السلام الدوليـــة للنقل والتجـــارة
شركة مســاهمة عــامــة

SALAM INTERNATIONAL
TRANSPORT & TRADING CO. PLC

اشارتنا رقم : 2017/84/ب ر/م ر
التاريخ: 15/ 5 /2017

الساده / بورصة عمان المحترمين

تحية طيبة وبعد ،

مرفق طيه البيانات المالية عن الفترة كما في 2016/12/31 باللغه الانجليزية .

وتفضلوا بقبول فائق الاحترام،،،،،

رئيس مجلس الإدارة

الدكتور محمد أبو حمور

شركة السلام الدولية للنقل والتجارة م.ع.م
Salam International Transport & Trading PLC

Acc2017/mr/acc109

بورصة عمان
الدائـــرة الإدارية والمالية
الديـــوان
١٥ أيــار ٢٠١٧
الرقم المتسلسل: ٢١١٦
رقم الملـــف: ٤٢١١٢
الجهة المختصة: الإدراج والتداول

Head Office : Aqaba - Armoush Center - Telefax: +962 3 2033099 - P.O.box: 2470
Rep. Office : (240) Arar Street - Wadi Sakra
P.O.Box 212955 Amman 11121 Jordan - Tel.: +962 6 5654510 - Fax: +962 6 5697014
E-mail: sittco@aagroup.jo - Website: www.sittcogroup.com

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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2016 TOGETHER
WITH INDEPENDENT AUDITOR'S REPORT

SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA - JORDAN
DECEMBER 31, 2015

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Deloitte.

Deloitte & Touche (M.E.) - Jordan
Jabal Amman, 5th Circle
190 Zahran Street
P.O.Box 248
Amman 11118, Jordan

Tel : +962 (0) 6 5502200
Fax : +962 (0) 6 5502210
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT

AM \ 81552

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

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Salam International Transport and Trading Company, and its subsidiaries, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statement of income and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our qualified opinion, except for the possible effects of the matters described in the "Basis of Qualified Opinion" paragraphs (1 & 2), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of Qualified Opinion

1. As stated in Note (7) to the accompanying consolidated financial statements, there is a balance of JD 8,957,230 due from the Housing and Urban Development Corporation against the "Decent Housing for Decent Living" Project as of December 31, 2016 and 2015, including JD 3,095,762 booked as unearned revenue and subcontractors payable at the end of the year 2014. Moreover, we were unable to verify this receivable and the related accounts payable for the project's subcontractors included within accounts payable of JD 2,496,089, as the Company has not reached a final settlement with the Corporation concerning this project. We were also unable to verify these amounts by performing alternative audit procedures. Noting that the Company capitalized interest and fees during the year 2013 in an amount of around JD 294 K incurred on a loan which was obtained to finance the project. Additionally, the Company has opted to go to arbitration against the Housing and Urban Development Corporation in relation to the amounts due, and arbitration proceedings are still ongoing as stated by Management.

2. We were not provided with a realizable value study for the property and equipment and inventory of Al-Ibtikar Land Transport Company (subsidiary company) with a net book value of JD 1,150,728 as of December 31, 2016 (JD 1,514,744 as of December 31, 2015) as the subsidiary company's main operation has declined significantly since mid-2014. Therefore, we were unable to verify if there is any impairment in its value as of the date of the consolidated financial statements, furthermore, we were unable to do so by performing alternative audit procedures.

Emphasis of Matters

Without further qualifying our opinion, we draw attention to the following:

1 - As stated in Note (16) to the accompanying consolidated financial statements, there are incomplete projects under construction totaling JD 2,588,130 as of December 31, 2016, in addition there are payment on account of acquiring investment in companies in an amount of JD 150,494 as of December 31, 2016. Recovery of these amounts depends on executing the operating plans of the Company's subsidiaries to complete these projects and obtaining the necessary funding.

2 - As stated in Note (17) to the accompanying consolidated financial statements, there are advance payments on contracts related to Madaen Al Shorouq Real Estate Investment and Development Company (subsidiary company) to purchase land from the National Resources Investment and Development Corporation for JD 3,146,817 as of December 31, 2016, in order to build and develop these lands. The Company is still in the process of completing the terms of the contract in order to conclude the ownership transfer. In addition, there are advance payments related to a land acquisition contract between Madaen Al Aqaba Real Estate Investment and Development Company (subsidiary company) and Aqaba Development Corporation of JD 3,536,135 as of December 31, 2016, according to the sale agreement dated October 16, 2007, for developing and building on these lands. The Company is still in the process of transferring ownership, as the two parties will sign an appendix amending the signed sale agreement, which has not been concluded as stated by Management.

We conducted our audit in accordance with International Standards on Auditing. 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 together with the other ethical requirements that are relevant to our audit of the Company's consolidated financial statements in Jordan, 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 qualified 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. In addition to the matters described in paragraphs (1&2) within the "Basis for Qualified Opinion" section, we have determined the matters described below to be the key audit matters to be communicated in our report.

1. The Company's Share of Associates Company Profits

The Company's share of associates Company Profits represent a major part of the Company's revenue.

In this regard, the Company books its share from these companies' profits based on the equity method as per the latest available audited or reviewed financial statements.

Scope of Audit to Address Risk

The audit procedures included understanding the Company's procedures related to calculation of its share from the associates' profits based on the equity method. We also requested management to provide us with the most recent available audited or reviewed financial statements, recalculated the Company's share from those companies' profits, and reviewed the adequacy of the related disclosures.

2. Payments on Account of Acquiring Land and Projects under Construction

The consolidated financial statements include payments on account of acquiring plots of land and projects under construction, totaling JD 9,271,082 as of December 31, 2016. These projects include the value of work in progress and related costs. Moreover, direct costs of these projects are deferred until their completion. According to International Financial Reporting Standards, the Company should determine the recoverability of these amounts.

Scope of Audit to Address Risk

The audit procedures included obtaining the contracts of those plots of land; reviewing payments on account of their acquisition; and discussing with management recoverability of the related payments and completion of the projects in the future or recoverability of the related payments.

3. Valuation of Real Estate Investments

Real estate investments comprise 24% of the Company's assets. Moreover, the Company should revaluate those investments at the time of preparation of the consolidated financial statements to determine their fair value and record the effect any impairment in the consolidated statement of income as per International Financial Reporting Standards. Consequently, the Company obtains assistance from independent real estate appraisers to determine their fair value and reflect any impairment in the consolidated statement of income for that period. Thus, assessment of the fair value of the real estate investments is significant to our audit.

Scope of Audit to Address Risks

The followed audit procedures included understanding the procedures applied by the Company in evaluating real estate investments, testing the implemented internal control procedures, evaluating the reasonableness of the judgments based on the evaluation of the real estate appraisers, calculating the average fair value of those evaluations, recording any impairment in value, if any, and reviewing the appropriateness of the disclosure on the fair value of real estate investments.

Deloitte.

Other Matter
The accompanying consolidated financial statements are a translation of the statutory financial statements, which are in the Arabic language to which reference is to 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 IFRS, and for such internal control as management determines necessary to enable preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records, which are in agreement with the accompanying financial statements. We recommend that the General Assembly of the Shareholders approve these consolidated financial statements, taking into consideration the possible effect of what is mentioned in paragraphs (1 & 2) within the "Basis of Qualified Opinion" section and the effect of what is mentioned in paragraphs (1 & 2) within the "Emphasis of Matters" section.

