السـلام الدوليــــة للنقل والتجـــارة
شركة مســاهمة عــامــة

SALAM INTERNATIONAL

الرقم: 2018/104/ب ز/م ر
التاريخ: 2018/7/31

السادة / بورصة عمان المحترمين

تحية طيبة وبعد ،

مرفق طيه البيانات المالية عن الفترة كما في 2018/6/30 باللغه الانجليزيه

وتفضلوا بقبول فائق الاحترام،،،،،،

رئيس مجلس الإدارة

الدكتور محمد أبو حمور

بورصة عمان
الدائـــرة الإدارية والمالية
الديـــوان
٠٥ آب ٢٠١٨
الرقم التسلسل: ٣٧١٤
رقم الملف: ٤١٠٢٤
الجهة المختصة: المدراج

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SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA – JORDAN
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
JUNE 30, 2018 TOGETHER
WITH THE REVIEW REPORT

SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA – JORDAN
JUNE 30, 2018

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Review Report on the Condensed Consolidated Interim Financial Statements

AM \ 81552

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

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Salam International Transport and Trading Company (a Public Shareholding Limited Company) as of June 30, 2018 and the related condensed consolidated interim statements of income and comprehensive income, changes in owners' equity and cash flows for the six -month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. (34) Relating to Interim Financial Reporting. Our responsibility is to express an opinion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Basis of Qualified Conclusion

1. Included within accounts receivable on the statement of financial position at June 30, 2018 and December 31, 2017 is approximately JD 9 million due from the Housing and Urban Development Corporation. Associated with this receivable are related project developers costs payable, deferred income and capitalized interest amounting to approximately JD 2.5 million, JD 3.1 million and JD 300 thousand at June 30, 2018 and December 31, 2017, respectively. We did not receive a confirmation for these balance last year and were unable to obtain sufficient appropriate review evidence by performing alternative review procedures. Consequently, we were unable to determine whether any adjustments to those balances were necessary

Deloitte.

2. Included in the fixed assets and inventory balances shown on the statement of financial position are amounts of JD 957K as of June 30, 2018 (2017: JD 995K) that have not been impaired in accordance with International Accounting Standard 36 Impairment of Assets or written down to net realisable value in accordance with International Accounting Standard 2 Inventories. It is not possible to determine with reasonable certainty the exact value of the impairment as the Company has not performed an impairment review. In these circumstances, we are unable to quantify the effect of the departure from the accounting standard.

Our audit opinion for the year ended December 31, 2017 was also modified in respect of these matters.

Qualified Conclusion

Based on our review, except for the possible effect for the matters described in the paragraphs (1 & 2) stated in the "Basis of Qualified Conclusion" paragraph, nothing has come to our attention that cause us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, the condensed consolidated interim statement of financial position of Salam International Transport and Trading Company (a Public Shareholding Limited Company) as of June 30, 2018 and it's condensed consolidated interim financial performance, cash flow for the period ended in that date in accordance with International Accounting Standard (34) relating to interim financial reporting.

Emphasis of Matter

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

1. As stated in Notes (10) to the accompanying condensed consolidated interim financial statements, which refers to projects under construction which are not completed yet.

2. As stated in Note (11) to the accompanying condensed consolidated interim financial statements, which refers to advance payment to acquire land in which its ownership is not transferred to the Company yet.

Explanatory Paragraph

The Company's fiscal year ends on December 31 of each year. However, the accompanying condensed consolidated interim financial statements have been prepared solely for the purpose of management, Jordan Securities Commission and the Companies' Control Department.

Other Matter

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

Amman – Jordan
July 31, 2018

Deloitte & Touche (M.E.) –Jordan

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

	Note	June 30, 2018 (Reviewed not Audited)	December 31, 2017
ASSETS		JD	JD
Current Assets:			
Cash on hand and at banks	4	102,053	278,463
Accounts receivable - net	5	974,390	874,309
Due from related parties	16/A	1,974,964	1,796,725
Accounts receivable - "Decent Housing for Decent Living" project	6	8,957,230	8,957,230
Residential units available for sale	7	519,974	519,974
Checks under collection and notes receivable - short term		453,460	451,591
Financial assets at fair value through profit or loss		10,559	10,866
Inventory - net		488,346	507,161
Other debit balances		622,538	611,342
Total Current Assets		14,103,514	14,007,661
Non-Current Assets:			
Checks under collection and notes receivable - long term		120,655	154,560
Financial assets at fair value through other comprehensive income		623,766	678,219
Investment properties - net	9	4,789,570	4,825,596
Investment in associates	8	12,904,077	12,618,590
Projects under construction	10	2,373,941	2,369,914
Advance payments for land acquisition	11	3,146,817	3,146,817
Advance payments for acquiring investment in companies	12	150,494	150,494
Property and equipment - net		1,199,850	1,286,294
Total Non-Current Assets		25,309,170	25,230,484
TOTAL ASSETS		39,412,684	39,238,145
LIABILITIES AND OWNERS' EQUITY			
Current Liabilities:			
Due to banks	13	582,862	728,856
Accounts payable		4,626,903	4,751,234
Due to related parties	16/B	1,662,892	2,984,650
Loans - current portion	14	1,641,818	2,069,525
Deferred checks and notes payable - short term		632,304	432,985
Income tax provision	15	57,906	71,557
Other credit balances		2,963,537	2,737,852
Total Current Liabilities		12,168,222	13,776,659
Non-Current Liabilities:			
Shareholder's current account	16/B	1,716,631	274,085
Long-term loans	14	2,633,968	2,960,938
Total Non-Current Liabilities		4,350,599	3,235,023
Total Liabilities		16,518,821	17,011,682
OWNERS' EQUITY			
SHAREHOLDERS' EQUITY			
Authorized and paid-up capital	17	18,000,000	18,000,000
Share discount		(1,349,998)	(1,349,998)
Statutory reserve		1,970,514	1,970,514
Voluntary reserve		48,024	48,024
Financial assets at fair value revaluation reserve		(202,228)	(151,214)
Accumulated (losses)		(1,410,671)	(1,394,796)
Profit for the period		864,887	-
Net Shareholders' Equity		17,920,528	17,122,530
Non-controlling interests		4,973,335	5,103,933
Net Owners' Equity		22,893,863	22,226,463
TOTAL LIABILITIES AND OWNERS' EQUITY		39,412,684	39,238,145

