

Date: 15/5/2017

NO: 221/1/1/4/rum/MA5

To: Amman Stock Exchange

Subject: Quarterly Report as of 31/3/2017.

Attached the Quarterly Report of (Rum Group for Transportation &
Tourism Investment P.S.C) as of 31/3/2017.

Kindly accept our highly appreciation and respect.

Acting general manager

Eng.Nafez hamed



بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٦ إبر ٢٠١٧
الرقم المتسلسل: 3158
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Rum group for transportation and tourism investment CO.

Limited Public Shareholding Co.
Amman – The Hashemite Kingdom of Jordan

The consolidated financial statement
and auditors report for the period ended
on 31st March 2017

Rum group for transportation and tourism investment CO.
Limited public shareholding Co.
Amman – the Hashemite Kingdom of Jordan

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Amman on: 14/04/2017

No: 60001/2017/216

Messrs: Rum group for transportation tourism investment CO.
"Limited public shareholding company"
Amman – The Hashemite Kingdom of Jordan

We have reviewed the accompanying balance sheet of Rum group for transportation tourism investment CO. "Limited public shareholding company", as of March 31, 2017, and the related statements of income, changes in equity and cash flows for the three – month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with (IFRS No. 34). Our responsibility is to express a conclusion of this interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the company as at March 31, 2017 and of its financial performance.

The Scientific Office for Auditing,
Accounting and Consulting
Jamal M. Falah
License No. "285"

Scientific Office
for Auditing, Accounting
& Consulting
Public Accountants

Rum group for transportation and tourism investment CO.
limited public shareholding Co.
Amman – The Hashemite Kingdom of Jordan
The consolidated financial position as at 31st March 2017

<u>Assets</u>	<u>Not</u>	<u>31-Mar-17</u> <u>JD</u>	<u>31-Dec-16</u> <u>JD</u>
<u>Non-current assets</u>			
Net value of properties and equipment		6,740,178	6,829,454
Investment in associated companies		4,948,337	4,948,337
Accounts receivable - investments		-	6,000,000
Financial assets at fair value through other comprehensive income	2	11,860,000	100,000
Total non-current assets		<u>23,548,515</u>	<u>17,877,791</u>
<u>Current assets</u>			
Cash on hand and at banks		8,953	12,957
Financial assets at fair value through income statement		2,538,443	2,538,698
Receivables		438,379	398,670
Receivables- Associated Co.		832,646	830,810
Other current assets		558,950	536,566
Total current assets		<u>4,377,371</u>	<u>4,317,701</u>
Total assets		<u>27,925,886</u>	<u>22,195,492</u>
<u>Liabilities and shareholders' equity</u>			
<u>Shareholders' equity</u>			
Capital		14,000,000	14,000,000
Retained earnings		1,820,321	1,957,679
Compulsory reserve		513,756	513,756
Fair value reserve		5,760,000	-
Non controlling shares		(867)	1,470
Net shareholders' equity		<u>22,093,210</u>	<u>16,472,905</u>
<u>Non- current liabilities</u>			
Long term loans		1,778,788	2,005,359
Long-term deferred checks		55,340	64,526
Total non- current liabilities		<u>1,834,128</u>	<u>2,069,885</u>
<u>Current liabilities</u>			
Credit banks		505,065	487,889
Accounts payable		1,844,768	1,461,892
Current part of long term deferred checks		299,756	264,539
Associated and related Co.		-	100,000
Current Part of long term loans		1,126,659	1,067,638
Other current liabilities		222,300	270,744
Total current liabilities		<u>3,998,548</u>	<u>3,652,702</u>
Total liabilities and shareholders' equity		<u>27,925,886</u>	<u>22,195,492</u>

The accompanying notes are an integral component of the periodical financial statement

Rum group for transportation and tourism investment CO.
Limited Public Shareholding Co.
Amman – The Hashemite Kingdom of Jordan
Consolidated comprehensive income statement for the financial
period ended on 31st march 2017

