



SALAM INTERNATIONAL  
ESTABLISHED IN 1978

السلام الدولية للنقل والتجارة  
شركة مساهمة عامة

أشرفت رقم : 2017/167/ب رام ز  
التاريخ : 2017/10/31

الساده / بورصة عمان المحترمين

تحية ضيية وبعد ،

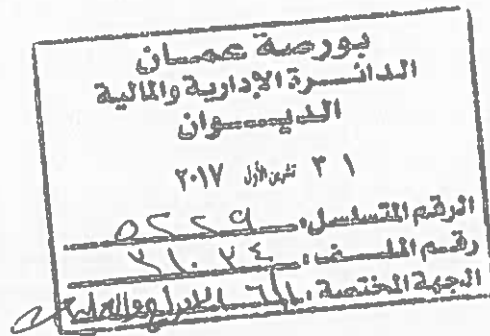
تمنياً مع تعليقات الإفصاح نرفق ضية البيانات المالية لشركة عن الفترة  
كما في 2017/9/30 .

وتفضلوا بقبول فائق الاحترام.....

رئيس مجلس الإدارة

الدكتور محمد أبو حمور

Acc 2017 mr acc231



SALAM INTERNATIONAL TRANSPORT  
AND TRADING COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AQABA – JORDAN  
CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS  
FOR THE MONTHS ENDED  
SEPTEMBER 30, 2017 TOGETHER  
WITH THE REVIEW REPORT

SALAM INTERNATIONAL TRANSPORT  
AND TRADING COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AQABA - JORDAN  
SEPTEMBER 30, 2017

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## **Review Report on the Condensed Consolidated Interim Financial Statements**

AM \ 81552

H.E. The Chairman and 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 September 30, 2017 and the related condensed consolidated interim statements of income and comprehensive income, changes in owners' equity and cash flows for the nine -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. We were unable to obtain sufficient appropriate evidence about the carrying amount of the due from the Housing and Urban Development Corporation against the "Decent Housing for Decent Living" Project in the amount of around JD 9 million as of September 30, 2017 and December 31, 2016 which include an amount of around JD 3.1 million was booked as deferred income and due to developers at end of 2014 along with capitalized interest in an amount of JD 300k and due to the related projects developers shown as part of accounts payable in the amount of around JD 2.5 million due to not reaching to a final settlement with the Housing and Urban Development Corporation and not finalizing the court procedures till that date. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.
2. Included in the fixed assets and inventory shown in the condensed consolidated interim statement of financial position asset amounted to around JD 1.1 million as of September 30, 2017 (around JD 1.2 million as of December 31, 2016) that have not been impaired in accordance with International Accounting Standard 36 Impairment of assets. 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.

## **Qualified Conclusion**

Based on our review, except for the possible impact 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 September 30, 2017 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 company's 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**  
**October 30, 2017**

**Deloitte & Touche (M.E.) –Jordan**



**SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AQABA - JORDAN**  
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**  
**(REVIEWED NOT AUDITED)**