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) to (26) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSD CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPONAYING REVIEW REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

(REVIEWED NOT AUDITED)

	Note	For the Three months ended June 30,		For the Six months ended June 30,	
		2018	2017	2018	2017
		JD	JD	JD	JD
Revenue		1,192,835	1,502,089	2,406,080	2,545,601
Less: Cost of revenue		790,806	848,802	1,599,274	1,642,205
Gross Profit		402,029	653,287	806,806	903,396
Less: General and administrative expenses		(308,467)	(303,996)	(677,826)	(659,516)
Loss from canceled contracts related to project under construction		-	(441,730)	-	(441,730)
Marketing expenses		(11,364)	(10,603)	(23,782)	(23,304)
Borrowing costs		(120,237)	(86,937)	(247,157)	(321,565)
Company's share of associate companies profits	8	261,896	75,100	536,143	324,895
(Losses) gains from valuation of financial assets at fair value through profit or loss		(856)	93	(321)	253
Other income / (losses) - net	18	442,922	(21,478)	430,098	(20,048)
Income / (Loss) for the period before income tax		665,923	(136,264)	823,961	(237,619)
Less: Income tax expense for the period	15/b	(76,836)	(25,567)	(90,489)	(25,567)
Income / (Loss) for the Period from Continuing Operations		589,087	(161,831)	733,472	(263,186)
Net (Loss) for the Period from Discontinued Operations	23	-	(748,569)	-	(748,569)
Income / (Loss) for the Period		589,087	(910,400)	733,472	(1,011,755)
Attributable to:					
The Company's shareholders		621,913	(479,279)	864,887	(450,043)
Non-controlling interest		(32,826)	(431,121)	(131,415)	(561,712)
Total		589,087	(910,400)	733,472	(1,011,755)
Earnings per share for the period from continuing and discontinued operations attributable to the Company's Shareholders	19			-/05	(-/025)
Earnings per share for the period from continuing operations attributable to the Company's Shareholders	19			-/05	(-/006)

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) to (26) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPONAYING REVIEW REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2018	2017	2018	2017
	JD	JD	JD	JD
Income / (Loss) for the period	589,087	(910,400)	733,472	(1,011,755)
Comprehensive Income Items:				
Items not to be subsequently transferred to condensed consolidated interim statement of income:				
Change in fair value of financial assets at fair value through other Comprehensive income	(25,000)	(51,173)	(51,014)	(17,366)
Total Comprehensive Income / (Loss) for the Period	564,087	(961,573)	682,458	(1,029,121)
Total Comprehensive Income / (Loss) for the Period Attributable to:				
Company's shareholders	596,913	(529,314)	813,873	(467,236)
Non- controlling interest	(32,826)	(432,259)	(131,415)	(561,885)
Total	564,087	(961,573)	682,458	(1,029,121)

THE ACCOMPANYING NOTES FROM (1) to (26) CONSTITUTE AN INTEGRAL PART OF THESE

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH

THE ACCOMPONAYING REVIEW REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

		Company's Shareholders' Equity											
						Financial Assets	Accumulated (Losses)						
	Note	Paid-up Capital	Share Discount	Statutory Reserve	Voluntary Reserve	at Fair Value Revaluation Reserve	Realized	Unrealized	Total	Income/ (loss) for the Period	Total	Non-Controlling Interest	Total
		JD	JD	JD	JD	JD	JD	JD	JD		JD	JD	JD
For the Six Months Ended June 30, 2018													
Balance - beginning of the year		18,000,000	(1,349,998)	1,970,514	48,024	(151,214)	(3,311,405)	1,916,609	(1,394,796)	-	17,122,530	5,102,933	22,225,463
Prior years' adjustment	26	-	-	-	-	-	(15,875)	-	(15,875)	-	(15,875)	1,817	(14,058)
Adjusted balance - beginning of the year		18,000,000	(1,349,998)	1,970,514	48,024	(151,214)	(3,327,280)	1,916,609	(1,410,671)	-	17,106,655	5,104,750	22,211,405
Profit/ (Loss) for the period		-	-	-	-	-	-	-	-	864,887	864,887	(131,415)	733,472
Change in fair value of financial assets at fair value through other comprehensive income		-	-	-	-	(51,014)	-	-	-	-	(51,014)	-	(51,014)
Total Comprehensive Income/ (Loss) For the Period		-	-	-		(51,014)	-	-	-	864,887	813,873	(131,415)	682,458
Balance - End of the Period		18,000,000	(1,349,998)	1,970,514	48,024	(202,228)	(3,327,280)	1,916,609	(1,410,671)	864,887	17,920,528	4,973,335	22,893,863
For the Six Months Ended June 30, 2017													
Balance - beginning 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
(Loss) for the period		-	-	-	-	-	-	-	-	(450,043)	(450,043)	(561,712)	(1,011,755)
Change in fair value of financial assets at fair value through other comprehensive income		-	-	-	-	(17,193)	-	-	-	-	(17,193)	(173)	(17,366)
Total Comprehensive Income/ (Loss) For the Period		-	-	-	-	(17,193)	-	-	-	(450,043)	(467,236)	(561,885)	(1,029,121)
Effect of disposal of a subsidiary - Note (24)		-	-	-	-	-	-	-	-	-	-	(1,527,319)	(1,527,319)
Balance - End of the Period		18,000,000	(1,349,998)	1,970,514	48,024	(160,646)	(3,812,032)	1,916,609	(1,895,423)	(450,043)	16,162,428	5,124,346	21,286,774