	<u>31-Mar-17</u>	<u>31-Mar-16</u>
	<u>JD</u>	<u>JD</u>
Revenues	773,517	613,894
Cost of revenues	(409,863)	(343,766)
Gross operating profit	363,654	270,128
Administrative and general expenses	(94,345)	(88,819)
Depreciation of property and equipment	(148,903)	(182,813)
Financing Expenses	(79,851)	(86,809)
Other revenues	1,550	999
Realized gain of investments at fairvalue	104,832	2,698
Unrealized gain (losses) of ivestment at fairvalue	(286,632)	3,710
Profit of sale of property and equipment	-	150,585
Profit (losses) of the year before tax	(139,695)	69,679
Income tax	-	-
Profit (losses) of the year after tax	(139,695)	69,679
<u>comprehensive income</u>		
fair value reserve for financial assets at fair value through other comprehensive income	5,760,000	-
<u>Total comprehensive income for the period</u>	5,620,305	69,679
<u>distributed as follows :</u>		
Shareholders of the holding company	5,622,642	71,077
Non controlling shares	(2,337)	(1,398)
<u>Total comprehensive income for the period</u>	5,620,305	69,679

Rum group for transportation and tourism investment Co.

Limited Public Shareholding Co.

Amman – The Hashemite Kingdom of Jordan

Consolidated statement of the changes in partners' equities

	Capital	Retained Earnings						Fair value reserve	Net
		Compulsory reserve	Uncontrolled share	Realized Profit	Unrealized Profit (loss)	Total			
							ID		
	14,000,000	513,756	1,470	1,428,057	529,622	1,957,679	-	16,472,905	
Balance at 31/12/2016	-	-	-	146,937	(286,632)	(139,695)	-	(139,695)	
Loss of the period	-	-	(2,337)	2,337	-	2,337	-	-	
Transferred to the non-controlling shares	-	-	-	529,622	(529,622)	-	-	-	
Fair value adjustment	-	-	-	-	-	-	5,760,000	5,760,000	
Fair value reserve	14,000,000	513,756	(867)	2,106,953	(286,632)	1,820,321	5,760,000	22,093,210	
Balance at 31/03/2017									
	14,000,000	495,996	7,282	1,329,635	328,222	1,657,857	-	16,161,135	
Balance at 31/12/2015	-	-	-	65,969	3,710	69,679	-	69,679	
Profit of the period	-	-	(1,398)	1,398	-	1,398	-	-	
Transferred to the non-controlling shares	14,000,000	495,996	5,884	1,397,002	331,932	1,728,934	-	16,230,814	
Balance at 31/03/2016									

The accompanying notes are an integral component of the periodical financial statement
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Rum group for transportation and tourism investment CO.
limited public shareholding Co.
Amman – The Hashemite Kingdom of Jordan
Consolidated statement of cash flows for the financial period
ended on 31st march , 2017

	<u>31/03/2017</u>	<u>31/03/2016</u>
	<u>JD</u>	<u>JD</u>
<u>Cash flow from operating activities</u>		
Profit (Loss) of the period	(139,695)	69,679
<u>Add non cash items</u>		
Depreciation of property and equipment	148,903	182,813
Unrealized losses for financial investments at fair value	286,632	(3,710)
Profit of sale of property and equipment	-	(150,585)
Profit from operational activities	<u>295,840</u>	<u>98,197</u>
<u>Changing the working capital</u>		
accounts receivable	(39,709)	4,785
Financial assets at fair value through income statement	(286,377)	(409,031)
Receivables- associated Co.	(101,836)	-
Other current assets	(22,384)	(16,903)
Accounts payable	382,876	431,310
Other current liabilities	(48,444)	461
Net cash from operating activities	<u>179,966</u>	<u>108,819</u>
<u>Cash flow from investment activities</u>		
Add Property and equipment	(59,627)	(71,177)
Exclude property and equipment	-	730,000
Net cash from investment activities	<u>(59,627)</u>	<u>658,823</u>
<u>Cash flow from financing activities</u>		
Long & short term loans	(167,550)	(211,000)
Credit banks & deferred checks	43,207	(40,530)
Net cash from financing activities	<u>(124,343)</u>	<u>(251,530)</u>
Cash flow from operations	(4,004)	516,112
Opening cash	<u>12,957</u>	<u>86,552</u>
Cash ending balance	<u><u>8,953</u></u>	<u><u>602,664</u></u>