		September 30, 2017 (Reviewed not Audited)	December 31, 2016
	Note	JD	JD
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash on hand and at banks	4	117,855	156,733
Accounts receivable-net	5	722,384	547,467
Due from related parties	16/a	1,164,447	977,197
Accounts receivable - "Decent Housing for Decent Living" project	6	8,957,230	8,957,230
Residential units available for sale	7	596,937	910,183
Checks under collection and notes receivable - short term		449,675	610,578
Financial assets at fair value through profit or loss		10,217	10,068
Inventory - net		515,568	502,619
Other debit balances		1,839,348	839,548
Total Current Assets		<u>14,373,661</u>	<u>13,511,623</u>
<b>Non-Current Assets:</b>			
Checks under collection and notes receivable - long term		190,250	115,157
Financial assets at fair value through other comprehensive Income		705,932	673,643
Investments in associates	8	12,244,512	13,060,149
Investment properties - net	9	4,843,593	11,989,195
Projects under construction	10	2,377,825	2,588,130
Advance payments for land acquisition	11	3,164,817	6,682,952
Advance payments for acquiring investment in companies	12	150,494	150,494
Property and equipment - net		1,408,867	1,410,381
Total Non-Current Assets		<u>25,086,290</u>	<u>36,670,101</u>
TOTAL ASSETS		<u><u>39,459,951</u></u>	<u><u>50,181,724</u></u>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Current Liabilities:</b>			
Due to banks	13	683,471	1,224,297
Accounts payable		4,984,763	4,835,546
Due to related parties	16/b	3,002,869	4,866,116
Loans - short term	14	1,877,078	2,580,364
Deferred checks and notes payable - short term		481,618	786,983
Income tax provision	15	62,194	61,762
Other credit balances		2,823,866	2,967,948
Total Current Liabilities		<u>13,915,859</u>	<u>17,323,016</u>
<b>Non-Current Liabilities:</b>			
Deferred checks and notes payable - long term		-	72,143
Shareholder's current account		203,084	1,596,389
Loans - long term	14	3,368,602	7,346,962
Total Non-Current Liabilities		<u>3,571,686</u>	<u>9,015,494</u>
Total Liabilities		<u><u>17,487,545</u></u>	<u><u>26,338,510</u></u>
<b>OWNERS' EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Authorized paid-in capital	17	18,000,000	18,000,000
Share discount	17	(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		(175,419)	(143,453)
Accumulated (losses)		(1,895,423)	(1,895,423)
Profit for the period		244,981	-
Net Shareholders' Equity		<u>16,842,679</u>	<u>16,629,664</u>
Non-controlling interest		5,129,727	7,213,550
Total Owners' Equity		<u>21,972,406</u>	<u>23,843,214</u>
TOTAL LIABILITIES AND NET OWNERS' EQUITY		<u><u>39,459,951</u></u>	<u><u>50,181,724</u></u>

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (24) CONSTITUTE AN INTEGRAL PART OF THESE  
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ  
WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended		For the Nine Months Ended	
		September 30,		September 30,	
		2017	2016	2017	2016
		JD	JD	JD	JD
Revenue		1,303,111	1,108,957	3,848,712	3,163,952
Less: Cost of revenue		997,192	645,489	2,639,397	2,023,724
Gross Profit		305,919	463,468	1,209,315	1,140,228
Less: General and administrative expenses		(381,351)	(469,907)	(1,040,867)	(1,176,239)
Loss from canceled contracts related to project under construction	10	-	-	(441,730)	-
Marketing expenses		(12,661)	(14,423)	(35,965)	(39,333)
Borrowing costs		(152,059)	(155,889)	(473,624)	(572,727)
Company's share of associate companies profit	8	294,150	276,505	619,045	651,231
Profit from selling part of the investments in associate company	8	467,987	-	467,987	-
Gain from valuation of financial assets at fair value through profit or loss		(104)	(144)	149	1,420
Other income		184,945	(32,674)	164,896	1,775
(Loss) before Income Tax Expense from continuing operations		706,826	66,936	469,206	6,355
Less: Income tax expense for the period	15/b	(6,270)	(21,517)	(31,837)	(36,061)
(Loss) for the Period from Continuing Operations		700,556	45,419	437,369	(29,706)
Net (Loss) for the period from discontinued operations	24	-	(95,951)	(748,569)	(328,529)
Profit (Loss) for the Period		700,556	(50,532)	(311,200)	(358,235)
Attributable to:					
The Company's shareholders		695,025	97,469	244,981	81,416
Non-controlling interest		5,531	(148,001)	(556,181)	(439,651)
Total		700,556	(50,532)	(311,200)	(358,235)
Earnings (profit) per Share for the period from continuing and discontinued operations attributable to the Company's Shareholders	18	0.04	0.005	0.014	0.005
Earnings (profit) per Share for the period from continuing operations attributable to the Company's Shareholders	18	0.04	0.005	0.050	0.010