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

THE ACCOMPANYING NOTES FROM (1) to (26) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND THE ACCOMPONAYING REVIEW REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(REVIEWED NOT AUDITED)

	Note	For the Six Months Ended June 30, 2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income / (Loss) for the period before income tax		823,961	(237,619)
Adjustments:			
Property and equipment and investment properties depreciation		54,013	68,384
Company's share of associate companies (profits)	8	(536,143)	(324,895)
(Gain) loss from the disposal of property and equipment	18	(372,000)	52,394
(Gain) from valuation of financial assets at fair value through profit or loss		(321)	(253)
Borrowing costs		247,157	321,565
Net Cash from (used in) Operating Activities before Changes in Working Capital		216,667	(120,424)
(Increase) in accounts receivable		(100,081)	(299,911)
Decrease in checks under collection and notes receivable		32,036	33,545
Decrease (increase) in inventory		18,815	(9,048)
(Increase) decrease in other debit balances		(11,196)	56,688
(Decrease) increase in accounts payable		(124,361)	114,940
Increase in other credit balances		225,685	418,770
Net Cash Flows from Operating Activities before Income Tax Paid		257,565	194,560
Income tax paid	15/a	(104,140)	(31,406)
Net Cash Flows from Operating Activities		153,425	163,154
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in residential units available for sale		-	123,641
Decrease in investments in associates		638,656	356,655
Proceeds from the sale of property and equipment		-	12,000
Net change in property and equipment		(16,000)	17,913
Decrease (increase) in financial assets at fair value through other comprehensive income		54,453	(17,366)
Net Cash Flows from Investing Activities		677,109	492,843
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowing cost settlements		(247,157)	(321,565)
Increase in deferred checks and notes payable		199,319	96,000
(Increase) decrease in due from/to related parties		(58,435)	196,123
(Decrease) in due to banks		(145,994)	(30,246)
Loans paid	12	(891,677)	(279,047)
Granted loans	12	137,000	-
Net Cash flows (used in) Financing Activities		(1,006,944)	(338,735)
Net (Decrease) Increase in Cash		(176,410)	317,262
Cash on hand and at banks - beginning of the year		278,463	156,733
Cash on Hand and at Banks - End of the Period	4	102,053	473,994

Non-Cash Transactions:

Changes in non-controlling interests		-	(1,527,319)
(Decrease) in loans		-	(2,999,930)
(Increase) in account receivable		-	(4,531,135)
(Increase) decrease in projects under constructions		(3,997)	441,729
Decrease in advance payment for land acquisition		-	3,536,135
Decrease in investment properties		-	7,127,603
Increase in account payable		3,997	-
Proceeds from sale of property and equipment		150,000	-
(Increase) in investments in associates		(388,000)	-
(Decrease) in due from related parties		(1,422,547)	-
Increase in shareholder's current account from related parties		1,422,547	-

THE ACCOMPANYING NOTES FROM (1) to (26) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSILIDATED INTERIM FIANACAIL STATEMENTS AND SHOULD BE READ WITH THEM AND THE ACCOMPONAYING REVIEW REPORT.

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 condensed consolidated interim financial statements have been approved by the Board of Directors on July 26, 2018.

2. Significant Accounting Policies

a. Basis of Preparation of the Condensed Consolidated Interim Financial Statements

- The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".

- The condensed consolidated interim financial statements are prepared in accordance with the historical cost principle, except for certain financial assets and financial liabilities which are stated at fair value as of the date of the condensed consolidated interim financial information statement. Furthermore, hedged financial assets and financial liabilities are also stated at fair value.

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

- The accompanying condensed consolidated interim financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and should be read with the annual report of the Company as of December 31, 2017. In addition, the results of the Company's operations for the six months ended June 30, 2018 do not necessarily represent indications of the expected results for the year ending December 31, 2018.

  The accounting policies adopted in preparing the condensed consolidated interim financial statements is consistent with those applied in the year ended December 31, 2017 except for the effect of the adoption of the new and revised standards which are applied on or after the first of January of 2018 as follow:

a. New and revised IFRS in issue but not yet effective on the condensed consolidated interim financial statements of the Company:

Annual Improvements to IFRS Standards 2014 – 2016 The improvements include the amendments on IFRS 1 and IAS 28 and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 2 *Share Based Payment*
The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 4 Insurance Contracts
The amendments relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 *Foreign Currency Transactions and Advanced 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; and
- The prepayment asset or deferred income liability is non-monetary.

Amendments to IAS 40 *Investment Property*
These amendments show when the entity shall transfer (recluses) a property including investments under process or development to, or from, investment property.

IFRS 15 *Revenue from Contracts with Customers*
In May 2014, 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
The amendments are 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.

Amendments to IFRS 7 *Financial Instruments: Disclosures*
The amendments are related to disclosures about the initial application of IFRS 9.

IFRS 7 Financial Instruments: Disclosures
The amendments are related to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Amendments are effective when IFRS 9 is first applied.

b. <u>Amendments effective on the condensed consolidated interim financial statements of the Company:</u>

IFRS 9 *Financial Instruments*
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.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. And a new version of the new standard includes the requirements of recognition, measurement, impairment and hedge accounting.

The final version of IFRS 9 relating to financial instruments was replaced which relates to the credit loss model incurred in accordance with IAS 39 Financial Instruments: Recognition and Measurement, replacing a model for expected credit losses. The Standard includes a business model for debt instruments, loans, financial liabilities, financial guarantee contracts, deposits and receivables, but does not apply to equity instruments.

The Company calculated the initial impact of the International financial reporting standard (IFRS 9), as it is not material, it has not been reversed in the attached condensed consolidated interim financial statements, noting that the impact will be recalculated accurately during the year.

