,556	841,563
Total	981,298	846,314
Less: provision for expected credit loss *	(1,949)	(1,949)
Net cash on hand and current accounts at banks	979,349	844,365

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

	December 31,	
	2022	**2021**
	JD	**JD**
Balance - beginning of the year	1,949	1,949
Ending balance	**1,949**	**1,949**

6. Accounts Receivable - Net

This item consists of the following:

	December 31, 2022	December 31, 2021
	JD	JD
Trade receivables	862,560	564,798
Employees' receivable	14,693	18,190
Total	877,253	582,988
Less: Provision for expected credit loss *	(126,428)	(126,428)
Net Accounts receivable	**750,825**	**456,560**

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

	December 31, 2022	December 31, 2021
	JD	JD
Balance - beginning of the year	126,428	126,428
Add: Addition during the year	-	-
Less: Written off debts	-	-
Ending balance	**126,428**	**126,428**

7. Financial Assets at Amortized Cost

This item consists of the following:

	December 31, 2022	December 31, 2021
	JD	JD
Financial bonds *	-	353,649
	-	**353,649**

* These financial bonds represent financial bonds for the Egyptian Government with an interest rate of 5.9%, and the bonds matured on March 13, 2022.

8. Accounts Receivable - Decent Housing for Decent Living Project

This item represents receivables from the Housing and Urban Development Corporation on the "Decent Housing for Decent Living" project after booking the provision for the expected credit loss, where during the third quarter of the year 2018 the decision of the arbitral tribunal has been issued with an amount less than the amount claimed. Accordingly, the Company has adjusted the deferred revenue related to the project which amounted to JD 2.2 million. In addition to accounts payable for the project developers which amounted to JD 2.5 million in accordance with the clearances which have been reached with them. However, the arbitration decision related to one of the items dated October 16, 2018, has been appealed, and legal counsel and Group's management believe that the possibility of a reversal of the decision is strong. A provision has been made for the entire balance, with the exception of an amount of JD 2,400 as of December 31, 2022 (JD 2,400 as of December 31, 2021), representing refundable cash deposits.

This item consists of the following:

	December 31, 2022	December 31, 2021
	JD	JD
Accounts receivable - Decent Housing for Decent Living project	997,025	997,025
Less: Provision for expected credit loss*	(994,625)	(994,625)
Accounts receivable - Net Decent Housing for Decent Living	2,400	2,400

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

	December 31, 2022	December 31, 2021
	JD	JD
Balance - beginning of the year	994,625	994,625

Ending balance	994,625	994,625

9. Residential Units Available for Sale

This item represents residential units available for sale in ZARQA as of December 31, 2022, and 2021.

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

	December 31,	
	2022	**2021**
	JD	**JD**
Balance – beginning of the year	201,018	325,503
Less: Cost of apartments sold	(83,194)	(124,485)
Balance – End of Year	**117,824**	**201,018**

- The selling price of residential units available for sale is not less than their book value as of December 31, 2022, and 2021.

- The fair value for residential units available for sale according to the latest estimate by the real estate appraiser is around JD 303,000 as of December 31, 2022 (around JD 303,000 as of December 31, 2021).

10. Cheques under Collection and Notes Receivable

The item consists of the following:

	December 31,	
	2022	**2021**
	JD	**JD**
Maturing in one year	238,723	178,795
Maturing in more than one year *	94,604	103,448
	333,327	**282,243**

* The maturity of the checks under collection and notes receivable until January 1st, 2028.

11. Financial Assets at Fair Value through Profit or Loss

The item consists of the following:

	December 31,	
	2022	**2021**
	JD	**JD**
Shares quoted in active markets	10,324	10,702
	10,324	**10,702**

12. Inventory-Net

The item consists of the following:

	December 31, 2022	December 31, 2021
	JD	JD
Spare parts	352,912	352,912
Food inventory and other saleable materials	77,646	33,741
Others	1,914	1,914
	432,472	388,567
Less: Provision for slow-moving inventory *	(327,912)	(327,912)
	104,560	**60,655**

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

	December 31, 2022	December 31, 2021
	JD	JD
Balance at the beginning of the year	327,912	327,912
Balance at the End of the Year	**327,912**	**327,912**

13. Other Debit Balances

The item consists of the following:

	December 31, 2022	December 31, 2021
	JD	JD
Prepaid expenses	52,128	23,779
Refundable deposits	51,215	31,818
Guarantees and deposits against banks facilities	214,573	213,276
Income and Sales tax deposit	32,608	43,151
	350,524	**312,024**

14. Financial Assets at Fair Value through Other Comprehensive Income

The item consists of the following:

	December 31, 2022	December 31, 2021
	JD	JD
Quoted stocks in active market	364,171	337,609
Unquoted stocks in active markets	151,000	222,000
	515,171	**559,609**

15. Investment Properties - Net

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

	December 31,	
	2022	**2021**
	JD	**JD**
Cost		
Balance at the beginning of the year	3,599,696	3,599,696
Balance at the End of the Year	3,599,696	3,599,696
Accumulated depreciation		
Balance at the beginning of the year	963,809	891,815
Depreciation for the year	71,994	71,994
Balance at the End of the Year	1,035,803	963,809
Net Book Value	2,563,893	2,635,887
Add: Land		
Balance at the beginning of the year	1,901,704	1,901,704
Balance at the End of the Year	1,901,704	1,901,704
	4,465,597	**4,537,591**
Depreciation Ratio	2%	2%

- The fair value of the investment properties according to the latest real estate independent appraisers' assessment was JD 7,7 as of December 31, 2022, and 2021.

16. Investment in Associates Companies

This item consists of the following:

Company's name	Nature of Business	Location	Paid-up Capital	Received cash dividends December 31, 2022	Received cash dividends December 31, 2021	The company's share of the profits of the associate companies December 31, 2022	The company's share of the profits of the associate companies December 31, 2021	Percentage of Contribution December 31, 2022	Percentage of Contribution December 31, 2021	Cumulative change in fair value	December 31, 2022	December 31, 2021	Change in retained earning	Losses Amortization
			JD	JD	JD	JD	JD	%	%	JD	JD	JD		
Jordan National Shipping Lines Company	Marine Shipping	Amman	15,000,000	371,529	371,528	799,388	576,712	20.64	20.64	42,269	5,846,760	5,356,145	20,487	-
Jordanian Marine Real Estate Investment Complex Company	Real Estate investment	Aqaba	15,600,000	-	-	(102,457)	(240,652)	26	26	-	1,671,083	1,260,300	-	513,240
Jordanian Academy for Marine Studies	Education	Amman	2,000,000	325,000	162,500	400,366	410,079	25	25	-	1,339,435	1,264,069	-	-
Jordanian National Line for Shipping Operations' Company	Marine Shipping	Aqaba	700,000	225,000	-	123,310	101,840	50	50	41,738	877,883	937,835	-	-
Maset Al Aqaba for Ships Building Company **	Navigation	Aqaba	500,000	-	-	-	(898)	-	-	-	-	-	-	-
Aqaba Chemicals Storage Company *	Chemical Storage	Amman	4,000,000	-	-	85,996	84,119	15	15	(6,160)	802,456	722,620	-	-
Al Maha Real Estate Development Company	Real Estate investment	Amman	12,000,000	-	-	(97)	(1,324)	33.33	33.33	(334)	3,973,530	3,973,961	-	-
Marine Lines for Port Services Company **	Navigation	Aqaba	3,500,000	-	-	-	(828)	-	-	-	-	-	-	-
Arabian Ships Management Company	Ships Management	Aqaba	149,000	20,000	40,000	47,162	22,840	20	20	-	166,484	139,322	-	-
Sea Star for Shipping and Logistics' Services Company	Marine Services	Aqaba	200,000	-	-	(4,903)	(9,052)	50	50	-	97,008	101,910	-	-
Haqel al Aqaba One for Investment	Real Estate investment	Aqaba	50,000	-	-	-	-	33.33	33.33	-	16,667	16,667	-	-
Investment in Shams Economics Company	Commercial Agencies	Amman	30,000	-	-	-	-	30	30	-	7,200	7,200	-	-
Ayyam Amman for Real Estate Development Company	Real Estate investment	Amman	750,000	-	-	177,312	125,767	40	40	-	981,325	804,013	-	-
				941,529	**574,028**	**1,526,078**	**1,068,603**			**77,513**	**15,779,831**	**14,584,042**	**20,487**	**513,240**

- The net share of the Company was calculated from the investment's profits in the associate companies for the year ended December 31, 2022 and 2021, based on financial statements of these companies.