Chairman of the Board of Directors

General Manager

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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AOABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	<u>For the Three Months</u>		<u>For the nine Months</u>	
	<u>Ended September 30,</u>		<u>Ended September 30,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	JD	JD	JD	JD
(Loss) for the period	700,556	(50,532)	(311,200)	(358,235)
<b><u>Comprehensive Income Items:</u></b>				
<b><u>Items not to be subsequently transferred to condensed consolidated interim statement of income:</u></b>				
Change in fair value of financial assets at fair value through comprehensive income	<u>(14,923)</u>	<u>24,256</u>	<u>(32,289)</u>	<u>7,327</u>
Total Comprehensive (Loss) for the Period	<u>685,633</u>	<u>(26,276)</u>	<u>(343,489)</u>	<u>(350,908)</u>
Total Comprehensive ( Loss ) for the Year Attributable to:				
Company's shareholders	680,252	120,682	213,015	91,293
Non- controlling interest	<u>5,381</u>	<u>(146,958)</u>	<u>(556,504)</u>	<u>(442,201)</u>
Total	<u><u>685,633</u></u>	<u><u>(26,276)</u></u>	<u><u>(343,489)</u></u>	<u><u>(350,908)</u></u>

THE ACCOMPANYING NOTES FROM (1) to (24) CONSTITUTE AN INTEGRAL PART OF THESE  
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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
(REVIEWED NOT AUDITED)

	Company's Shareholders' Equity																			
	Financial Assets																			
	Paid-In Capital	Share Discount	Statutory Reserve	Voluntary Reserve	Revaluation Reserve	at Fair Value		Accumulated (Losses)		Profit for the Period		Non-Controlling Interest								
						JD	JD	JD	JD	Realized	Unrealized	Total	JD	JD	Total	JD	JD	Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
For the Nine Months Ended September 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)	-	-	244,981	-	-	16,629,664	7,213,550	-	-	23,843,214	
(Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in fair value of financial assets at fair value	-	-	-	-	-	(31,966)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Comprehensive (loss) For the Period	-	-	-	-	-	(31,966)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Effect of disposal of subsidiary - Note (24)	-	-	-	-	-	(31,966)	-	-	-	-	-	244,981	-	-	(31,966)	(556,181)	-	-	(311,200)	
Balance - End of the Period	18,000,000	(1,349,998)	1,970,514	48,024		(175,419)	(3,812,032)	1,916,609	(1,895,423)	-	-	-	-	-	213,015	(556,504)	-	-	(32,289)	
												244,981	-	-	16,842,679	(1,527,319)	-	-	(343,489)	
															5,129,727	(1,527,319)	-	-	(1,527,319)	
																			21,972,406	
For the Nine Months Ended September 30, 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 year adjustments							(10,524)	-	(10,524)	-	-	-	-	-	(10,524)	-	-	-	(10,524)	
Adjusted balance - beginning of the year	18,000,000	(1,349,998)	1,970,514	48,024		(164,446)	(3,909,925)	1,916,609	(1,993,316)	-	-	-	-	-	16,510,778	6,183,297	-	-	22,694,075	
(Loss) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in fair value of financial assets at fair value	-	-	-	-	-	9,877	-	-	-	-	-	81,416	-	-	81,416	(439,651)	-	-	(358,235)	
Total Comprehensive (loss) For the Period	-	-	-	-	-	9,877	-	-	-	-	-	-	-	-	-	7,327	-	-	7,327	
Net change in non - controlling interest in subsidiaries	-	-	-	-	-	9,877	-	-	-	-	-	81,416	-	-	91,293	(442,201)	-	-	(350,908)	
Balance - End of the Period	18,000,000	(1,349,998)	1,970,514	48,024		(154,569)	(3,909,925)	1,916,609	(1,993,316)	-	-	-	-	-	16,602,071	1,492,588	-	-	1,492,588	
												81,416	-	-		7,233,684	-	-	23,835,755	

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

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CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND  
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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AQABA - JORDAN  
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS  
(REVIEWED NOT AUDITED)