In case there is a low credit risk to the financial asset at the date of initial application of IFRS (9), the credit risk relating to the financial asset is considered to have not been changed substantially since its initial recognition.

In accordance with IFRS 9 Financial Instruments the expected credit losses are recognized at an early date in accordance with IAS 39.

The revised version of IFRS 9 (2014) (Financial Instruments) includes a classification mechanism for financial assets and liabilities. IFRS 9 requires all financial assets to be classified based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

There is no material difference in the classification of financial assets and liabilities arising from the adoption of IFRS 9 for the year 2014.

IFRS 9 Implementation Impact For the Year 2014.

b. Basis of Consolidation of the Condensed Interim Financial Statements

- The condensed consolidated interim financial statements include the condensed consolidated interim 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 condensed consolidated interim 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' condensed consolidated interim financial statements are made so that their accounting policies match those of the parent Company.

- Non-controlling interest represents the portion of the subsidiaries equity not owned by the parent Company.

- The Company owns the following subsidiary companies as of June 30, 2018:

Company's Name	Paid-up Capital	Ownership Percentage	Nature of Activity	Place of Work	Date of Ownership
	JD	%			
Farah International Catering Service Company	1,000,000	100	Trading	Jordan	September 21, 1992
Golden State For Commercial Services Company	204,874	100	Trading	Jordan	September 4, 2005
Mada'en Al – Noor Investment and Real Estate Development	6,000,000	75	Real estate	Jordan	June 3, 2004
Al-Ibtikar Land Transport	2,600,000	70	Transportation	Jordan	March 9, 2005
Afaq Supply and Storage Company	500,000	90	Supply & Storage	Jordan	February 18, 2008
Amman River Transport and Supply Company	1,000	100	Trading	Jordan	August 31, 2008
Mada'en Al – Bahr Investment and Real Estate Development	1,000,000	98,75	Trading	Jordan	September 5, 2010
Technical for Construction and Real Estate Services	1,000,000	98,75	Real estate	Jordan	September 1, 1992
Mada'en Al – Shorouq Investment Real Estate Company	6,660,000	69,99	Real estate	Jordan	November 20, 2006
Mada'en Al – Aqaba Investment Real Estate Company	2,500,000	60	Real estate	Jordan	September 6, 2007
Mada'en Al – Salam Construction Company	250,000	80	Real estate	Jordan	May 15, 2006

Subsidiaries' results of operations are included in the condensed consolidated interim 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.

In accordance with board of directors of Salam Transport and Trading (Parent Company) Company meeting held on January 15, 2017, it was agreed to sell the Company shares in Mada'en Al-Bahr Investment and Real Estate Development Company (a subsidiary) amounted to 500 thousand share in the exchange of JD 500 thousand for the benefit of Technical For Construction and Real Estate Company (a subsidiary) noting that shares transfer was completed in the Ministry of Industry and Trade on February 21, 2018.

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 condensed consolidated interim 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 June 30, 2018, 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*****	22.50	Jordan
Jordanian Academy for Marine Studies	25	Jordan
Sea Star for Shipping and Logistics Company***	50	Jordan
Jordanian National Line for Ships Operation Company***	50	Jordan
Maset Al Aqaba for Ships Building Company***	50	Jordan
Aqaba Storing Chemicals Company	*	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
Aqaba Filed One For Investment Company **	33.33	Jordan
Ayyam Amman For Real Estate Development Company****	40	Jordan

* During the third quarter of 2017, Afaq supply and storage Company (a subsidiary) sold 50% of its investments in Aqaba Storing Chemicals Company (an associate) to a strategic partner. The new partner ownership reached 55% of the Company's shares. The remaining shares in Aqaba Storing Chemical Company are in the process of being transferred to Haqel Al Aqaba for Investment Company (an associate).

** Haqel al Aqaba for investment Company was established by a group of Aqaba Storing Company partners, and will have significant influence over the financial and operating policies of the Aqaba Chemical Storage Company.

*** The Company has no control over the decisions related to the operational and financial policies of these companies

**** According to the Board Of Directors meeting of Salam Transport and Trading Company (Parent Company) held on January 8, 2018, it was agreed to accept the partnership of AL-Salam International Transport And Trading Company (Parent) as a partner in Ayyam Amman For Real Estate Development Company (an associate) with 40% in exchange of transferring Farah International Catering Service Company project contracts (a subsidiary) to Ayyam Amman For Real Estate Development Company (an associate) in a condition that Salam International Transport And Trading Company (Parent Company) will pay an amount of JD 150,000 for Farah International Catering Service Company (a subsidiary) as compensation for waving their interests in those projects noting that their fair value for the project was amounted to JD 388,000.

***** During in the second quarter of the year 2018, Salam International Transport And Trading Company (Parent) sold a part of its shares in Jordan National Shipping Lines Company (an associate) for related parties.

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.

3. Using Estimates

Preparation of the condensed consolidated interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and 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 condensed consolidated interim financial statements are reasonable, and consistent with the estimates used at the end of the year 2017 except estimates used to calculate the impact of International Financial Reporting Standard No. (9) relating to Financial Instruments which was calculated using expected credit loss method using simplified approach.

4. Cash on Hand and at Banks

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Cash on hand	50,460	39,263
Current accounts at banks	51,593	239,200
	102,053	278,463

5. Accounts Receivable - Net

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Trade receivables *	1,209,031	1,104,159
Employees' receivable	16,520	21,311
Less : Allowance for doubtful debts **	(251,161)	(251,161)
Accounts Receivable - Net	974,390	874,309

* The Company's accounts receivable mainly consists of trade receivables. Moreover, the company follows the interaction policy with qualified parties and to get sufficient guarantees wherever is appropriate to decrease the financial losses risk resulted from obligations have not been met. 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 251,161 as of the date of the condensed consolidated interim financial statements.