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

** During the year 2021, Maset Al Aqaba for ships Building company and Marine line for port services company were liquidated.

17. Projects under Construction

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Al Shorouq City Project *	971,894	1,062,486
Dead Sea project	1,668,999	1,657,762
Total	2,640,893	2,720,248
Less: impairment	(250,000)	(250,000)
	2,390,893	**2,470,248**

- Projects under construction represent a total value of JD 2,390,893 as of December 31, 2022, 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 is based on the price of the plot, of land on which Al Shorouq City Project and the Dead Sea Project is erected, for these projects under construction, including the value of the land on which the projects are built exceeds their book value as of December 31, 2022.

* Movement on Al Shorouq City Project as follows:

	December 31,	
	2022	2021
	JD	JD
Balance - beginning of the year	1,062,486	1,109,675
Disposal of projects in progress balances related to sold land for Mada'en Al Shorouq - Note (18)	(90,592)	(47,189)
Balance – End of Year	**971,894**	**1,062,486**

18. Advance Payments for Land Acquisition

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Advance payments related to contracts for Mada'en Al Shorouq and its subsidiaries *	5,179,080	5,682,492
	5,179,080	**5,682,492**

* Movement on advance payments for land acquisition as follows: -

	December 31,	
	2022	**2021**
	JD	**JD**
Balance - beginning of the year	5,682,492	6,002,517
Sale of lands by waiver of contracts **	(503,412)	(320,025)
Balance – End of Year	**5,179,080**	**5,682,492**

- 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 capitalized expenses; accordingly, there is no need to book any impairments. In the year 2022 some of the lands sold by waiver of the contracts with approval from the National Resources Investment and Development Institute.

** In the year 2022 some of Mada'en Al Shorouq lands were sold by contracting an assignment with the approval from the National Resources Investment and Development Institute, the cost of the sold lands were 594,006 representing JD 90,592 projects under construction related to these lands and 503,412 costs of these lands, the sale also resulted in profit amounted to JD 426,869.

- Until date of preparing these financial statements, the ownership of the plots of land has not been legally transferred to the group.

19. Property and Equipment - Net

This item consists of the following:

	Land	Buildings and Hangar	Furniture and Fixtures	Devices and Equipments	Vehicles and Trucks	Computers	Total
Year 2022	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance - beginning of the year	204,874	132,701	455,445	669,137	967,787	228,378	2,658,322
Additions	-	-	223,654	148,376	3,291	16,534	391,855
Disposals	-	(80,063)	-	(760)	-	-	(80,823)
Balance - End of the Year	204,874	52,638	679,099	816,753	971,078	244,912	2,969,354
Accumulated Depreciation:							
Balance - beginning of the year	-	132,701	455,445	665,225	539,285	224,779	2,017,435
Depreciation for the year	-	-	11,418	14,550	82,370	3,643	111,981
Disposals	-	(80,063)	-	(161)	-	-	(80,224)
Balance - End of the Year	-	52,638	466,863	679,614	621,655	228,422	2,049,192
Net Book Value for property and equipment at year end	204,874	-	212,236	137,139	349,423	16,490	920,162
Year 2021							
Cost:							
Balance - beginning of the year	204,874	132,701	455,445	664,366	1,005,071	227,279	2,689,736
Additions	-	-	-	4,771	10,742	1,099	16,612
Disposals	-	-	-	-	(48,026)	-	(48,026)
Balance - End of the Year	204,874	132,701	455,445	669,137	967,787	228,378	2,658,322
Accumulated Depreciation:							
Balance - beginning of the year	-	132,701	454,158	645,670	529,561	222,079	1,984,169
Depreciation for the year	-	-	1,287	19,555	33,737	2,700	57,279
Disposals	-	-	-	-	(24,013)	-	(24,013)
Balance - End of the Year	-	132,701	455,445	665,225	539,285	224,779	2,017,435
Net Book Value for property and equipment at year end	204,874	-	-	3,912	428,502	3,599	640,887

- Property and equipment includes fully depreciated assets of JD 1,890,235 as of December 31, 2022 (JD 1,890,235 as of December 31, 2021).