	For the Nine Months Ended September 30,	
	2017	2016
Note	JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Gain for the period before income tax		
Adjustments:	469,206	6,355
Property and equipment and investment properties depreciation	104,321	221,139
(Gain) from selling part of the investments in associate company	(467,987)	-
Company's share of associated companies (profits)	(619,045)	(651,231)
Loss (gain) from valuation of financial assets at fair value through profit or loss	149	(1,420)
Borrowing costs	473,624	771,158
Net Cash flows (used in) from Operating Activities before Changes in Working Capital	(39,732)	346,001
(Increase) in accounts receivable	(174,917)	(180,945)
Decrease in checks under collection and notes receivable	235,996	316,026
(Increase) in inventory	(12,949)	(34,461)
(Increase) in other debit balances	(1,000,804)	(38,616)
Increase in accounts payable	149,217	2,983
(Decrease) in other credit balances	(302,406)	(314,275)
Net Cash Flows (used in) from Operating Activities before Income Tax Paid	(1,145,595)	96,713
Income tax paid	15/a (31,405)	(102,657)
Net Cash Flows (used in) Operating Activities	15/a (1,177,000)	(5,944)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Decrease in residential units available for sale	313,246	249,335
Proceed from selling part of the investments in associate company	1,110,351	-
Decrease in advance payments for land acquisition	3,518,135	-
Decrease in investments in associates	810,550	573,117
Decrease (increase) in projects under constructions	210,305	(210,025)
Net change in property and equipment	1,514	318,459
(Increase) in real estate investments	-	(136,949)
Net Cash Flows from Investing Activities	5,964,101	793,937
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowing cost settlements	(473,624)	(615,824)
(Decrease) in deferred checks and notes payable	(377,508)	(54,138)
(Decrease) increase in due from/to related parties	(1,750,260)	394,147
(Decrease) increase in due to banks	(540,826)	107,783
(Decrease) in loans	(1,681,716)	(1,668,017)
Changes in non-controlling interests	-	957,588
Net Cash flows (used in) Financing Activities	(4,823,934)	(878,461)
Net (Decrease) in Cash	(36,833)	(90,468)
Cash on hand and at banks - beginning of the year	156,733	441,702
Effect of disposal of a subsidiary	24 (2,045)	-
Cash on Hand and at Banks - End of the Period	4 117,855	351,234
<b>Non-Cash Transactions:</b>		
Changes in non-controlling interests	(1,527,319)	-
Change in property and equipment	13,038	-
Decrease in other debit balances	88,089	-
Decrease in due from related parties	24,398	-
Decrease in due to related parties	(515,000)	-
Decrease in loans	(2,999,930)	-
Decrease in projects under constructions	441,730	-
Decrease in other credit balances	(400,823)	-
Decrease in investment properties	7,109,279	-
Increase in non - controlling interest resulted from losses write off of a subsidiary	-	535,500

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SALAM INTERNATIONAL TRANSPORT AND  
TRADING COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AQABA – JORDAN  
NOTES TO THE CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS  
REVIEWED NOT AUDITED

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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 October 29, 2017.

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 which are stated at fair value through profit or loss and financial assets stated at fair value through other comprehensive income as of the date of the condensed consolidated interim financial statements. 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, 2016. In addition, the results of the Company's operations for the nine months ended September 30, 2017 do not necessarily represent indications of the expected results for the year ending December 31, 2017, and do not contain the appropriation of the profit of the nine months period ended September 30, 2017, which is usually performed at year-end.
- The accounting policies adopted in the preparation of the condensed consolidated interim financial statement are consistent with those adopted for the year ended December 31, 2016, except for the following:
  - Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 12
  - Amendments to IAS 12 Income Taxes relating to the recognition of deferred tax assets for unrealized losses
  - 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.
- Adoption of the above new standards had no impact on the amounts reported and disclosures made in the condensed consolidated interim financial statements.

**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 September 30, 2017:

<u>Company's Name</u>	<u>Paid-In Capital</u>	<u>Ownership Percentage</u>	<u>Nature of Activity</u>	<u>Place of Work</u>	<u>Date of Ownership</u>
	JD	%			
Farah International Catering Service Company	1,000,000	99.86	Trading	Jordan	September 21, 1992
Golden State For Commercial Services Company	204,874	99.86	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	87.5	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 Investment Real Estate Company	250,000	80	Real estate	Jordan	May 15, 2006
Mada'en – Abdoun Investment Real Estate Company	50,000	100	Real estate	Jordan	April 18, 2013

- 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.