** Allowance for receivable accounts movement during the period / year is as follows:

	For the Period Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance – beginning of period / year	251,161	251,161
Balance – End of period / Year	251,161	251,161

6. 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 9 Million as of June 30, 2018 and December 31, 2017, including JD 3.1 Million, 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 300 thousands 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.

7. Residential Units Available for Sale

This item represents residential units available for sale in ZARQA and Abu-NSAIR as of June 30, 2018 and December 31, 2017.

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

	June 30, 2018	December 31, 2017
	JD	JD
Balance – beginning of period / year	519,974	910,183
Less : Cost of department sold	-	(390,209)
Balance – End of Period / Year	519,974	519,974

- The selling price of residential units available for sale exceeds their book value as of June 30, 2018 and December 31, 2017.

8. Investment in Associates

The movement for the investment is associates during the period / year is as follows:

	For the Period Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	12,618,590	13,060,149
Cash dividends	(538,240)	(811,551)
Capital increase	-	16,667
Disposal of investment in an associate **	(100,416)	(640,799)
Share in financial assets evaluation reserve at fair value	-	15,314
Acquisition on an investment in an associate's account ***	388,000	-
Company net share of associate companies profits *	536,143	978,810
Balance at the End of the Period / Year	12,904,077	12,618,590

* The Company's net share of associate companies profits for the period ended June 30, 2018 was calculated based on financial information prepared by the companies' management.

** During the second quarter of the year 2018 Salam Transport and Trading Company (Parent) has sold part of it's shares in Jordan National Shipping Lines (an associate) to related parties, noting that during the third quarter of 2017, Afaq Supply and Storage Company (a subsidiary) sold 50% of its investments in Aqaba Chemical Storage Company (an associate) to a strategic partner. The new partner ownership reached 55% of the Company's shares The remaining shares in Aqaba Chemical Storage Company are in the process of being transferred to Haqel Al Aqaba for Investment Company (an associate).

*** According to the Board Of Directors meeting of Salam Transport and Trading Company (Parent Company) held on January 8, 2018, it was agreed to accept the partnership of AL-Salam International Transport And Trading Company (Parent) as a partner in Ayyam Amman For Real State Development Company an associate) with 40% in exchange of transferring Farah International Catering Service Company project contracts (a subsidiary) to Ayyam Amman for Real State Development Company (an associate) in a condition that Salam International Transport And Trading Company (Parent Company) will pay an amount of JD 150,000 for Farah International Catering Service Company (a subsidiary) as compensation for waving their interests in those projects noting that their to fair value for the project was amounted JD 388,000.

- Haqel al Aqaba for Investment Company was established by a group of Aqaba Storing Company partners, and will have significant influence over the financial and operating policies of the Aqaba Chemical Storage Company.

9. Investment Properties - Net

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

	June 30, 2018	December 31, 2017
	JD	JD
Cost		
Balance at the beginning of the period / year	3,599,696	9,459,477
Effect of disposal of a subsidiary – Note (23)	-	(5,859,781)
Balance at the End of the Period / Year	3,599,696	3,599,696
Accumulated depreciation		
Balance at the beginning of the period / year	675,754	747,263
Effect of disposal of a subsidiary – Note (23)	-	(143,453)
Depreciation for the period/ year	36,076	71,994
Balance at the End of the Period / Year	711,830	675, 809
Net Book Value	2,887,866	2,923,892
Add: Lands		
Balance at the beginning of the period / year	1,901,704	3,276,981
Effect of disposal of a subsidiary – Note (23)	-	(1,375,277)
Balance at the End of the Period / Year	1,901,704	1,901,704
	4,789,570	4,825,596

- According to the latest real estate appraiser the fair value of the investment properties amounted to JD 5.7 million as of December 31, 2017.

- Investment properties were mortgaged to obtain direct credit facilities which are granted to the Company Note (14).

10. Projects under Construction

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Al Shouroq City Project *	490,204	490,204
Dead Sea project *	1,883,707	1,879,710
Others*	30	-
	2,373,941	2,369,914

* These represent projects under construction totaling JD 2,373,941 which have not been completed yet, as of June 30, 2018. Recovery of these amounts depends on executing the future plans of the subsidiaries in order to complete the projects and to obtain the necessary funding.

- According to the Department of Land and Survey, the market value based on the price of the land's plot, on which Al Shorouq City Project and Dead Sea Project are built on, for these projects under construction, including the value of the land on which these projects are built on exceeds their book value as of June 30, 2018.

11. Advance Payments for Land Acquisition

This item consists of the following:	June 30, 2018	December 31, 2017
	JD	JD
Advance payments on Mada'en Al – Shorouq Investment Real Estate Company contracts*	3,146,817	3,146,817
	3,146,817	3,146,817

* This item represents advance payments related to contracts with Madaen Al Shorouq Real Estate Investment and Development Company (subsidiary company) to purchase land from the National Resources Investment and Development Corporation, for development and construction purposes. The Company is still in the process of completing the terms of the contract to conclude the ownership transfer.

12. 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 June 30, 2018 and December 31, 2017.

13. Due to banks

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Credit Banks	-	36,756
Overdraft *	582,862	692,100
	582,862	728,856

* 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 the 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.