Deloitte & Touche

Deloitte & Touche (Middle East) - Jordan

Amman - Jordan

March 30, 2017

Deloitte & Touche (M.E.)
Public Accountants
Amman - Jordan

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

	Note	December 31, 2016	December 31, 2015
ASSETS		JD	JD
Current Assets:			
Cash on hand and at banks	5	156,733	441,702
Accounts receivable-net	6	547,467	392,465
Due from related parties	25/a	977,197	884,877
Accounts receivable - "Decent Housing for Decent Living" project	7	8,957,230	8,957,230
Residential units available for sale	8	910,183	1,206,973
Checks under collection and notes receivable - short term	9	610,578	869,721
Financial assets at fair value through profit or loss	10	10,068	9,070
Inventory - net	11	502,619	460,602
Other debit balances	12	839,548	760,886
Total Current Assets		13,511,623	13,983,526
Non-Current Assets:			
Checks under collection and notes receivable - long term	9	115,157	257,579
Financial assets at fair value through other comprehensive income	13	673,643	641,056
Investment properties - net	14	11,989,195	12,031,102
Investments in associates	15	13,060,149	12,732,873
Projects under construction	16	2,588,130	2,378,042
Advance payments for land acquisition	17	6,682,952	6,682,952
Advance payments for acquiring investment in companies	18	150,494	150,494
Property and equipment - net	19	1,410,381	1,894,134
Total Non-Current Assets		36,670,101	36,768,232
TOTAL ASSETS		50,181,724	50,751,758
LIABILITIES AND OWNERS' EQUITY			
Current Liabilities:			
Due to banks	20	1,224,297	1,139,588
Accounts payable	21	4,835,546	5,063,824
Due to related parties	25/b	4,866,116	4,389,609
Loans - current portion	22	2,580,364	2,384,806
Deferred checks and notes payable - short term		786,983	959,335
Income tax provision	23	61,762	138,286
Other credit balances	24	2,967,948	2,932,756
Total Current Liabilities		17,323,016	17,008,204
Non-Current Liabilities:			
Deferred checks and notes payable - long term		72,143	60,000
Shareholder's current account	25/b	1,596,389	1,370,790
Long-term Loans	22	7,346,962	9,608,165
Total Non-Current Liabilities		9,015,494	11,038,955
Total Liabilities		26,338,510	28,047,159
OWNERS' EQUITY			
SHAREHOLDERS' EQUITY			
Paid-up capital	26	18,000,000	18,000,000
Share discount	26	(1,349,998)	(1,349,998)
Statutory reserve	27	1,970,514	1,970,514
Voluntary reserve	27	48,024	48,024
Financial assets at fair value revaluation reserve	29	(143,453)	(164,446)
Accumulated (losses)	30	(1,895,423)	(1,982,792)
Net Shareholders' Equity		16,629,664	16,521,302
Non-controlling Interests		7,213,550	6,183,297
Net Owners' Equity		23,843,214	22,704,599
TOTAL LIABILITIES AND OWNERS' EQUITY		50,181,724	50,751,758

General Manager

Chairman of the Boared of Directors

THE ACCOMPANYING NOTES FROM (1) to (40) 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 INCOME

	Note	For the Year Ended December 31, 2016	2015
		JD	JD
Revenue	31	4,449,460	5,307,872
Less: Cost of revenue	32	(3,020,492)	(3,988,966)
Gross Profit		1,428,968	1,318,906
Less: General and administrative expenses	33	(1,679,252)	(1,721,106)
Marketing expenses		(65,860)	(48,267)
Borrowing costs		(1,045,210)	(1,144,703)
Company's share of associated companies' profits	15	920,028	303,359
Gain (loss) from valuation of financial assets at fair value through profit or loss		14,563	(223)
Cash dividends		13,562	9,496
Other income		47,384	38,231
(Loss) for the Year before Income Tax Expense		(365,817)	(1,244,307)
Less: Income tax expense	23	(45,173)	(83,085)
Prior years' income tax expenses		-	(5,798)
(Loss) for the Year		(410,990)	(1,333,190)
Attributable to:			
The Company's shareholders		168,890	(764,767)
Non-controlling interests		(579,880)	(568,423)
Total		(410,990)	(1,333,190)
Earnings / (Loss) per Share for the Year Attributable to the Company's Shareholders	34	0.009	(0.043)

General Manager

Chairman of the Boared of Directors

THE ACCOMPANYING NOTES FROM (1) to (40) 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 COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2016	2015
	JD	JD
(Loss) for the year	(410,990)	(1,333,190)
Comprehensive Income Items:		
Items not to be subsequently transferred to consolidated statement of income :		
Change in fair value of financial assets at fair value	20,993	(70,170)
Total Comprehensive (Loss) for the Year	(389,997)	(1,403,360)
Total Comprehensive (Loss) for the Year Attributable to:		
Company's shareholders	189,883	(834,937)
Non- controlling interests	(579,880)	(568,423)
Total	(389,997)	(1,403,360)

THE ACCOMPANYING NOTES FROM (1) to (40) 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 CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid-up Capital	Share Discount*	Statutory Reserve	Voluntary Reserve	Financial Assets at Fair Value Revaluation Reserve	Accumulated (Losses)/ Retained Earnings Realaized	Unrealized	Total	Total	Non-Controlling Interests	Total
		Company's Shareholders' Equity										
		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2016												
Balance - beginning of the year		18,000,000	(1,349,998)	1,970,514	48,024	(164,446)	(3,899,401)	1,916,609	(1,982,792)	16,521,302	6,183,297	22,704,599
Prior years' adjustments	40	-	-	-	-	-	(81,521)	-	(81,521)	(81,521)	-	(81,521)
Adjusted balance - beginning of the year		18,000,000	(1,349,998)	1,970,514	48,024	(164,446)	(3,980,922)	1,916,609	(2,064,313)	16,439,781	6,183,297	22,623,078
(Loss) for the year		-	-	-	-	-	168,890	-	168,890	168,890	(579,880)	(410,990)
Change in fair value of financial assets at fair value		-	-	-	-	20,993	-	-	-	20,993	-	20,993
Total Comprehensive (Loss) for the Year		-	-	-	-	20,993	168,890	-	168,890	189,883	(579,880)	(389,997)
Net change in non - controlling interests in subsidiaries		-	-	-	-	-	-	-	-	-	1,610,133	1,610,133
Balance - End of the Year		18,000,000	(1,349,998)	1,970,514	48,024	(143,453)	(3,812,032)	1,916,609	(1,895,423)	16,629,664	7,213,550	23,843,214
For the Year Ended December 31, 2015												
Balance - beginning of the year		17,427,962	(1,092,581)	1,970,514	48,024	(94,276)	(3,027,116)	1,916,609	(1,110,507)	17,149,136	6,828,651	23,977,787
Prior years' adjustments	40	-	-	-	-	-	(107,518)	-	(107,518)	(107,518)	-	(107,518)
Adjusted balance - beginning of the year		17,427,962	(1,092,581)	1,970,514	48,024	(94,276)	(3,134,634)	1,916,609	(1,218,025)	17,041,618	6,828,651	23,870,269
(Loss) for the year		-	-	-	-	-	(764,767)	-	(764,767)	(764,767)	(568,423)	(1,333,190)
Change in fair value of financial assets at fair value		-	-	-	-	(70,170)	-	-	-	(70,170)	-	(70,170)
Total Comprehensive (Loss) for the Year		-	-	-	-	(70,170)	(764,767)	-	(764,767)	(834,937)	(568,423)	(1,403,360)
Net change in non - controlling interests in subsidiaries		-	-	-	-	-	-	-	-	-	(76,931)	(76,931)
Increase in capital *	1	572,038	(257,417)	-	-	-	-	-	-	314,621	-	314,621
Balance - End of the Year		18,000,000	(1,349,998)	1,970,514	48,024	(164,446)	(3,899,401)	1,916,609	(1,982,792)	16,521,302	6,183,297	22,704,599

* According to the resolution of the General Assembly of the Company, in its extraordinary meeting held on April 22, 2014, it was approved to increase the Company's capital by three million shares at a par value of JD 1 per share through private underwriting by the Company's shareholders at a share discount value not greater than 50% of the share par value, and authorize the Board of Directors to determine the share discount . On August 3, 2014, the Board of Directors has agreed to set the share discount at -/450 JD per share.