On June 22, 2017 an agreement was signed between Mada'en Al -Noor for Investment and Real Estate Development (Subsidiary Company) and Aqaba Development Company (ADC) which states that Mada'en Al Noor should sell all its shares in Al Aqaba for Markets Development amounted to 2,467,500 share in Al Aqaba for Markets Development for the beneficiary, the partner Aqaba Development Company, in an exchange on JD 995,000 which was collected in July 23, 2017. Accordingly all Al Aqaba for Market Development balances were eliminated from Salam International Transport and Trading Company condensed consolidated interim financial statements (Note 24).

#### 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 September 30, 2017, the details of investments in associates are as follows:

<u>Company's Name</u>	<u>Percentage of Ownership</u> %	<u>Business Location</u>
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
Sea Star for Shipping and Logistics 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
Haqel al Aqaba for investment**	33.33	Jordan

- \* During the third quarter of 2017, Afaq Procurement and Warehousing 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).



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

- 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 managers 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 are consistent with the estimates used at the end of the year 2016.

4. Cash on Hand and at Banks

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Cash on hand	53,690	48,256
Current accounts at banks	64,165	108,477
	<u>117,855</u>	<u>156,733</u>

5. Accounts Receivable - Net

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Trade receivables *	952,480	780,206
Employees' receivables	21,065	18,422
<u>Less</u> : Allowance for doubtful receivables **	<u>(251,161)</u>	<u>(251,161)</u>
Accounts Receivable - Net	<u>722,384</u>	<u>547,467</u>

- \* The Company's accounts receivable mainly consists of trade receivables. Moreover, the Company follows the interaction policy with qualified parties in addition to getting sufficient guarantees wherever is appropriate to decrease the financial losses risk resulted from obligations that might not be met. The Company books a provision for the receivables aging more than 360 days if no related collections are made during the period/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 September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance – beginning of period / year	251,161	276,098
<u>Less : Written off debts*</u>	-	(24,937)
Balance – End of Period / Year	251,161	251,161

- \* 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 which amounted JD 24,937.

**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 8,957,230 as of September 30, 2017, 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 294,000 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 September 30, 2017 and December 31, 2016.

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

	September 30, 2017	December 31, 2016
	JD	JD
Balance – beginning of period / year	910,183	1,206,973
<u>Less : Cost of department sold</u>	(313,246)	(296,790)
Balance – End of Period / Year	596,937	910,183

- The selling price of residential units available for sale exceeds their book value as of September 30, 2017 and December 31, 2016.



## 8. Investment in Associates

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

	For the Nine Months Ended September 30, <u>2017</u>	For the Year Ended December 31, <u>2016</u>
	JD	JD
Balance at the beginning of the period / year	13,060,149	12,732,873
Cash dividends	(810,550)	(616,367)
written off investment for associate company **	(640,799)	-
Increase capital	16,667	12,500
Selling shares	-	11,115
Company net share of associate companies profit *	<u>619,045</u>	<u>920,028</u>
Balance at the End of the Period / Year	<u><u>12,244,512</u></u>	<u><u>13,060,149</u></u>

\* The Company's net share of associate companies profit is calculated for the period ended September 30, 2017 based on the latest financial information prepared by those companies' managements.

\*\* During the third quarter of 2017, Afaq Procurement and Warehousing 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).

## 9. Investment Properties - Net

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

	September 30, 2017	December 31, 2016
	JD	JD
<u>Cost</u>		
Balance at the beginning of the period / year	9,459,477	9,314,433
Additions	-	145,044
Balance at the End of the Period / Year	9,459,477	9,459,477
<u>Accumulated depreciation</u>		
Balance at the beginning of the period / year	747,263	560,312
Depreciation for the period	36,233	186,951
Balance at the End of the Period / Year	783,496	747,263
Net Book Value	8,675,981	8,712,214
Effect of disposal of subsidiary (Note 24)	(7,109,279)	-
<u>Add: Lands</u>		
Balance at the beginning of the period / year	3,276,891	3,276,981
Balance at the End of the Period / Year	3,276,891	3,276,981
	4,843,593	11,989,195

- The fair value of the investment properties according to the latest real estate independent appraiser was JD 13/9 million as of December 31, 2016.
- Investment properties were mortgaged to a bank in order to obtain credit facilities directly granted to the Company (Note 14).