- Depreciation expense is distributed between cost and general and administrative expenses.

20. Due to Banks

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Overdraft *	-	109,334
Overdraft for a subsidiary company**	81,096	74
	81,096	**109,408**

* This item represents direct credit facilities in the form of a debit current account granted by Arab Bank for the Salam International Transport and Trading Company, with a total limit of JD 600,000, with interest ranging from 7.5% to 9.5%. The objective of these facilities is to finance the Company's regular activities, which are guaranteed by shares mortgage.

** This item represents direct credit facilities – overdrafts granted by several banks, and the details of these direct credit facilities are as follows:

- Direct credit facilities in form of overdraft granted by the Jordan Kuwait bank to Farah International Catering Service company with a total limit of JD 100,000, with an interest of 3.5%. The objective of these facilities is to finance the company’s regular activities, and they have been granted against the personal guarantee of one of the shareholders for Farah’s company (Subsidiary company), and a cash margin guarantee amounted to JD 110,000.

- Direct credit facilities in form of overdraft granted by Arab bank to Farah International Catering Service company with a total limit of JD 200,000 With an interest of 7.5% and a commission of 0.5% annually. The objective of these facilities is to finance the company’s regular activities, and they have been granted against the personal guarantee of one of the shareholders for Farah’s company (a Subsidiary company), and a cash margin guarantee amounted to JD 100,000.

21. Accounts Payable

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Trade payables	2,097,690	1,763,118
	2,097,690	**1,763,118**

22. Loans

The details of the loans as of the date of the consolidated financial statements is as follow:

					December 31, 2022				December 31, 2021			
Granting Party	Loan Principle	Remaining Instalments	Method of Payment	Interest Rate	Due Instalment	Due during a Year	Due during More than a Year	Total	Due Instalment	Due during a Year	Due during More than a Year	Total
	JD			%	JD	JD	JD	JD	JD	JD	JD	JD
Housing Bank for Trade and Finance *	2,650,000	-	Monthly	8	-	-	-	-	-	240,000	33,721	273,721
					-	-	-	-	-	240,000	33,721	273,721

* During the third quarter of the year 2013, the Company has changed the due note into a loan, the first instalment of which matures on January 1, 2015 and in a monthly basis, where each instalment amounted to JD 20,000 and JD 440,000 for the last instalment on the loan full repayment, in order stabilize the liquidity position in the company as done during the year 2015, as an agreement was signed with the Housing Bank for Trade and Finance for which to postpone the due instalments during the year 2015, to February 1, 2016 till September 1, 2020. However, during the second quarter of 2020 the loan was re-scheduled to be paid starting from January 1st, 2021 until February 1st 2023 on a monthly basis, where the amount of each instalment will be JD 20,000 and the remaining amount will be the last instalment, the full amount of the loan was paid during the fourth quarter of the year ending on December 31, 2022.

- The movement on the loans during the years 2022 and 2021 is as follows:

	2022	2021
	JD	JD
Balance at the beginning of the year	273,721	1,055,062
(Paid Loans)	(273,721)	(781,341)
Balance at the End of the Year	-	273,721

23. Income Tax

a. Income Tax Provision:

The movement on the income tax provision is as follows:

	December 31, 2022	December 31, 2021
	JD	JD
Balance beginning of the year	64,459	69,376
Income tax for the year	66,913	37,413
Income tax paid during the year	(37,860)	(42,330)
Balance - End of the Year	**93,512**	**64,459**

b. Income Tax Expense:

Income tax expense shown in the consolidated statement of profit or loss represents the following:

	2022	2021
	JD	JD
Income tax for the year	66,913	37,413
	66,913	**37,413**

c. Income Tax Status:

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

a. Aqaba:

The discussion of the income tax for the year 2021 has been completed.

b. Amman:

The discussion of the income tax for the year 2018 has been completed by the Income and Sales Tax Department and obtained a final settlement, the company also has the tax returns up to the years 2019, 2020 and 2021.

Income tax expense for the year 2022 has been appropriately calculated, and according to the Company's management, no additional provision needed to be booked.