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

THE ACCOMPANYING NOTES FROM (1) to (40) 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 CASH FLOWS

	Note	For the Year Ended December 31, 2016	2015
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) for the year before income tax		(365,817)	(1,244,307)
Adjustments:			
Investment properties depreciation	14	186,951	100,489
Property and equipment depreciation	19	251,101	296,743
Loss from sale of property and equipment		-	1,238
Company's share of associated companies (profits)	15	(920,028)	(303,359)
(Gain) loss from valuation of financial assets at fair value through statement of income		(14,563)	223
Lawsuits provision	24	78,622	-
Borrowing costs		1,045,210	1,144,703
Net Cash from (used in) Operating Activities before Changes in Working Capital		261,476	(4,270)
(Increase) in accounts receivable		(158,591)	(47,892)
Decrease (increase) in checks under collection and notes receivable		401,565	(534,316)
(Increase) in financial assets at fair value through statement of income		(998)	-
(Increase) decrease in inventory		(42,017)	49,760
(Increase) decrease in other debit balances		(78,662)	95,921
(Decrease) increase in accounts payable		(228,278)	337,117
(Decrease) in other credit balances		(39,842)	(1,654,981)
Net Cash Flows from (used in) Operating Activities before Income Tax Paid		114,653	(1,758,661)
Income tax paid		(104,302)	(77,486)
Net Cash Flows from (Used in) Operating Activities		10,351	(1,836,147)
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in financial assets at fair value through other comprehensive income		(18,024)	(193,071)
Decrease in residential units available for safe		296,790	934,873
Decrease (increase) in investments in associates		592,752	(911,959)
(Increase) in projects under constructions		(210,088)	(509,056)
(Increase) in investments properties	14	(145,044)	-
(Purchase) of property and equipment	19	(33,612)	(169,850)
Proceeds from selling property and equipment		266,264	651,518
Net Cash Flows from (used in) Investing Activities		749,038	(197,545)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowing costs (paid)		(1,045,210)	(1,144,703)
(Increase) decrease in deferred checks and notes payable		(160,209)	197,706
Decrease in due from/to related parties		1,067,364	2,603,222
Increase (decrease) in due to banks		84,709	(814,082)
(Decrease) in loans		(2,065,645)	(378,093)
Increase in paid- up capital		-	314,621
Decrease (increase) in non-controlling interests		1,074,633	(76,931)
Net Cash flows (used in) from Financing Activities		(1,044,358)	701,740
Net (Decrease) in Cash		(284,969)	(1,331,952)
Cash on hand and at banks - beginning of the year		441,702	1,773,654
Cash on Hand and at Banks - End of the Year	5	156,733	441,702
Non-Cash Transactions:			
(Decrease) in due to related parties		(535,500)	-
Increase in other credit balances		535,500	-
(Increase) in non- controlling interests as a result of amortized subsidiary's loss		-	(7,090,013)
Increase in loans		-	812,000
Decrease in assets held for sale		-	2,157,826
(Decrease) in liabilities directly associated with assets classified as held for sale		-	(846,782)

THE ACCOMPANYING NOTES FROM (1) to (40) CONSTITUTE AN INTEGRAL PART OF THESE CONSILIDATED FIANACAIL STATEMENTS AND SHOULD BE READ WITH THEM

1. General

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

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

- The Company's Head Office is located in Aqaba - Jordan.

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

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

c. The consolidated financial statements have been approved by the Board of Directors on March 23, 2017.

2. Significant Accounting Policies

a. Basis of Preparation of the Consolidated Financial Statements

- The accompanying consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and related interpretations.

- The consolidated financial statements have been prepared under the historical cost principle, except for financial assets and financial liabilities, which are stated at fair value through the statement of income, and financial assets at fair value through comprehensive income, stated at fair value on the date of the consolidated financial statements. Furthermore, hedged financial assets and financial liabilities are also stated at fair value.

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

- The accounting principles adopted for the consolidated financial statements for the year are consistent with those used in the prior year ended December 31, 2015, except for what is mentioned in Note (3-a) to the consolidated financial statements.

b. Basis of Consolidation of the Financial Statements

- The consolidated financial statements include the financial statements of the Company (Salam International Transport and Trading Company), its subsidiaries, and entities under its control. Moreover, control is achieved when the Company has the ability to control the financial and operating policies of the subsidiary companies to obtain benefits from their activities. Transactions, balances, revenue, and expenses between the Company and its subsidiaries are eliminated.

- The consolidated financial statements of the subsidiary companies are prepared for the same fiscal year of the Company using the same accounting policies of the Company. If the accounting policies adopted by the subsidiaries differ from those adopted by the Company, the necessary adjustments to the subsidiary companies' consolidated financial statements are made so that their accounting policies match those of the Company.

- Non-controlling interests represent the portion of the subsidiaries equity not owned by the parent Company.

- The Company owns the following subsidiary companies as of December 31, 2016:

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	99.86	Trading	Jordan	September 21, 1992	2,284,739	462,145	2,796,881	2,596,942
Golden State For Commercial Services Company	204,874	99.86	Trading	Jordan	September 4, 2005	13,197	12,830	-	-
Mada'en Al - Noor Investment and Real Estate Development	6,000,000	75	Real estate	Jordan	June 3, 2004	22,449,893	13,472,493	165,480	638,816
Al - Ibtikar Land Transportation	2,600,000	70	Transportation	Jordan	March 9, 2005	1,242,913	1,265,477	3,539	251,960
Afaq Supply and Storage Company	500,000	90	Supply & storage	Jordan	February 18, 2008	939,129	1,271,340	99,102	2,239
Amman River Transport and Supply Company	1,000	100	Trading	Jordan	August 31, 2008	2,851	3,230	-	-
Mada'en Al - Bahr Investment and Real Estate Development	1,000,000	87.5	Trading	Jordan	September 5, 2010	1,736,727	965,419	-	81,731
Technical for Construction and Real Estate Services	1,000,000	98.75	Real estate	Jordan	September 1, 1992	3,586,238	364,223	313,265	165,940
Mada'en Al - Shorouq Investment Real Estate Company	6,660,000	69.99	Real estate	Jordan	November 20, 2006	8,934,749	1,239,718	259,500	378,978
Mada'en Al - Aqaba Investment Real Estate Company	2,500,000	60	Real estate	Jordan	September 6, 2007	3,988,548	1,817,986	-	8,998
Al - Aqaba Markets Development and Investment Company	4,700,000	52.5	Real estate	Jordan	August 9, 2006	7,216,259	3,895,183	142,678	593,145
Mada'en Al - Salam Construction Company	250,000	80	Real estate	Jordan	May 15, 2006	1,447,661	697,509	-	130,779

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

- According to the Companies Control Department and the Ministry of Industry and Trade's Letter No. M Sh/19/951/65363 dated October 16, 2016, Madaen Abdoun Real Estate Investment & Development Company was liquidated. It was registered in the limited private shareholding companies' register under No. (951) with a capital of JD 50,000. Moreover, the Company was liquidated based on the agreement of all partners. Consequently, this Company's accounts have been excluded from Salam International Transport and Trading Company's consolidated statements as of that date.

c. 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.

d. Accounts Receivable

Accounts receivable are stated at net realizable value after booking a provision for doubtful debts.

e. Residential Units Available for Sale

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

f. Inventory

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the first-in, first-out method. Net realizable value is the estimated selling price of inventory less the estimated cost of necessary to make the sale.

g. Financial Assets at Fair Value through Profit or Loss

- These financial assets represent investments in companies' stocks and bonds for trading purposes, and they are kept to generate gains from the fluctuations in market prices in the short term or trading margins.

- These financial assets are initially stated at fair value at the acquisition date, (transaction costs are expensed in the consolidated statement of income), and subsequently, measured at fair value. Moreover, changes in fair value are recorded in the consolidated statement of income, including the change in fair value resulting from the translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of income.

- It is not allowed to reclassify any financial assets to/from this category except for the cases specified in International Financial Reporting Standards.

- Dividends and interest from these financial assets are recorded in the consolidated statement of income.

h. Financial Assets at Fair Value Through Other Comprehensive Income

- These financial assets represent investments in equity instruments held for generating gains in the long term and not for trading purposes.