14. Bank Loans

This item consists of the following:

	Loan Principle	Remaining Installments	Interest Rate	June 30, 2018 Due Installment	Due during a Year	Total	Due during More than a Year	December 31, 2017 Due Installment	Due during a Year	Total	Due during More than a Year
	JD		%	JD	JD	JD	JD	JD	JD	JD	JD
Housing Bank for Trade and Finance-loan (1) *	2,650,000	95	8	71,941	240,000	311,941	1,830,000	69,624	240,018	309,642	1,950,000
Etihad Bank ******	1,446,209	17	8.75	25,000	275,000	300,000	155,182	-	300,000	300,000	305,182
Standard Chartered Bank **	3,566,192	12	6.5	115,000	572,991	687,991	-	115,000	1,154,569	1,269,569	-
Arab Bank*******	137,000	12	9.6	-	137,000	137,000	-	-	-	-	-
Housing Bank for Trade and Finance-loan (2)****	400,000	27	8.5	-	72,000	72,000	100,458	-	100,468	100,468	99,602
Housing Bank for Trade and Finance-loan (3)***	250,000	32	8	12,886	65,000	77,886	100,000	-	64,846	64,846	130,000
Housing Bank for Trade and Finance-loan (4)*****	501,154	43	7.75	-	55,000	55,000	448,328	-	25,000	25,000	476,154
				224,827	1,416,991	1,641,818	2,633,968	184,624	1,884,901	2,069,525	2,960,938

* 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 Company. Moreover, during the year 2015, liquidity position of 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.

*** At the beginning of 2017, the Company was granted a discounted loan from Housing Bank for Trade and Finance in the amount of JD 250,000 with annual interest rate 8%, the loan shall be repaid over 50 installments where the first is due on January 1, 2017 and the other installments are due at the beginning of each month

**** At the beginning of 2017, the Company was granted a discounted loan from Housing Bank for Trade and Finance in the amount of JD 400,000 with annual interest rate 8.5%, the loan shall be repaid over 30 installments where the first is due on August 1, 2017 and the other installments are due at the beginning of each month.

***** During the year 2017, the overdraft account was rescheduled and converted to a loan to be repaid in 48 equal monthly installments and the remaining balance will be repaid in one payment in five years, including a grace period, in which the first installment will be on August 1, 2018.

****** The Company was granted discounted a loan from Bank AL-Etihad with an amount of JD 1,446,209 ,to be repaid in a monthly basis installment with an amount 25K and the interest rate 8,75%.

*******During the second quarter of the year 2018, the Company was granted a loan from Arab Bank in an amount of JD 137,000 to partially settle a letter of guarantee of the guarantee balance paid for Jordan Enterprise Development Corporation in an amount of JD 220,000 where the loan will be repaid by 12 monthly installments excluding the interest with an amount of JD 11,400 per installment except for the last installment with an amount of JD11,600.

The guarantees against the direct credit facilities above represent personal guarantee of Mr. Ahmed Helmi Armoush (major shareholder) and mortgages of listed shares at fair value amounted to JD 3,113,943 as of June 30, 2018.

The movement on the loans as of June 30, 2018 and December 31, 2017 as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	5,030,463	9,927,326
Effect of disposal of subsidiary - Note (22)	-	(2,999,930)
Loans received	137,000	751,154
loans Paid	(891,677)	(2,648,087)
Balance at the End of the Year	4,275,786	5,030,463

15. Income Tax

a. Income Tax Provision:

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

	For the Six Months Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance beginning of the period / year	71,557	61,762
Income tax expense for the period / year	90,489	42,201
Income tax paid during the period / year	(104,140)	(32,406)
Balance - End of the Period / Year	57,906	71,557

b. Income Tax Expense:

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

	For the Six Months Ended June 30,	
	2018	2017
	JD	JD
Accrued Income tax expense for the period	90,489	25,567
Balance End of the Period	90,489	25,567

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 for the years 2014 till 2017 but did not reach to a settlement yet, and according to the Company's management and the legal consultants there are no due balances on the Company.

b. Amman:

The Company has reached a final settlement with the Income and Sales Tax Department up to the end of the year 2014 and submitted its tax returns for the years 2015 and 2017 but did not reach to a settlement yet, and according to the company's management and the legal consultants there are no due balances on the Company.

Subsidiaries:

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

Company	Tax Returns up to Year	Final Settlement up to Year
Farah International Catering Service Company	2016	2012
Golden State for Commercial Services Company	2016	2011
Mada'en Al - Noor Investment and Real Estate Development Company	2016	2014
Al-Ibtikar Land Transportation Company	2016	2014 except for 2013
Farah International Transport and Trading Company	2016	2009
Afaq Supply and Storage Company	2016	No settlement yet
Mada'en Al - Bahr Investment and Real Estate Development Company	2016	No settlement yet
Technical for Construction and Real Estate Services Company	2016	2015
Mada'en Al - Shorouq Investment Real Estate Company	2016	2015
Mada'en Al - Aqaba Real Estate Investment and Development Company	2016	2014
Mada'en Al - Salam Construction Company	2016	2014

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

16. Balances and Transactions with Related Parties

A. Due from related parties during the period / year

	Nature of Relationship	Nature of Transaction	June 30, 2018	December 31, 2017
			JD	JD
Jordanian Marine Real Estate Investment Complex Company	Associate Company	Financing	409,280	259,174
Al Maha Real Estate Development Company	Associate Company	Financing	771,579	759,197
Zahret AL Ordoon Clearance Company	Sister Company	Financing	-	28,360
Armoush Tourist Investment	Sister Company	Financing	30,707	41,734
Aqaba for Storing Chemical	Associate Company	Financing	674,249	668,116
Nahdah for Trading Services	Sister Company	Expenses	5,380	5,380
Jordan Group For Shipping Agencies	Sister Company	Expenses	11,290	-
Cedar Martime Agencies Company	Sister Company	Expenses	11,875	-
Ayyam Amman for Real Estate Development	Sister Company	Expenses	7,091	4,735
Others	Sister Company	Expenses	53,513	30,029
Total			1,974,964	1,796,725

- Due from related party with maturity exceeding 360 days amounted to JD1,727,309 as of June 30, 2018, representing payments to related parties associates 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 during the period / year