## 10. Projects under Construction

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Al Shouroq City Project *	490,204	490,204
Construction tourist resorts - Aqaba **	-	441,730
Dead Sea project *	1,879,710	1,655,583
Others*	7,911	613
	2,377,825	2,588,130

- \* Projects under construction amounting JD 2,377,825 as of September 30, 2017 are not completed yet. However, the recovery of these amounts depends on executing the future plans of the subsidiaries to complete the projects and obtain the necessary funding.
- \*\* On June 21, 2017, a final agreement was signed related to the cancellation of the sale and development contract between Mada'en al Aqaba for real estate and development (subsidiary company) and Aqaba Development Company (ADC), where the two original agreements along with their appendices have been cancelled for which their capitalized amounts within to the projects under construction amounted to JD 441,730 were written off and recorded in the interim condensed consolidated income statement.

According to the Land Department, the market value based on the price of the plot of land on which Al Shorouq City Project and Construction Tourist Resorts project – Aqaba, for these projects under construction, including the value of the land on which the projects are built, exceeds their book value as of September 30, 2017.

**11. Advance Payments for Land Acquisition**

This item represents JD 3,164,817 as of September 30, 2017 which is 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 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 September 30, 2017, according to the sale agreement dated October 16, 2007, in order to develop and build these lands.

On June 21, 2017, a final agreement was signed related to the cancellation of sale and development contract between Mada'en al Aqaba for real estate and development (subsidiary company) and Aqaba Development Company (ADC), whereby the two original agreements along with their appendices have been cancelled. Accordingly the second team has to pay an amount of JD 3,536,135 for the first team, within a period not exceeding a week from the date of signing the agreement. Additionally, the amounts were collected in July 23, 2017.

**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 September 30, 2017 and December 31, 2016.

**13. Due to Banks**

This item consists of the following:

	September 30, 2017	December 31, 2016
	JD	JD
Credit Banks	46,086	39,161
Overdraft *	637,385	1,185,136
	<u>683,471</u>	<u>1,224,297</u>

- \* This item represents direct credit facilities in the form of an overdraft account, granted by several local banks, with a ceiling of JD 2,355,000 and an interest rate ranging from 7.5% to 9.5%. The purpose of these 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 year 2016 the Company was granted from one of the local banks with additional credit facilities with a ceiling of JD 70,000. Moreover, during the first half of 2015 the overdraft account was rescheduled with Standard Chartered Bank, and the related agreement was signed on April 23, 2015.

#### 14. Loans

This item consists of the following:

Granting Party	Loan Principle	Remaining Installments	Interest Rate	September 30, 2017		December 31, 2016	
				Due during a Year	Due during More than a Year	Due during a Year	Due during More than a Year
	JD		%	JD	JD	JD	JD
Egyptian Arab Land Bank -loan (1) - (Note 24)	3,000,000	98	8/75	-	-	87,471	409,014
Egyptian Arab Land Bank-loan (2)	2,050,000	9	9/25	-	-	71,527	362,813
Housing Bank for Trade and Finance-loan (1) **	2,650,000	104	8	325,250	2,155,000	33,269	273,285
Etihad Bank	1,446,209	26	8/75	300,000	380,182	-	300,000
Arab Banking Corporation	600,000	-	9/75	-	-	-	5,187
Standard Chartered Bank ***	3,566,192	9	6/5	1,035,000	341,217	-	1,020,000
Housing Bank for Trade and Finance-loan (2)	400,000	36	8/5	206,828	-	-	100,468
Housing Bank for Trade and Finance-loan (3)****	250,000	41	8	10,000	492,203	-	-
Capital Bank of Jordan *	700,000	-	8/75	-	-	109,597	-
				1,877,078	3,368,602	192,267	2,580,364
						109,597	7,346,962

\* During the year 2012, the loan of the Capital Bank of Jordan has been rescheduled to be repaid in monthly installments starting on January 30, 2013 until August 30, 2018, to put in order the liquidity position of the Company. During the year 2017, the amount was fully paid.