- Financial assets at fair value though other comprehensive income are initially stated at fair value plus transaction costs at the purchase date. They are subsequently measured at fair value, and the gains or losses arising from the changes in fair value are recognized in the consolidated statement of changes in owners' equity, including the changes in fair value resulting from the translation of non-monetary assets stated in foreign currency. The gain or loss from the sale of these investments should be recognized in the consolidated statement of comprehensive income and within owners' equity, and the balance of the revaluation reserve for these assets should be transferred directly to retained earnings, and not to the consolidated statement of income.

- These assets are not subject to impairment testing.

- Dividends are recorded in the consolidated statement of other comprehensive income in a separate - line item.

i. Fair Value

Fair value represents the closing market price (purchase of assets / sale of liabilities) of financial assets and derivatives on the date of the consolidated financial statements.

In case declared market prices do not exist, active trading of some financial assets and derivatives is not available, or the market is inactive, fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.

- Analysis of the future cash flows, using the discounted cash flows technique, through adopting a discount rate used in a similar instrument.

- Option pricing models.

- Long-term assets and liabilities that bear no interest are evaluated in accordance with the discounted cash flows technique, using the effective interest rate. Premiums and discounts are amortized within interest revenues or expenses in the consolidated statement of income.

The valuation methods aim to obtain a fair value that reflects the market expectations, taking into consideration market factors and any expected risks and benefits upon estimating the value of financial assets. Moreover, financial assets the fair value of which cannot be reliably measured are stated at cost net of any impairment in their value.

j. Impairment in the Value of Financial Assets

The Company reviews the values of financial assets, on the date of the consolidated statement of financial position, in order to determine if there are any indications of impairment in their value, individually or in the form of a portfolio. In case such indications exist, the recoverable value is estimated so as to determine the impairment loss.

Impairment loss is determined as follows:

- Impairment loss in financial assets recorded at amortized cost represents the difference between the book value and the present value of the expected cash flows discounted at the original interest rate.

- Impairment loss in value is recorded in the consolidated statement of income. Any surplus in the following period resulting from previous declines in the fair value of financial assets held at amortized costs is taken to the consolidated statement of income.

k. Investments in Associates and Companies Subject to Joint Control

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

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

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

As of December 31, 2016, the details of investments in associates are as follows:

Company's Name	Percentage of Ownership %	Business Location
Jordanian Marine Real Estate Investment Complex Company	26	Jordan
Jordan National Shipping Lines Company	22.96	Jordan
Jordanian Academy for Marine Studies	25	Jordan
Jordanian National Line for Ships Operation Company	50	Jordan
Maset Al Aqaba for Ships Building Company	50	Jordan
Aqaba Storing Chemicals Company	30	Jordan
Al Maha Real Estate Development Company	33.33	Jordan
Marine Lines for Storage and Port Services Company	50	Jordan
Arabian Ships Management Company	20	Jordan
Maset Al Salam Company – Sudan	46	Sudan
Al Shams Economics Company	30	Jordan
Sea Star for Shipping and Logistics' Services Company	50	Jordan

l. Investment Property

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

m. 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 income.

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

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

n. 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.

o. 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.

p. 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.

q. Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.

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

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

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

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

r. Revenue Recognition

Revenue from the sale of apartments and goods is measured at the fair value of the consideration received or receivable, net of sales tax, when all of the following conditions are satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the goods;

- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- The amount of revenue can be measured reliably;

- 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.

Revenue from services is recorded in the consolidated statement of income in accordance with the completion of the service, whose stages are evaluated according to previous studies.

Contracts revenues represent initial payments agreed on in the contracts plus any differences in the contract works, claims and payments that might lead to reliably measurable revenues.

s. Rental Contracts

Rental contracts revenue from investment in properties is recognized in the consolidated statement of income over the rental period, using the straight-line basis.

t. Contract Revenue

Contract revenue is recognized in the consolidated income statement 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.

u. Date of Recognition of Financial Assets

Purchase and sale of financial assets are recognized on the trade date (the date on which the Company commits itself to sell or purchase financial assets).

v. Borrowing Costs

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

w. 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 income.

- 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 income statement 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 income.

3. Adoption of New and Revised International Financial Reporting Standards (IFRSs)

a. New and revised IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2016, have been adopted in these consolidation 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

- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure initiative
- Amendments to IFRS 11 Joint Arrangements relating to accounting for acquisitions of interests in joint operations
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortisation
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants
- Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements
- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities
- Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.

b. New and revised IFRSs in issue but not yet effective and not early adopted
The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018; the amendment to IFRS 12 for annual periods beginning on or after January 1, 2017

Amendments to IAS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealized losses	January 1, 2017
Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; • the prepayment asset or deferred income liability is non-monetary.	January 1, 2018
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions	January 1, 2018
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	January 1, 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	January 1, 2018
Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9	When IFRS 9 is first applied
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	When IFRS 9 is first applied
IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014) IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.	January 1, 2018

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. The standard contains requirements in the following areas:

Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39. However, there are differences in the requirements applying to the measurement of an entity's own credit risk.

Impairment: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised

Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Amendments to IFRS 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	January 1, 2018
IFRS 15 *Revenue from Contracts with Customers*	January 1, 2018

In May 2015, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

Amendments to IFRS 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	January 1, 2018
IFRS 16 *Leases* IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	January 1, 2019
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the preparation of the consolidated financial statements as and when they are applicable; and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the consolidated financial statements of the company in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's consolidated financial statements for the annual period beginning 1 January 2018 and that IFRS 16 will be adopted in the Company's consolidated financial statements for the annual period beginning 1 January 2019.

The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Company's consolidated financial statements in respect of revenue from contracts with customers and the Company's financial assets and financial liabilities. Moreover, the application of IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's consolidated financial statements in respect of its leases.

4. Accounting Estimates

Preparation of the consolidated financial statements and the application of the accounting policies require from the Company's management to perform estimates and judgments that affect the amounts of the consolidated financial assets, liabilities, and disclosures on contingent liabilities. These estimates and judgments impact revenue, expenses, provisions and financial assets at fair value revaluation reserve. In particular, this requires from the Company's management to issue significant judgments for estimating the amounts of future cash flows and their timing. These estimates are necessarily based on several assumptions and factors with varying degrees of consideration and uncertainty. Actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Management believes that the estimates in the consolidated financial statements are reasonable. The details are as follows:

- A provision is set for lawsuits raised against the Company based on an adequate legal study prepared by the Company's legal advisor. Moreover, the study highlights potential risks that may be encountered in the future. Such legal assessments are reviewed periodically.

- A provision is set for accounts receivable based on the policies and estimates approved by the Company's management for estimating the provision according to International Financial Reporting Standards.

- A provision is taken against impairment of inventory items "decline in inventory prices" based on the assumptions approved by the Company's management for estimating the provision required according to International Financial Reporting Standards.

- Management periodically reassesses the economic useful lives of tangible assets for the purpose of calculating annual depreciation based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss (if any) is taken to the consolidated statement of income.

- The Company's management periodically reviews the investment property to estimate any improvement in its value. Impairment loss is taken to the consolidated statement of income.

- Income tax provisions: the financial statement is charged with its portion from income tax expense according to the prevailing laws, regulations, and accounting standards; and the necessary provision is recorded.

- Fair value hierarchy
  The level in the fair value hierarchy is determined and disclosed into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. The difference between Level 2 and Level 3 fair value measurements represents whether inputs are observable and whether the unobservable inputs are significant, which may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability, the Company uses information from the market, if available, and in the absence of the first level inputs, the Company deals with the independent and qualified parties to prepare evaluation studies. Appropriate methods of assessment and input used to prepare the evaluation are reviewed by management.

5. Cash on Hand and at Banks

This item consists of the following:

	2016	2015
	JD	JD
Cash on hand	48,256	161,658
Current accounts at banks	108,477	280,044
	156,733	441,702

6. Accounts Receivable - Net

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Trade receivables *	780,206	542,047
Employees' receivable	18,422	126,516
Less : Allowance for doubtful receivables **	(251,161)	(276,098)
Net Accounts receivable	547,467	392,465

* The Company's accounts receivable mainly consist of trade receivables. Moreover, the Company books a provision for the receivables aging more than 360 days if no related collections are made during the year. Furthermore, the accounts accrued and impaired amounted to JD 254,750 as of December 31, 2016 (JD 276,098 as of December 31, 2015).