	Nature of Relationship	Nature of Transaction	June 30, 2018	December 31, 2017
			JD	JD
Shareholder Current Account -Ahmad Armosh	Shareholder	Financing	1,716,631	274,085
Jordanian Academy for Marine Studies	Associate Company	Expenses	898	1,386
Jordanian National Line for Ships Operating Company	Associate Company	Financing	395,569	353,979
Marine Lines for Storage and Port Services Company	Sister Company	Financing	299,718	300,048
Jordan National Shipping Lines Company	Associate Company	Financing	7,992	3,667
National Orbit for Transportation and Trade Services Company	Sister Company	Expenses	-	105,517
Cedar Martime Agencies Company	Sister Company	Expenses	-	664,851
Maset Al Aqaba Ships for Building Company	Associate Company	Financing	201,150	201,568
Jordan – Dubai for Properties Company	Associate Company	Financing	502,000	532,000
Sun General Investments Company	Sister Company	Financing	77,547	39,998
Petra Company	Sister company	Expenses	44,965	709,248
Sea Star for Shipping and Logistics Company	Associate Company	Financing	116,700	16,431
Others	Sister company	Expenses	16,353	55,957
Total			1,662,892	2,984,650

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

- The total earnings for National Orbit for Transportation and Trade Services Company (Sister Company) amounted to JD 137,115 for the six months ended June 30, 2018 (JD 17,290 for the six months ended Jine 30, 2017) .

- The total revenue of supervision and follow-up from Sea Star for Shipping and Logistics company (associate) JD 30,000 as of June 30, 2018 (JD 8,150 as of June 30 ,2017)

- During the second quarter of the year 2018 Salam Transport and Trading Company (Parent) has sold a part of it's shares in Jordan National Shipping Lines (an associate) to related parties, noting that during the third quarter of 2017, Afaq Supply and Storage Company (a subsidiary) sold 50% of its investments in Aqaba Chemical Storage Company (an associate) to a strategic partner. The new partner ownership reached 55% of the Company's shares The remaining shares in Aqaba Chemical Storage Company are in the process of being transferred to Haqel Al Aqaba for Investment Company (an associate).

- According to the Board Of Directors meeting of Salam Transport and Trading Company (Parent Company) held on January 8, 2018, it was agreed to accept the partnership of AL-Salam International Transport And Trading Company (Parent) as a partner in Ayyam Amman For Real State Development Company an associate) with 40% in exchange of transferring Farah International Catering Service Company project contracts (a subsidiary) to Ayyam Amman For Real State Development Company (an associate) in a condition that Salam International Transport And Trading Company (Parent Company) will pay an amount of JD 150,000 for Farah International Catering Service Company (a subsidiary) as compensation for waving their interests in those projects noting that their fair value for the project was amounted to JD 388,000.

- Haqel al Aqaba for investment Company was established by a group of Aqaba Storing Company partners, and will have significant influence over the financial and operating policies of the Aqaba Chemical Storage Company.

Executive management salaries and remunerations

Executive management salaries amounted to JD 60,200 for three months ended June 30,2018 (JD 51,222 for three months ended June 30, 2017).

17. Paid-up Capital and Shares Discount

The authorized and paid - up capital was amounted to JD 18 million, and the shares discount was amounted to JD 1,349,998 as of June 30, 2018 and December 31, 2017.

18. Other Income / (Losses) – net

This item consists of the following:

	For the Six Months Ended 30 June	
	2018	2017
	JD	JD
Gain (loss) from disposal of property and equipment	372,000	(52,394)
Cash dividends	16,291	20,345
Gain on sale of securities	17,809	-
Supervision revenues	12,000	12,000
Others	11,998	-
	430,098	(20,049)

19. Earnings (Loss) per Share for the Year Attributable to the Company's Shareholders

This item consists of the following:

	For the Six Months Ended June 30,	
	2018	2017
From continuing and discontinuing operations	JD	JD
Income/ (loss) for the period attributable to the shareholders of the Company	864,887	(450,043)
Weighted average number of shares	18,000,000	18,000,000
Earnings (Loss) per share for the period attributable to the Company's Shareholders	-/05	(-/25)

	For the Six Months Ended June 30,	
	2018	2017
From continuing operations	JD	JD
Income (Loss) for the period attributable to the shareholders of the Company	864,887	(115,801)
Weighted average number of shares	18,000,000	18,000,000
Profit/ (Loss) per share for the period attributable to the Company's Shareholders	-/05	(-/006)

20 - Segmental Distribution

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

	Projects and Investments	Real Estate and Construction	Services	Transportation	For the Six Months Ended June 30, 2018	2017
	JD	JD	JD	JD	JD	JD
Net sales	357,620	471,163	1,440,182	137,115	2,406,080	2,545,601
Less: Cost of sales	(62,949)	(358,180)	(1,128,080)	(50,065)	(1,599,274)	(1,642,205)
Gross Profit	294,671	112,983	312,102	87,050	806,806	903,396
Less: Expenses allocated to segments						
General and administrative expenses	(211,748)	(165,779)	(271,807)	(28,492)	(677,826)	(659,516)
Marketing expenses	-	(23,782)	-	-	(23,782)	(23,304)
Profit (loss) from Operations	82,923	(76,578)	40,295	58,558	105,198	220,576
Profit (loss) from investments and other	809,344	6,285	150,291	-	965,920	(136,630)
Borrowing cost	(125,654)	(112,152)	-	(9,351)	(247,157)	(321,565)
Income (loss) before tax from continuing operation	766,613	(182,445)	190,586	49,207	823,961	(237,619)
Less: Income tax	(54,827)	-	(18,862)	(16,800)	(90,489)	(25,567)
Income (loss) for the Period from Continuing Operations	711,786	(182,445)	171,724	32,407	733,472	(263,186)
Net (Loss) for the Period Discontinued Operations	-	-	-	-	-	(748,569)
Income (loss) for the period	711,786	(182,445)	171,724	32,407	733,472	(1,011,755)