Subsidiaries**:**

The following schedule shows the tax situation of each subsidiary:

Company	Tax Returns up to Year	Final Settlement up to Year
Farah International Catering Service Company	2020	2018
Golden State for Commercial Services Company	2020	2020
Mada'en Al – Noor Investment and Real Estate Development Company	2020	2014
Al-Ibtikar Land Transportation Company	2020	2017
Afaq Supply and Storage Company	2021	2020
Mada'en Al – Bahr Investment and Real Estate Development Company	2020	2018
Technical for Construction and Real Estate Services Company	2020	2016
Mada'en Al – Shorouq Investment Real Estate Company	2020	2017
Mada'en Al–Salam Construction Company	2020	2015

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

24. Other Credit Balances

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Shareholders' deposits	207,582	29,335
Unpaid accrued expenses	111,419	230,848
Income tax deposits	20,598	13,518
Advance payments against selling plots of land without recognizing gain *	390,000	250,000
Social security deposits	16,796	7,668
Unearned revenue	25,740	28,717
Lawsuits provision	25,000	25,000
	797,135	**585,086**

* This item represents a payment received in advance from clients for selling plots of land for Mada'en Al – Shorouq (subsidiary company), as the company did not assign the ownership of the plots of land in favor of the clients until the checks received are due and the necessary contracts are signed. (Notes 17 and 18).

25. Balances and Transactions with Related Parties

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

	Nature of Relationship	Nature of Transaction	December 31, 2022	December 31, 2021
Company's Name			JD	JD
Jordan Maritime Real Estate Investment Complex Company	Associate Company	Financing	131,240	18,798
Zahret AL Ordoon Clearance Company	Company owned by shareholder	Financing	-	-
Aqaba Company for Chemical Storage	Associate Company	Financing	303,708	604,844
Ayyam Amman for invesment devlopment	Associate Company	Expenses	100,000	100,000
CMA CGM Company	Company owned by shareholder	Expenses	5,942	27,848
Sea Star for Shipping and Logistics Company	Associate Company	Expenses	27,699	46,633
Petra Navigation & International Trading Company	Company owned by shareholder	Expenses	17,777	
Other	Sister Companies within the group	Expenses	25,042	17,964
Total			611,408	816,087
Less: Provision for expected credit loss *			(38,660)	(38,660)
Net due from related party			572,748	777,427

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

	2022	2021
	JD	JD
Beginning balance	38,660	38,660
Ending Balance	38,660	38,660

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

	Nature of Relationship	Nature of Transaction	December 31, 2022	December 31, 2021
			JD	JD
Long-Term				
Al Maha Real Estate Development Company **	Associate Company	Financing	3,971,445	3,971,445
Partner Current Account -Ahmad Helmi Armoush	Shareholder	Financing	54,495	570,935
Short-Term				
Jordanian Academy for Marine Studies	Associate Company	Expenses	-	750
Jordanian National Line for Ships Operating Company	Associate Company	Financing	86,042	318,824
Jordan National Shipping Lines Company	Associate Company	Expenses	4,996	9,707
Jordan – Dubai for Properties Company	Partner in an Subsidiary Company	Financing	144,413	-
Al- Shams General Investments Company	Company owned by shareholder	Expenses	233,501	394,593
Petra Navigation and General Trading Company	Company owned by shareholder	Expenses	-	20,968
Armoush Company for Touristic Investments	Company owned by shareholder	Expenses	-	-
Noor AL-Balad Company	Company owned by shareholder	Expenses	209,000	
Others	Company owned by shareholder	Expenses	7,550	8,515
Total			685,502	753,357

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

** A purchase and an ownership of the full shares of four subsidiaries companies from the associate company "Al Maha Real Estate Development Company", amounting to JD 4,019,364. However, in the future the capital of associates will be decreased by 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 177,541 for the year 2022 (JD 225,778 for the year 2021).

- Lease revenue from the Technical for Constuction and Real Estate Investment Company (associate company) reached to JD 43,452 for the year 2022 (JD 38,494 for the year 2021).

- The transportation revenue from CMA CGM (sister company) reached to JD 228,330 for the year 2022 (JD 227,196 for the year 2021).

- The supervision and follow-up revenue from Sea Star for Shipping and Logistics' Company (associate company) amounted to JD 12,000 as of December 31, 2022 (JD 12,000 as of December 31, 2021).

- The supervision and follow-up revenue from the Jordanian National Lines Ship Operation Company (associate Company) reached JD 24,000 as of December 31, 2022 and 2021.