** Allowance for doubtful receivables movement during the year is as follows:

	2016	2015
	JD	JD
Balance - beginning of year	276,098	276,098
Add : Written off debts*	(24,937)	-
Balance - End of Year	251,161	276,098

* According to the General Assembly's Board meeting of Al-Ibtikar Land Transport Company (subsidiary) as of March 1, 2016, approval was issued to write off the drivers' debts which are less than JD 300, for which a provision of JD 24,937 was booked.

7. Accounts Receivable - "Decent Housing for Decent Living" Project

This item represents receivables from the Housing and Urban Development Corporation on the "Decent Housing for Decent Living" project of JD 8,957,230 as of December 31, 2016, including JD 3,095,762, booked as unearned revenues and subcontractors payable at the end of the year 2014. During the year 2013, the Company capitalized interest and fees of around JD 294 K incurred on a loan which the Company has obtained to finance the project. The Company has opted to go to arbitration against The Housing and Urban Development Corporation for the amounts due, and arbitration proceedings are still ongoing.

8. Residential Units Available for Sale

This item represents residential units available for sale in Zarqa and Abu-Nsair as of December 31, 2016 and 2015.

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

	2016	2015
	JD	JD
Balance – beginning of year	1,206,973	2,141,846
Less : Cost of apartments sold	(296,790)	(934,873)
Balance – End of Year	910,183	1,206,973

- The selling price of residential units available for sale exceeds their book value as of December 31, 2016 and 2015.

9. Cheques Under Collection and Notes Receivable

The item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Maturing within year	610,578	869,721
Maturing within more than one year	115,157	257,579
	725,735	1,127,300

10. Financial Assets at Fair Value through Profit or Loss

The item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Shares quoted in active markets	10,068	9,070
	10,068	9,070

11. Inventory-net

The item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Spare parts	340,089	340,089
Food inventory	232,638	103,061
Others	13,748	101,308
	586,475	544,458
Less: Provision for slow – moving inventory *	(83,856)	(83,856)
	502,619	460,602

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

	2016	2015
	JD	JD
Balance at the beginning of the year	83,856	83,856
Balance at the End of the Year	83,856	83,856

12. Other Debit Balances

The item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Prepaid expenses	77,940	65,454
Refundable deposits	132,333	68,911
Guarantees	254,543	259,970
Insurance claims	121,854	179,093
Sales and income tax deposit	82,606	97,023
Checks box	154,969	48,500
Others	15,303	41,935
	839,548	760,886

13. Financial Assets at Fair Value through Other Comprehensive Income

The item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Quoted stocks in active market	291,643	259,056
Unquoted stocks in active markets	382,000	382,000
	673,643	641,056

14. Investment Properties - Net

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

	2016	2015
	JD	JD
Cost		
Balance at the beginning of the year	9,314,433	3,599,697
Additions	145,044	-
Transfers from projects under construction - (Note 16)	-	5,714,736
Balance at the End of the Year	9,459,477	9,314,433
Accumulated depreciation		
Balance at the beginning of the year	560,312	459,823
Additions during the year	186,951	100,489
Balance at the End of the Year	747,263	560,312
Net Book Value	8,712,214	8,754,121
Add: Lands*		
Balance at the beginning of the year	3,276,981	1,901,704
Transfers from projects under construction - (Note 16)	-	1,375,277
Balance at the End of the Year	3,276,981	3,276,981
	11,989,195	12,031,102

- The fair value of the investment properties according to the latest real estate appraisers' assessment was JD 13/9 million as of December 31, 2016.

- Investment properties were mortgaged to banks against direct credit facilities granted to the Company (Note 22).

15. Investment in Associates

This item consists of the following:

Company's name	Percentage of Contribution	Investments under Equity Method at the Beginning of the Year	Movement during the year: Increase in Capital	Movement during the year: Cash Dividends	Movement during the year: Shares Sold	Movement during the year: Share of Companies' (Losses)	Portion from Valuation of Financial Assets at Fair Value Reserve	2016 Investments under Equity Method at the End of the Year	2015 Investments under Equity Method at the End of the Year	2015 Share of Companies (Losses)
	%	JD	JD	JD	JD	JD	JD	JD	JD	JD
Jordan National Shipping Lines Company	22.96	4,685,186	-	(344,367)	-	698,872	7,850	5,047,541	4,685,166	432,920
Jordanian Marine Real Estate Investment Complex Company	26	1,788,890	-	-	-	(328,898)	-	1,459,992	1,788,890	(362,347)
Jordanian Academy for Marine Studies	25	858,403	-	(200,000)	-	169,317	-	827,720	858,403	142,734
Jordanian National Line for Shipping Operations' Company	50	417,444	-	-	-	27,784	3,265	448,493	417,444	3,845
Maset Al Aqaba for Ships Building Company	50	209,261	-	-	-	(1,135)	-	208,126	209,261	(1,589)
Aqaba Chemicals Storage Company *	30	840,029	-	-	-	99,101	-	939,130	840,029	59,608
Al Maha Real Estate Development Company	33.33	3,308,166	-	-	-	(10,944)	-	3,297,222	3,308,166	(9,800)
Marine Lines for Storage and Port Services Company	50	307,943	-	-	-	2,881	-	310,824	307,943	(12)
Arabian Ships Management Company	20	170,167	-	(72,000)	-	42,000	-	140,167	170,167	38,000
Sea Star for Shipping and Logistics' Services Company **	50	-	12,500	-	-	221,050	-	233,550	-	-
Investment In Maset Al Salam - Sudan *	46	140,184	-	-	-	-	-	140,184	140,184	-
Investment in Shams Economics Company *	30	7,200	-	-	-	-	-	7,200	7,200	-
		12,732,873	12,500	(616,367)	-	920,028	11,115	13,060,149	12,732,873	303,359

* Net investment income in associates is calculated for the year ended December 31, 2016 based on unaudited financial information for Maset Salam - Sudan Company, Shams Economics Company and Aqaba Chemical Storage Company.

** Sea Star for Shipping and Logistics Services Company was established on February 14, 2016 with a capital of JD 50,000.

16- Projects under Construction

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Al Shouroq City Project *	490,204	490,204
Construction tourist resorts project - Aqaba *	441,730	441,730
Dead Sea project *	1,655,583	1,439,925
Others*	613	6,183
	2,588,130	2,378,042

* These represent construction projects totaling JD 2,588,130, which have not been completed yet, as of December 31, 2016. Recovery of these amounts depends on executing the operating plans of the subsidiaries to complete the projects and obtaining the necessary funding.

According to the Department of Land and Survey, the market value based on the price of the plot, of land on which Al Shorouq City Project, Construction Tourist Resorts project - Aqaba and Dead Sea Project are erected, for these projects under construction, including the value of the land on which the projects are built exceeds their book value as of December 31, 2016.

The movement on projects under contraction is as follows:

	2016	2015
	JD	JD
Balance at the beginning of the year	-	8,958,999
Additions during the year	-	509,056
Transferred to investment properties	-	(7,090,013)
Balance at the End of the Year	-	2,378,042

17 - Advance Payments for Land Acquisition

This item includes advance payments related to a contract with Madaen Al Shorouq Real Estate Investment and Development Company (subsidiary company) to purchase land from the National Resources Investment and Development Corporation for JD 3,146,817 as of December 31, 2016, for development and construction purposes. The Company is still completing the terms of the contract to conclude the transfer of ownership. In addition, there are advance payments related to the land acquisition contract between Madaen Al Aqaba Real Estate Investment and Development Company (subsidiary company) and Aqaba Development Corporation of JD 3,536,135 as of December 31, 2016, according to the sale agreement dated October 16, 2007, in order to develop and build these lands. The Company is still in the process of transferring ownership, as the two parties will sign an appendix amending the signed sale agreement, which has not been concluded yet.