The accompanying notes are an integral component of the periodical financial statement

Rum group for transportation and tourism investment CO.
Limited public shareholding Co.
Amman – the Hashemite Kingdom of Jordan
Accounting policies

Basis of preparation

- The consolidated financial statements has been prepared in accordance with the principle of the historical cost, except for the financial assets at fair value through the other comprehensive income, and the financial assets in the fair value through the income statement, which appear in the fair value in the date of the consolidated financial statements.
- The consolidated financial statements has prepared in accordance to the International Financial Reporting Standard No (34)
- The financial statements are presented in Jordanian Dinar, which is the functional currency of the Company.
- The accounting policies in the current period are similar with the accounting policies of the previous year .

The Basis for consolidation of the Financial Statements

The appended consolidated financial statements include the assets and liabilities and the results of activities of Rum group for transport and tourism investment company, and Rum international hotels (Al-Waleed Hotel) owned by the parent company by 98% and Rum Jordan business development owned by the parent company by 90% and 10% by Rum international hotels (Al-Waleed Hotel).

Use of Estimates

The preparation of the financial statements requires the company management to make estimates and assumptions that affect the reported amount of the assets and liabilities and disclose the potential obligations. These estimates are further affecting the revenues, expenses and allocations, and especially requires the company management to make estimates and assumptions to evaluate the amounts and time of future cash flow and surrounding conditions in the future, the mentioned estimates are based on different assumptions and factors, having different degrees of estimation and uncertainty and the actual results may differ from the estimates due to future changes in the conditions of such allocations.

The following are the estimates that were used in the preparation of financial statements:

- The management reassesses the life expectancy of tangible and intangible assets periodically for the purpose of calculating annual depreciation and amortization, according to the overall situation of the assets and estimates of the estimated life expectancy in the future, and taking the impairment loss (if any) in the income statement.
- The Management makes regular reviews of the financial assets, which appear at cost to estimate any impairment in its value and taking this impairment in the statement of income for the year.
- The management estimates the value of the allocation of bad debts after taking into account the availability of collecting such debts.
- The company management estimates the value of the allocation of slow moving goods in accordance to the shelf life of the goods in inventory.

Rum group for transportation and tourism investment CO.
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Amman – the Hashemite Kingdom of Jordan
Accounting policies

Cash on hand and at banks

This is represented in the cash in hand and at banks under the current accounts where the company does not ensure the risks of change in the value.

Checks under collection

The checks appear under collection in the fair value when collected.

Receivables

The receivables are reported in the original amount of the invoice after deducting the allocation of the charges of amounts of difficult collection. The receivables of bad debts are evaluated when collection of these amounts is very difficult and such debts are cancelled.

Loans and crediting banks

The loans and crediting banks appear in the balance of amounts utilized and the loans interests and crediting banks are carried for the account of income in the period of carrying these interests.

Income tax

The payable tax expenses are estimated on the basis of the taxable profits. the taxable profits differ from the declared profits in the financial statements, because the declared profits includes no-taxable revenues or non-discountable expenses in the fiscal year but in the next years also or the accumulated losses acceptable by the tax or items not subject or acceptable for discount for taxing purposes.

Revenue recognition

The revenue in sales is to be recognized upon the provision of service and the issuance of a customer invoice. The revenue of interest is recognized on a time basis and reflects the actual revenue on assets.

Non controlling shares

Are the rights belonging to the subsidiary company, and do not fall within the scope of the mother company either directly or indirectly, and is outlined separately under the financial statement report not belonging to that of the mother company. The overall income should be accredited to the owners of the mother company and those of the uncontrollable shares even if they demonstrate a negative credit.