					June 30, 2018	December 31, 2017
					JD	JD
Total Assets	13,028,488	22,848,882	2,530,979	1,004,335	39,412,684	39,238,145
	13,028,488	22,848,882	2,530,979	1,004,335	39,412,684	39,238,145
Total Liabilities	3,576,871	11,076,355	520,467	1,345,128	16,518,821	17,011,682
	3,576,871	11,076,355	520,467	1,345,128	16,518,821	17,011,682

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 Six Month Ended June 30, 2018		June 30, 2018	
		Revenue	Expenses	Assets	Liabilities
		JD	JD	JD	JD
Maset Al - Salam Company - Sudan	Sudan	-	-	290,768	-

Company's Name	Geographical Area	For the Six Months Ended June 30, 2017		December 31, 2017	
		Revenue	Expenses	Assets	Liabilities
		JD	JD	JD	JD
Maset Al - Salam Company - Sudan	Sudan	-	-	290,768	-

21. 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 (evaluation methods and inputs used).

Financial Assets	Fair Value June 30, 2018	Fair Value December 31, 2017	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	10,559	10,866	Level I	Quoted Shares	N/A	N/A
Total	10,559	10,866				
Financial assets at fair value through other comprehensive income						
Shares that have market value	301,766	356,219	Level I	Quoted Shares	N/A	N/A
Shares with no market value	322,000	222,000	Level II	Compared it with the market value of a similar instrument	N/A	N/A
Total	623,766	578,219				
Total Financial Assets at Fair Value	134,325	689,085				

There were no transfers between Level I and Level II during the ended period June 30, 2018 and 2017.

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

	June 30, 2018		December 31, 2017		The Level of
	Book Value	Fair Value	Book Value	Fair Value	Fair Value
	JD	JD	JD	JD	JD
Financial Assets with no fair value					
Real estate investments	4,789,570	5,730,404	4,825,596	5,730,404	Level II (Under real state estimation)
Total Financial Assets with no Fair Value	4,789,570	5,730,404	4,825,596	5,730,404	
Financial Liabilities with no Fair Value					
Loans	4,275,786	4,500,613	5,030,463	5,215,087	Level II
Total Financial Liabilities with no Fair Value	4,275,786	4,500,613	5,030,463	5,215,087	

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

22. Lawsuit against the Company

- According to the legal counsel's letter at the parent Company, there are no claims raised against the Company as of June 30, 2018. 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 condensed consolidated interim 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 condensed consolidated interim 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, noting that during the year 2017, a settlement was reached with the contractor in which and accordingly, an amount of JD 100,000 have been paid by checks to the contractor.

23. Losing Control of a Subsidiary Company and Discontinued operation

In accordance with board of directors of Mada'en Al Noor for investment and real estate development second meeting held on February 5, 2017 it was agreed to sign an agreement with the Aqaba Development Company (ADC) related to waving all Mada'en Al Noor shares in Aqaba Markets Development and Real Estate to Aqaba Development Company (ADC).

On June 22, 2017, an agreement was signed between Mada'en Al –Noor for Investment and Real Estate Development and Aqaba Development Company (ADC) Private Shareholding Company, which states that Mada'en Al Noor should waive all its shares in Al Aqaba for Markets Development to the benefit of Aqaba Development Company (ADC). Accordingly, a loss of around JD 749 thousand resulted which was recorded in the condensed consolidated interim income statement for the year 2017. Moreover, all Al Aqaba for Market Development balances were eliminated from Salam International Transport and Trading Company condensed consolidated interim financial statements.

The details for assets and liabilities for Aqaba for Markets Development as of January 1st 2017 are as follows:

	January 1st 2017
	JD
Assets	
Cash on hand and at bank	5,616
Due from related party	24,398
Other debit balances	81,613
Real estate investment -net	7,091,605
Property, plant and equipment	13,027
Total Assets	7,216,259
Liabilities	
Loan	2,999,930
Due to related party	515,000
Account payables and other credit balances	380,243
Total Liabilities	3,895,173
Shareholder Equity	
Paid up capital	4,700,000
Accumulated (losses)	(1,378,914)
Net Shareholder equity	3,321,086
Total liabilities and shareholder equity	7,216,259

24. Liquidity risk:

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

The quick ratio comparing cash and cash at banks balances and accounts receivable, excluding Decent Housing for Decent Living Project balance as of June 30, 2018 and December 31, 2017 is as follows:

	June 30, 2018	December 31 2017
	JD	JD
Cash and balances at banks	102,053	278,463
Checks under collection and notes receivable - short term	453,460	451,591
Accounts receivable-net	974,390	874,309
Financial assets at fair value through profit or loss	10,559	10,866
Due from related parties	1,974,964	1,796,725
Total	3,515,426	3,411,954
Current Liabilities	(12,168,222)	(13,776,659)
(Deficit) in working capital	(8,652,796)	(10,364,705)

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

	June 30, 2018	December 31 2017
	JD	JD
Current assets	14,103,514	14,007,661
Less: Current liabilities	(12,168,222)	(13,776,659)
Surplus in Working Capital	1,935,292	231,002

Management believes that the liquidity risk is not significant, as current liabilities include JD 1,662,892 in the form of due to related parties as of June 30, 2018 (JD 2,984,650 as of December 31, 2017).

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

25. Contingent Liabilities:

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

	June 30, 2018	December 31, 2017
	JD	JD
Letter of guarantees	1,070,054	1,290,054

26. The Impact of Prior 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, 2018, 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 table represent the prior year adjustments which were booked and adjusted in January 1st, 2018 as the following:

	As of January 1, 2018		
	Reported Balance	Adjustment Impact	Adjusted Balance
	JD	JD	JD
Labilities	2,949,379	14,058	2,963,537
Owner Equity			
Accumulated losses	(1,394,796)	(15,875)	(1,410,671)
Non-Controlling interest	5,102,933	1,817	5,104,750