18 - Advance Payments for Acquiring Investment in Companies

This item represents advance payments against investing in Maset Al - Salam Company-Sudan (Private Shareholding Company) as of December 31, 2016 and 2015.

19. Property and Equipment - Net

This item consists of the following:

	Land	Buildings and Hangar	Furniture and Fixtures	Devices and Equipment	Vehicles and Trucks	Computers	Total
Year 2016	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance - beginning of the year	204,874	500,278	452,782	645,927	1,588,615	229,503	3,621,979
Additions	-	-	-	6,771	24,742	2,099	33,612
Disposals	-	(145,552)	-	-	(336,177)	-	(481,729)
Balance - End of the Year	204,874	354,726	452,782	652,698	1,277,180	231,602	3,173,862
Accumulated Depreciation:							
Balance - beginning of the year	-	220,535	408,426	544,409	344,134	210,341	1,727,845
Depreciation for the year	-	60,798	27,848	41,015	110,147	11,293	251,101
Disposals	-	(100,413)	-	-	(115,052)	-	(215,465)
Balance - End of the Year	-	180,920	436,274	585,424	339,229	221,634	1,763,481
Net Book Value as of December 31, 2016	204,874	173,806	16,508	67,274	937,951	9,968	1,410,381
Year 2015							
Cost:							
Balance - beginning of the year	204,874	499,850	436,373	643,523	2,320,484	227,415	4,332,519
Additions	-	428	16,560	18,624	132,150	2,088	169,850
Disposals	-	-	(151)	(16,220)	(864,019)	-	(880,390)
Balance - End of the Year	204,874	500,278	452,782	645,927	1,588,615	229,503	3,621,979
Accumulated Depreciation:							
Balance - beginning of the year	-	121,552	379,466	509,869	449,906	197,943	1,658,736
Depreciation for the year	-	98,983	29,016	42,248	114,098	12,398	296,743
Disposals	-	-	(56)	(7,708)	(219,870)	-	(227,634)
Balance - End of the Year	-	220,535	408,426	544,409	344,134	210,341	1,727,845
Net Book Value as of December 31, 2015	204,874	279,743	44,356	101,518	1,244,481	19,162	1,894,134
Annual Depreciation Rates %	-	2-4	15-20	10-15	5-15	20	

- Property and equipment includes fully depreciated assets of JD 1,371,968 as of December 31, 2016.

20 - Due to Banks

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Current overdrawn accounts	39,161	31,763
Overdraft *	1,185,136	1,107,825
	1,224,297	1,139,588

* This item represents direct credit facilities in the form of an overdraft account, granted by several local banks, with a ceiling of JD 2,425,000 and an interest rate ranging from 7.5 % to 9.5 %. The purpose of the facilities is to finance the normal activities of the Company, and they have been granted against the personal guarantee of Mr. Ahmed Helmi Armoush. During the first half of year 2016, the Company was granted additional credit facilities with a ceiling of JD 70,000, Moreover, the overdraft account was rescheduled with Standard Chartered Bank, and the related agreement was signed on April 23, 2015.

21- Accounts Payable

This item consists of the following:

	December 31, 2016	December 31, 2015
	JD	JD
Trade payables	2,339,457	2,567,735
Developers payable *	2,496,089	2,496,089
	4,835,546	5,063,824

* Developers payable represent amounts due to the developers who assisted in the construction of "Decent Housing for Decent Living" Project in favor of the owner of the project, The Housing and Urban Development Corporation, including JD 901,308 recorded at the end of 2014. Moreover, the Company will pay these amounts upon receipt of the financial dues from the Housing and Urban Development Corporation.

22. Loans

This item consists of the following:

				December 31, 2016				December 31, 2015			
	Loan Principle	Remaining Installemats	Interest Rate	Due Installment	Due during the Year	Total	Due during More than a Year	Due Installment	Due during the Year	Total	Due during More than a Year
	JD		%	JD	JD	JD	JD	JD	JD	JD	JD
Egyptian Arab Land Bank -loan (1) ****	3,000,000	101	8/75	87,471	321,543	409,014	2,590,916	-	254,612	254,612	2,870,235
Egyptian Arab Land Bank-loan (2)	2,050,000	13	9/25	71,527	291,286	362,813	813,616	-	278,752	278,752	1,091,842
Housing Bank for Trade and Finance-loan (1) **	2,650,000	110	8	33,269	240,016	273,285	2,190,000	34,861	240,000	274,861	2,410,000
Etihad Bank	1,446,209	35	8/75	-	300,000	300,000	580,182	-	300,000	300,000	880,182
Arab Banking Corporation	600,000	1	9/75	-	5,187	5,187	-	-	38,608	38,608	-
Standard Chartered Bank ***	3,566,192	18	6/5	-	1,020,000	1,020,000	1,016,289	-	1,020,000	1,020,000	2,050,012
Housing Bank for Trade and Finance-loan (2)	400,000	42	8/5	-	100,468	100,468	155,959	-	47,573	47,573	255,494
Capital Bank of Jordan *	700,000	7	8/5	-	109,597	109,597	-	-	170,400	170,400	50,400
				192,267	2,388,097	2,580,364	7,346,962	34,861	2,349,945	2,384,806	9,608,165

* During the year 2012, the loan of the Capital Bank of Jordan has been rescheduled to be repaid in monthly instalments starting on January 30, 2013 until August 30, 2018, to put in order the liquidity position of the Company.

** During the third quarter of the year 2013, the Company has changed the due bill into a loan, the first installment of which matures on January 1, 2014 to put in order the liquidity position of the Company. During the year 2015, the Company signed an agreement with the Housing Bank for Trade and Finance to defer settlement of the installments that mature during 2015 to February 1, 2016 until February 1, 2027.

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

**** During the year 2015, the Company signed an agreement with the Egyptian Arab Land Bank to schedule the loan instalments which mature during the year 2015 to be settled in monthly instalments starting from January 1, 2016 to May 1, 2016. Moreover, the Company has also rescheduled Egyptian Arab Land Bank's installements as of December 29, 2017, as the installments of October, November, and December of the year 2016, as well as the installments of January and February of 2017 plus interest have been postponed to be setted in one payment on March 31, 2017.

The guarantees against the direct credit facilities above are as follows:
Personal guarantee of Mr. Ahmed Helmi Armoush (major shareholder).
Real estate mortgages of JD 7,217,402.
Pledge of listed shares with a market value of JD 2,860,483 as of December 31, 2016.

23 - Income Tax

A-Income Tax Provision:

The movement on the income tax provision is as follows:

	2016	2015
	JD	JD
Balance beginning of the year	138,286	126,889
Provision for the year	45,173	83,085
Prior year's income tax expenses	-	5,798
Provision no longer needed-subsidiary	(17,395)	-
Income tax paid during the year	(104,302)	(77,486)
Balance - End of the Year	61,762	138,286

B-Income Tax Expense:

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

	2016	2015
	JD	JD
Income tax expense for the year	45,173	83,085
Prior years' income tax expense	-	5,798
	45,173	88,883

C- Income Tax Status:

Salam International Transport and Trading Company (Parent):

a. Aqaba:

The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2013. Furthermore, the Company has submitted its tax returns and paid its dues for the years 2014 and 2015, but no final settlement with the Income and Sales Tax Department has been reached.

b. Amman:

The Company has reached a final settlement with the Income and Sales Tax Department up to the end of the year 2012, and submitted its tax returns and paid its dues for the years 2013, 2014 and 2015. However, no final tax settlement has been reached yet.