Rum group for transportation and tourism investment CO.
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Amman – the Hashemite Kingdom of Jordan
Accounting policies

Properties & equipment

The Properties, equipment and machinery appear at cost after decreasing the accumulated depreciation, and the depreciated assets (excluding land) when they are ready for use via direct installments over the expected life span as per the following proportions:

Buildings	4 %
Vehicles	15 %
Furniture & Office equipment	2-20 %
Equipment	15-25 %

Investment In associated

Any investments in associated companies, the company owns the right to vote and also controls its financial and operating policies via the equity method. The investments are controlled via the equity method at cost plus the Company's share of any changes in net assets of the subsidiary, the income statement reflects the Company's share of the results of the subsidiary works, if there are any changes of the subsidiary equity which has been recognized directly within equity, the company recognizes its share of those changes directly in equity, any losses exceeding the company's share in the capital of the subsidiary isn't recognized, except its share in the affiliate obligations.

Other receivables

The liabilities for the payable amounts are recognized in the future for the goods or services received either claimed or not claimed by the supplier.

Provisions

The Provisions are recognized when the company is under a (legal or expected) obligation resulting from a previous event and the payment of the obligations is probable. Its value may be measured reliably.

Financing expenses

The payable interests are recorded on loans in the income statement during the year to which they are deserved.

Foreign currencies

The transactions made in foreign currency during the year are recognized in the applicable exchange rates in the date made of such transactions. The balance of the assets and liabilities in foreign currency are converted using the exchange rates in the date of the financial statements and being declared by the Central bank of Jordan. The profits and losses resulting from the exchange process are recognized in the statement of income.

Rum group for transportation and tourism investment CO.
Limited public shareholding Co.
Amman – The Hashemite Kingdom of Jordan
Notes about the consolidated financial statements

1- General

Rum group for transport & tourism investment " Public Limited Shareholding Company " P.L.C. was established as a limited liability company under the name (Rm for specialized Tourism Transport) on 20/02/2000, registered under No. (408), with a capital of 10 million Jordanian Dinar and then on 29/05/2006 it was converted into a Public Shareholding Company with a capital of 14 million become in 2010 under the provisions of the Companies Law no. (22) for 1997 and its amendments.

Rum group for transportation and tourism investment CO.
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Notes about the consolidated financial statements

2- Financial assets at fair value through other comprehensive income

<u>Description</u>	<u>portion</u>	<u>31/03/2017</u>	<u>31/12/2016</u>
	<u>2017</u>	<u>JD</u>	<u>JD</u>
Arabian aviation investment company	50%	11,760,000	-
Arkan financial consulting investment	14%	100,000	100,000
Total		<u>11,860,000</u>	<u>100,000</u>

Below is the information of the companies in which Rum group Company has invested:

Name of company	Capital JD/share	Legal Status	Date of establishment	Objects
Arabian aviation investment company	6,000,000	Public Shareholding	5/11/2007	Investment in companies specialized in air transport
Arkan for financial consulting	700,000	Private shareholding	20/12/2016	Financial investment

By virtue of an agreement signed on 15/12/2015, "Rum Group for Transportation & Tourism Investment" sold a share of its investment in "Rum for investment in air transportation" to "Arabian aviation investment Co." for a total value of JOD 6m. In payment of the deal's amount, "Arabian aviation investment Co." issued 3m shares to "Rum Group for Transportation & Tourism Investment" (3m shares at par plus JOD 3m of share premium). All legal procedures for authorizing the increase in equity shares were completed by "Arabian aviation investment Co.".

Therefore, "Rum Group for Transportation & Tourism Investment" reclassified the account of "accounts receivable – investment" to "Financial assets at fair value through other comprehensive income".

According to the decision of the Board of the Securities Commission, "Rum Group for Transport and Tourism Investment" cannot dispose of the shares purchased in the "Arab Company for Investment in Air Transport" for two years from the date of completion of the issuance procedures with the Securities Commission.