Executive management's salaries and remunerations

Executive management's salaries amounted to JD 187,212 for the year ended December 31, 2022 (JD 186,432 for the year ended December 31, 2021).

26. Subscribed and Paid-up Capital Issuance Discount

The authorized and paid-in capital reached JD 18,000,000 and the discount of the share amounted to JD 1,349,998 as of December 31, 2022, and 2021.

27. Statutory Reserve

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

28. Dividends

In its meeting held on April 27, 2022, the General Assembly approved the recommendation of the Board of Directors to distribute cash dividends to shareholders at a rate of 5% of the capital.

29. Fair Value Reserve for Financial Assets stated at Fair Value

This item consists of the following**:**

	December 31,	
	2022	**2021**
	JD	**JD**
Balance - beginning of the year	(326,297)	(433,261)
Unrealized gain	41,059	106,964
Balance at the End of the Year	**(285,238)**	**(326,297)**

30. Retained Earnings

This item consists of the following:

	December 31,	
	2022	**2021**
	JD	**JD**
Balance - beginning of the year	3,475,144	2,198,336
Prior years' adjustments *	(630)	(51,202)
Adjusted beginning balance	3,474,514	2,147,134
Profit for the year **–** Company's shareholders	2,107,271	1,377,986
Dividends paid	(900,000)	-
Transferred to statutory reserve	(70,900)	(49,976)
Balance at the End of the Year	**4,610,885**	**3,475,144**

* This item represents prior years' adjustments of the Company's share of adjustments related to subsidiary companies that were recorded after the issuance of the consolidated financial statements of the Group for the years 2022 and 2021. It has a non-material effect on the Group.

31. Revenue

This item consists of the following:

	2022	2021
	JD	JD
Sales of residential units	85,000	112,000
Sales of Lands (waiver contracts) and related projects in progress	1,020,874	623,500
Rented buildings revenue	596,696	590,247
Restaurants and cafeteria revenue	2,511,168	1,591,062
Transportation and supervision revenue	885,230	897,978
	5,098,968	**3,814,787**

32. Cost of Revenue

This item consists of the following:

	2022	2021
	JD	JD
Cost of residential units	89,252	124,485
Cost of lands sale (waiver contracts) and a related project in progress	594,006	367,213
Rented buildings cost	186,946	240,687
Cost of sale of restaurants and cafeteria	2,444,286	1,537,606
Transportation's cost	177,599	301,887
	3,492,089	**2,571,878**

33. General and Administrative Expenses

This item consists of the following:

	2022	2021
	JD	JD
Salaries, wages, and bonuses	361,615	317,532
Social security contribution	30,948	26,543
Medical insurance	23,078	20,553
Rents	139,492	138,768
Telephone, postage, and internet	10,396	12,379
Travel and transportation	8,542	12,498
Professional fees	72,286	115,935
Hospitality	2,221	1,975
Subscriptions, stamps, and governmental fees	32,294	31,912
Computer expenses	5,596	6,377
Maintenance	4,290	15,067
Stationery and printing	2,843	1,938
Advertising	935	50
Bank charges	6,356	8,877
Board of Directors' remunerations	42,000	29,750
Water and electricity	4,363	3,760
Support for education and donations	10,440	28,487
Other	22,499	17,278
	780,194	**789,679**

34. Other Income - Net

This item consists of the following:

	2022	2021
	JD	JD
Revenue from management and supervision *	36,000	36,000
Other income – net	37,030	51,223
	73,030	**87,223**

* This item represents revenue from management and supervision from associate companies' note (25).

35. Lease Contracts

a. Right of Use Assets - net:

the company leases a building, the average leases term is 10 years. Following is the movement on the right-of-use assets during the year:

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Balance beginning of the year	-	-
Add: Additions during the year	262,413	-
Less: Amortization during the year	(24,601)	-
Balance - End of the Year	**237,812**	**-**

b. Lease Liability:

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Balance beginning of the year	-	-
Add: Additions during the year	262,413	
Add: Interest during the year	7,360	-
Less: Paid during the year	(28,750)	-
Balance - End of the Year	**241,023**	**-**

Maturities of Undiscounted Lease Liability:

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Less than one year	-	-
From 1 to 10 years	262,413	-
Balance - End of the Year	**241,023**	**-**

c. Amounts recorded in profit or loss statement

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Right of use asset amortization for the year	24,601	-
Interest during the year	7,360	

36. Earnings per share for the year attributable to the Group's Shareholders

This item consists of the following:

	2022	2021
	JD	JD
Profit for the year attributable to the shareholders of the Group	2,107,271	1,377,986
The weighted average number of shares	18,000,000	18,000,000
	JD/Share	JD/Share
Earnings per share for the year attributable to the Group's Shareholders	0.12	0.077

37. Lawsuits against the Company

There are cases filed against the subsidiary company (Al Ibtikar for Land Transport company) for a total amount of JD 207,201 while the lawsuit's provision against it reached JD 25,000 as of December 31, 2022. 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, where the Court of Appeal decided to conduct technical expertise and appoint of an expert, who issued his report in the subsequent period of the financial statements, in which he concluded that the amount due from the Company does not exceed JD 7,000. The court decided to conduct a tripartite opinion of three experts appointed by the Court of Appeal, and the case is still pending in the Court of Appeal. Based on the Company's management and its legal advisor's opinion that in light of the experience report, the legal status of the Company is good. It is worth noting that the Company has filed an independent lawsuit against this same party in Amman court of the first instance for claim amounted to JD 352,828 noting that the court's decision was issued obligating the defendant to pay an amount of JD 182,829, the plaintiff submitted a list of distinctions against the decision of the Court of Appeal, and the company will provide an answer to the list of distinctions within the legal term, and according to the opinion of the company and the lawyer, the provision is sufficient to face the cases brought against the subsidiary company.

38. Contingent Liabilities

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

	December 31,	
	2022	**2021**
	JD	**JD**
Letters of guarantees and proper execution of tenders	78,000	78,000

- Mada'in Al-Bahr Company (subsidiary company) had obligations at the date of the financial statements that could arise in the form of delay fines in paying the land lease fees and the lease agreement of the land of recession, which amounted to JD 432,063, according to the letter of the Jordanian Company for Free Zones and Development No. 8/9/4462 dated May 14, 2019. According to the same letter, a recommendation will be submitted to the Council of Ministers by the Group and the Investment Authority to exempt from the amounts of fines and the lease of the land receding, as they have become public funds requiring a decision by the Council of Ministers to issue an exemption after taking some agreed upon steps.

39. 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	2022	2021
	JD	JD	JD	JD	JD	JD
Gross revenue	1,468,004	296,035	2,511,168	835,761	5,098,968	3,814,787
Less: Cost of revenue	(868,830)	(97,630)	(2,444,286)	(81,343)	(3,492,089)	(2,571,878)
Gross Profit	**599,174**	**198,405**	**66,882**	**754,418**	**1,606,879**	**1,242,909**
Less: Expenses allocated to segments						
General and administrative expenses	(233,872)	-	(202,369)	(436,158)	(872,399)	(846,958)
Marketing expenses	(23,697)	-	-	-	(23,697)	(19,633)
Profit from Operations	**341,605**	**198,405**	**(135,487)**	**318,260**	**710,783**	**376,318**
Gains on investments and other	-	-	-	(378)	(378)	1,069,762
Expected credit losses	-	-	-		-	-
Costs of borrowing	(13,152)	-	-	(9,355)	(22,507)	(88,084)
Net company's profit from selling a subsidiaries companies	-	-	85,996	1,440,081	1,526,077	-
Other revenue	4,612	-	16,278	52,140	73,030	87,223
Profit for the Year before tax	**333,065**	**198,405**	**(33,213)**	**1,800,748**	**2,287,005**	**1,445,219**
Less: Income tax for the year	(24,373)	-	-	(42,540)	(66,913)	(37,413)
Profit for the Continuing Operations	**308,692**	**198,405**	**(33,213)**	**1,758,208**	**2,220,092**	**1,407,806**
Net (Loss) for the year Discontinued Operations	-	-	-	-	-	-
Profit for the Year	**308,692**	**198,405**	**(33,213)**	**1,758,208**	**2,220,092**	**1,407,806**

					December 31, 2022	December 31, 2021
					JD	JD
Segment Assets	12,687,483	15,604,929	2,697,554	1,720,461	32,710,427	31,775,912
	12,687,483	**15,604,929**	**2,697,554**	**1,720,461**	**32,710,427**	**31,775,912**
Segment Liabilities	2,206,310	4,593,330	1,144,002	157,600	8,101,242	8,193,773
	2,206,310	**4,593,330**	**1,144,002**	**157,600**	**8,101,242**	**8,193,773**

b. All of the assets and liability and subsidiaries companies are based inside the Hashemite Kingdom of Jordan.