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 Services Company	2015	2012
Golden State for Commercial Services Company	2015	2011
Mada'en Al - Noor Investment and Real Estate Development Company	2015	2014
Al Ibtikar Land Transport Company	2015	2014 except for 2013
Farah International Transport and Trading Company	2015	2009
Afaq Supply and Storage Company	2015	No settlement yet
Mada'en Al - Bahr Investment and Real Estate Development Company	2015	No settlement yet
Technical for Construction and Real Estate Services Company	2014	2011
Mada'en Al - Shorouq Investment Real Estate Company	2015	2014
Mada'en Al - Aqaba Real Estate Investment and Development Company	2015	2014
Al - Aqaba Markets Development and Investment Company	2015	2014
Mada'en Al - Salam Construction Company	2015	2014

- In the opinion of the Company's management and 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, 2016	December 31, 2015
	JD	JD
Shareholders' deposits	98,425	133,282
Accrued expenses	223,957	244,116
Income tax deposits	5,709	10,517
Sales tax deposits	11,829	21,579
Social security deposits	59,073	75,245
Advanced reciepts from customers	115,886	84,450
Contractors' deposits	-	3,622
Unearned revenue	104,751	90,249
Lawsuits provision **	153,864	75,242
Unearned revenue-Decent Housing for Decent Living*	2,194,454	2,194,454
	2,967,948	2,932,756

* This item represents unearned revenue arising from the differences relating to the "Decent Housing for Decent Living" project at the end of the years 2016 and 2015, and is due from the Housing and Urban Development Corporation.

** The movement on the lawsuits provision is as follows:

	2016	2015
	JD	JD
Balance at the beginning of the year	75,242	75,242
Recorded provision	78,622	-
Balance at the End of the Year	153,864	75,242

* This represents a provision booked for an arbitration case against Mada'en Al – Salam Real Estate Development and Investment Company (subsidiary) by one of the subcontractors executing Mada'en, Markets project. In this regard, the Arbitration Tribunal issued a decision obligating Mada'en Al - Salam Real Estate Development and Investment Company to pay JD 145,978, in addition to the legal interest of 9% annually effective from September 6, 2014 until the full settlement date - Note (35).

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, 2016	December 31, 2015
			JD	JD
Jordanian Marine Real Estate Investment Complex Company	Associate Company	Financing	154,524	150,857
Al Maha Real Estate Development Company	Associate Company	Financing	722,880	688,619
Jordan Flower Clearance Company	Sister Company	Financing	22,910	10,180
Aqaba Storing Chemicals Company	Associate Company	Financing	-	150
Nahdah for Trading Services	Sister Company	Expenses	5,380	5,380
Emad Abu Tabanja	Subsidiary's GM	Expenses	34,000	5,100
Others	Sister company	Expenses	37,503	24,611
Total			977,197	884,877

- Due from related party with maturity exceeding 360 days amounted to JD 855,016 as of December 31, 2016, representing payments to related parties as of the same date. Moreover, no decision has been made to pay it, or capitalize it in part or in whole, and no provision is needed thereon.

Due to related parties

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

	Nature of Relationship	Nature of Transaction	December 31, 2016	December 31, 2015
			JD	JD
Ahmad Armosh	Shareholder	Financing	1,596,390	1,370,790
Jordanian Academy for Marine Studies	Associate Company	Expenses	39,483	4,475
Jordanian National Line for Ships Operating Company	Associate Company	Financing	340,926	273,478
Marine Lines for Storage and Port Services Company	Sister Company	Financing	274,431	275,699
Jordanian National Shipping Lines Company	Associate Company	Financing	51,074	7,022
Al Madar Al Watani for Transportation and Trade Services Company	Sister Company	Expenses	740,545	353,849
Aqaba Development Corporation	Sister Company	Financing	475,000	836,394
Arabian Ships Management Company	Associate Company	Expenses	22,131	52,137
CMA CGM Company	Sister Company	Expenses	682,480	216,666
Maset Al Aqaba Ships Building Company	Associate Company	Financing	204,128	205,015
Jordan – Dubai for Properties Company	Associate Company	Financing	602,000	602,000
Sun General Investments Company	Sister Company	Financing	539,625	1,102,333
Petra company	Sister company	Expenses	712,027	279,950
Armoush Tourist Investment	Sister company	Expenses	13,790	69,259
Mr. Kamal Al Awamleh	Major Shareholder	Financing	-	43,654
Sea Star for Shipping and Logistics' Services Company	Associate Company	Financing	129,870	-
Others	Sister company	Expenses	38,606	67,678
Total			4,866,116	4,389,609

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

The total earnings for Al Madar Al Watani for Transportation and Trade Services Company (Sister company) amounted to JD 219,467 for the year 2016 (JD 270,657 for the year 2015).

Jordanian Group for Marine Agencies Company Supervision's revenue amounted to JD 43,000 as of December 31, 2016.

According to the Companies Control Department and Ministry of Industry and Trade's Letter No. M sh/19/951/65363 dated October 16, 2016, Madaen Abdoun Real Estate & Development Company was liquidated. Moreover, it was register in the companies register under No. (951) with an authorized capital of JD 50,000. The liquidation was based on the agreement of the partners.

Executive management's salaries and remunerations

Executive management's salaries amounted to JD 141,660 for the year ended December 31, 2016 (JD 156,340 for the year ended December 31, 2015).

26- Subscribed and Paid-up Capital Issuance Discount

In its extraordinary meeting held on April 22, 2014, the Company's General Assembly resolved to increase the Company's capital from JD 15 million, so as for authorized and paid-up capital to become JD 18 million with a par value of JD 1 per share through private underwriting by the Company's shareholders with a shares issuance discount not exceeding 50% of the par value amount. In the same resolution, the General Assembly authorized the Board of Directors to determine the issuance discount amount. In its meeting held on August 3, 2014, the Board of Directors has resolved to set the discount amount at 450 fils per share. On April 16, 2015, the Jordan Securities Commission approved the increase in capital through underwriting 572,038 shares. Accordingly, the authorized and paid - up capital reached JD 18 million, and the shares discount to JD 1,349,998 as of December 31, 2016.

27-Legal Reserves

The details of the reserve as of December 31, 2016 and 2015 are as follows:

A - Statutory Reserve

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

B - Voluntary Reserve

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

The Company has not booked legal reserves for the years ended December 31, 2016 and 2015, as the Company incurred losses during them.

28 - Dividends

The Company has not declared any dividends for the years 2016 and 2015, as the Company incurred losses during those years.

29 - Financial Assets at Fair Value Revaluation Reserve

The movement on this item is as follows:

	2016	2015
	JD	JD
Balance - beginning of the year	(164,446)	(94,276)
Unrealized profits (losses)	20,993	(70,170)
Balance at the End of the Year	(143,453)	(164,446)

30 - Accumulated (Losses)

The movement on this item is as follows:

	2016	2015
	JD	JD
Balance - beginning of the year	(1,982,792)	(1,110,507)
Prior years' adjustments - Note (40)	(81,521)	(107,518)
Income (loss) for the year	168,890	(764,767)
Balance at the End of the Year	(1,895,423)	(1,982,792)

31- Revenue

The movement on this item is as follows:

	2016	2015
	JD	JD
Sales of residential units	317,500	1,083,000
Projects revenue	29,608	1,065,408
Rented buildings revenue	767,873	659,471
Restaurants and cafeteria revenue	2,783,319	2,449,993
Transportation and supervision revenue	551,160	50,000
	4,449,460	5,307,872

32 - Cost of Revenue

The Company's main revenue consists of the following:

	2016	2015
	JD	JD
Cost of residential units	296,790	928,765
Projects cost	14,335	702,956
Rented buildings cost	389,250	285,715
Cost of sale of restaurants and cafeteria	1,984,699	1,837,052
Transportations cost	335,418	234,478
	3,020,492	3,988,966

33 - General and Administrative Expenses

The movement on this item is as follows:

	2016	2015
	JD	JD
Salaries and wages	596,836	647,625
Social security contribution	67,490	70,194
Medical insurance	27,469	30,099
Rent	176,614	161,388
Depreciation	138,011	153,207
Telephone, postage and internet	40,602	41,409
Travel and transportation	59,730	63,758
Professional fees	201,034	149,008
Hospitality	12,765	16,416
Subscriptions, stamps and governmental fees	49,385	62,181
Loss against associate company's claim *	-	48,000
Computer expenses	2,890	9,048
Maintenance	14,891	18,907
Stationery	9,091	12,555
Advertising	9,728	6,249
Bank charges	5,223	10,901
Training and courses	2,659	7,336
Capital increase fees	-	1,415
Board of Directors' remunerations	47,600	50,200
Water and electricity	48,494	40,888
Foreign currency exchange differences	-	1,464
Lawsuits' provision	78,622	-
Others	90,120	118,858
	1,679,252	1,721,106

* This item represents the amount claimed by Arabian Ships Management Company (associate company) in return for the compensation imposed by the owners of an old lost vessel.

34 - (Loss) per Share for the Year Attributable to the Company's Shareholders

This item consists of the following:

	For the Year Ended December 31,	
	2016	2015
	JD	JD
(Loss) for the year attributable to the shareholders of the Company	168,890	(764,767)
Weighted average number of shares	18,000,000	17,835,441
	JD/share	JD/share
Earning /(loss) per share for the year attributable to the Company's shareholders	0.009	(0.043)

35 - Lawsuits Against the Company

- According to the legal counsel's letter at the parent Company, there are no claims raised against the Company as of December 31, 2016 In the opinion of the Company's management, its legal consultants, and its subsidiaries, the claims provision included in other credit balances are sufficient for any contingent liabilities as of the date of the consolidated financial statements.

- Mada'en Al – Noor Investment and Real Estate Development Company has raised a claim of arbitration against the Housing and Urban Development Corporation – "Decent Housing for Decent Living" project, and arbitrators were designated to follow the arbitration procedures, as the arbitration decision has not been issued as of the date of the consolidated financial statements.

- There is an arbitration claim issued against the subsidiary Mada'en Al – Salam Real Estate Development and Investment Company by one of the constructors of the Mada'en Markets Project, which has been executed by Mada'en Al Salam Real Estate Development and Investment Company. Arbitrators were designated to follow the arbitration procedures, based on the Arbitration Tribunal's decision to obligate the subsidiary to pay JD 145,897, in addition to the legal interest of 9% annually as of September 6, 2014 until the date of full settlement.

36- Contingent Liabilities:

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

	December 31,	
	2016	2015
	JD	JD
Letters of guarantees	1,255,054	1,069,849

37 - 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	2016	2015
	JD	JD	JD	JD	JD	JD
Net sales	797,481	317,500	2,783,319	551,160	4,449,460	5,307,872
Less: Cost of sales	(403,585)	(296,790)	(1,984,699)	(335,418)	(3,020,492)	(3,988,966)
Gross Profit	393,896	20,710	798,620	215,742	1,428,968	1,318,906
Less: Expenses allocated to segments						
General and administrative expenses	(507,798)	(511,580)	(588,327)	(71,547)	(1,679,252)	(1,721,106)
Marketing expenses	-	(65,860)	-	-	(65,860)	(48,267)
(Loss) from Operations	(507,798)	(577,440)	(588,327)	(71,547)	(1,745,112)	(450,467)
Profit (loss) from investments and other	969,497	55,637	13,562	(43,158)	995,538	350,863
Financing expenses	(385,628)	(612,886)	-	(46,697)	(1,045,211)	(1,144,703)
(Loss) for the Year before tax	469,967	(1,113,979)	223,855	54,340	(365,817)	(1,244,307)
Less: Income tax / prior years	-	(21,257)	(23,916)	-	(45,173)	(88,883)
(Loss) for the Year	469,967	(1,135,236)	199,939	54,340	(410,990)	(1,333,190)

					December 31, 2016	December 31, 2015
					JD	JD
Total Assets	13,828,583	32,825,489	2,284,739	1,242,913	50,181,724	50,751,758
	13,828,583	32,825,489	2,284,739	1,242,913	50,181,724	50,751,758
Total Liabilities	6,516,946	18,093,942	462,145	1,265,477	26,338,510	28,047,159
	6,516,946	18,093,942	462,145	1,265,477	26,338,510	28,047,159

B- The following is information on the Company's business segments based on geographical distribution :

All of the companies are based inside the kingdom except as shown in the table below:

Company's Name	Geographical Area	For the Year Ended December 31, 2016		December 31, 2016	
		Revenue	Expenses	Assets	Liabilities
		JD	JD	JD	JD
Maset Al - Salam Company - Sudan	Sudan	-	-	290,678	-

Company's Name	Geographical Area	For the Year Ended December 31, 2015		December 31, 2015	
		Revenue	Expenses	Assets	Liabilities
		JD	JD	JD	JD
Maset Al - Salam Company - Sudan	Sudan	-	-	290,678	-

38. Fair Value Hierarchy

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

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

Financial Assets	Fair Value December 31, 2016	Fair Value December 31, 2015	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	10,068	9,070	Level I	Quoted Shares	N/A	N/A
Total	10,068	9,070				
Financial assets at fair value through comprehensive income						
Shares that have market value	291,643	259,056	Level I	Quoted Shares	N/A	N/A
Shares with no market value	382,000	382,000	Level II	Compared with the market value of a similar instrument	N/A	N/A
Total	673,643	641,056				
Total Financial Assets at Fair Value	683,711	650,126				

There were no transfers between Level I and Level II during the year 2016.

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

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

	December 31, 2016		December 31, 2015		The Level of
	Book Value	Fair Value	Book Value	Fair Value	Fair Value
	JD	JD	JD	JD	JD
Financial liabilities with no fair value					
Investment properties	11,989,195	13,993,394	12,031,102	12,533,890	Through real estate evaluators
Total Investments Properties	11,989,195	13,993,394	12,031,102	12,533,890	
Financial Liabilities with No Fair Value					
Loans	9,927,326	9,961,043	11,992,971	12,027,832	Level II
Total Financial Liabilitieswith No Fair Value	9,927,326	9,961,043	11,992,971	12,027,832	

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

39. 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 2015.

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

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

	December 31,	
	2016	2015
	JD	JD
Total Liabilities	26,338,510	28,047,159
Total Owners' equity	23,843,214	22,704,599
Debt to Equity Ratio	111%	124%

b. Foreign currency risk

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

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

c. Liquidity risk

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

The Company's liquidity position as of the date of the consolidated financial statements is as follows:

	December 31,	
	2016	2015
	JD	JD
Current assets	13,511,623	13,983,526
Less: Current liabilities	(17,323,016)	(17,008,204)
(Deficit) in Working Capital	(3,811,393)	(3,024,678)

Management believes that the liquidity risk is not significant, as current liabilities include JD 4,866,116 in the form of due to related parties as of December 31, 2016 (JD 4,389,609 as of December 31,2015).

The Company estimates the liquidity risk monthly, based on long-term future projections. Moreover, the Company evaluates capital and finance requirements periodically, and the availability of liquidity depends on the support from the related parties plus banking finance.

d. Credit risk

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

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

e. Market risk

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

f. Interest rate risk

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

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

	+0.5%	-0.5%
	JD	JD
Outstanding credit facilities -(loss)/profit	(55,758)	55,758
	(55,758)	55,758

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.

40. The Impact of Previous Years' Adjustments

The Company has corrected some accounting errors by adjusting the opening balances for some items of assets and equity as of January 1, 2016 and 2015, representing mainly reclassification of non-controlling interests, prior years' expenses, and others. Moreover, the Company has adjusted the opening balance of accumulated losses as it is not practical to adjust previous years' figures.

The following schedule shows the impact of prior years' adjustments as of January 1st, 2016 and 2015, as follows:

	As of January 1, 2016		
	Stated Balance	Adjustment	Adjusted Balance
	JD	JD	JD
Liabilities			
Other credit balances	2,757,563	81,521	2,839,084
Owners' Equity			
(Accumulated losses)	(3,899,401)	(81,521)	(3,980,922)

	As of January 1, 2015		
	Stated Balance	Adjustment	Adjusted Balance
	JD	JD	JD
Liabilities			
Other credit balances	2,825,238	107,518	2,932,756
Owners' Equity			
(Accumulated losses)	(1,110,507)	(107,518)	(1,218,025)