40. Fair Value Hierarchy

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

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

Financial Assets	Fair Value December 31, 2022	Fair Value December 31, 2021	Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	JD	**JD**				
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Companies' shares	10,324	10,702	Level I	Quoted Shares	N/A	N/A
Total	**10,324**	**10,702**				
Financial assets at fair value through comprehensive income						
Quoted shares	364,171	337,609	Level I	Quoted Shares	N/A	N/A
Unquoted shares	151,000	222,000	Level II	Compared with the market value of a similar instrument	N/A	N/A
Total	**515,171**	**559,609**				
Total Financial Assets at Fair Value	**525,495**	**570,311**				

There were no transfers between Level I and Level II during the year 2022.

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 financial statements of the Company approximate their fair value. Moreover, the Company's management believes that the book value of the items is equivalent to their fair value. That is, they will be due on a short-term basis, and interest rates will be repriced during the year.

	December 31, 2022		December 31, 2021		The Level of
	Book Value	**Fair Value**	**Book Value**	**Fair Value**	Fair Value
	JD	**JD**	**JD**	**JD**	
Assets with no fair value					
Real estate investments	4,465,625	7,660,000	4,537,591	7,683,200	Through real estate evaluators
Total Assets with No Fair Value	**4,465,625**	**7,660,000**	**4,537,591**	**7,683,200**	
Financial Liabilities with No Fair Value					
Loans	-	-	273,721	274,721	Level II
Total Financial Liabilities with No Fair Value	**-**	**-**	**273,721**	**274,721**	

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

41. Risks Management

a. Capital risk management

The Company manages its capital to ensure its continuity as a going concern while maximizing the return to its partners through achieving an optimal balance between debt and equity. Moreover, there has been no change in the Company’s policies since the year 2020.

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

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

	December 31,	
	2022	**2021**
	JD	**JD**
Total Liabilities	8,101,242	8,193,773
Total Shareholders’ equity	24,609,185	23,582,139
Debt to Equity Ratio	32%	%35

b. Foreign currency risk

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

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

c. Liquidity risk

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

The Company's liquidity position as of December 31, 2022, and 2021 is as follows:

	December 31,	
	2022	**2021**
	JD	**JD**
Current assets	3,127,277	3,197,595
(Less): Current liabilities	(3,802,922)	(3,539,428)
(Deficit) in Working Capital	**(675,645)**	**(341,833)**

Management believes that the liquidity risk is not significant as of the date of the consolidated financial statements, as current liabilities include JD 685,502 which are due to related parties- short term as of December 31, 2022 (JD 753,357 as of December 31, 2021). The management future plan to face the liquidity deficit by activating the operations 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 or selling some of the subsidiary 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 banking financings and selling lands through the waiver.

d. Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The group has adopted a policy based on documenting its debts with others with the necessary documents to ensure that any funds are legally overdue with the help of its legal advisor, and the group also monitors its exposure to credit risk by studying the level of debtors 'solvency, in addition to ensuring that the accumulated value of the credit relates to approved parties It is approved by the administration, and by following up on the granted credit limits, as they are reviewed and approved by the management periodically.

The carrying value of financial assets recorded in the consolidated financial statements, with their net impairment losses, represents the maximum credit risk that the Group may be exposed to. Note that the balance of commercial receivables in Farah Food Services Company amounted to JD 532,084 which equivalent to 84% of the total receivables of the group as of December 31, 2022.

The Company's management believes that the percentage of non-collection of receivables or not collecting part of them is almost very weak, and strict credit control is maintained as the indebtedness of each client is monitored separately and on an ongoing basis.

e. Market risk

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

f. Interest rate risk

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

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

	+0.5%	-0.5%
	JD	JD
Outstanding credit facilities –(loss)	-	(1,916)
	-	(1,916)

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