\*\* 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. Moreover, 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.

\*\*\*\* At the beginning of 2017, the Company was granted a 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.

- The guarantees against the direct credit facilities above are as follows:  
Personal guarantee of Mr. Ahmed Helmi Armoush (major shareholder).  
Mortgages of listed shares at fair value amounted to JD 3,258,778 as of September 30, 2017.

# 15. Income Tax

## A. Income Tax Provision:

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

	For the Nine Months Ended September 30, 2017	For the Year Ended December 31, 2016
	JD	JD
Balance beginning of the period / year	61,762	138,286
Income tax expense for the period / year	31,837	45,173
Income tax for previous periods	-	(17,395)
Income tax paid during the period / year	(31,405)	(104,302)
Balance - End of the Period / Year	62,194	61,762

## B. Income Tax Expense:

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

	For the Nine Months Ended September 30, 2017	For the Nine Months Ended September 30, 2016
	JD	JD
Income tax expense for the period	31,837	36,061
Balance End of the Period	31,837	36,061

## C. Income Tax status:

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

#### 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 till 2016, and 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 2016, and 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 its tax consultant, the income tax provision for the Company and its subsidiaries is sufficient to settle any potential tax liability arising therefrom as of the date of the condensed consolidated interim financial statements.

# 16 - Balances and Transactions with Related Parties

## A. Due from related parties during the period / year

Company	Nature of Relationship	Nature of Transaction	September 30, 2017	December 31, 2016
			JD	JD
Jordanian Marine Real Estate Investment Complex Company	Associate Company	Financing	168,519	154,524
Al Maha Real Estate Development Company	Associate Company	Financing	747,704	722,880
Zahret AL Ordoon Clearance Company	Sister Company	Financing	-	22,910
Armouh Tourist Investment	Sister Company	Expenses	90,676	-
Aqaba for chemical storage	Associate Company	Financing	11,285	-
Emad Abu Tabanja	Sister's GM	Expenses	-	34,000
Nahdah for Trading Services	Sister Company	Expenses	5,379	5,380
shamas for general investment	Sister Company	Financing	85,616	13,209
Others	Sister company	Expenses	55,268	24,294
Total			<u>1,164,447</u>	<u>977,197</u>

- Due from related parties with maturity exceeding 360 days amounted to JD 895,993 as of September 30, 2017, representing payments to related parties. Moreover, no decision has been made to pay it, or capitalize, it in part or in whole, and no provision is needed therefrom.

## B. Due to related parties during the period / year

Company	Nature of Relationship	Nature of Transaction	September 30, 2017	December 31, 2016
			JD	JD
Partner Current Account -Ahmad Armosh	Shareholder	Financing	<u>203,084</u>	<u>1,596,389</u>
Jordanian Academy for Marine Studies	Associate Company	Financing	1,386	39,483
Mr. Kamal Al Awamleh	Shareholder	Financing	10,063	-
Jordanian National Line for Ships Operating Company	Associate Company	Financing	372,422	340,926
Marine Lines for Storage and Port Services Company	Sister Company	Financing	272,162	274,431
Jordanian National Shipping Lines Company	Associate Company	Financing	3,884	51,074
National Orbit for Transportation and Trade Services Company	Sister Company	Expenses	105,517	740,545
Maset Al Aqaba Ships Building Company	Associate Company	Financing	201,890	204,128
Arabian Ships Management Company	Associate Company	Expenses	-	22,131
CMA CGM Company	Sister Company	Expenses	650,000	682,480
Jordan - Dubai for Properties Company	Shareholder in subsidiary	Financing	532,000	602,000
Armouh Tourist Investment	Sister company	Expenses	-	13,790
Sun General Investments Company	Sister Company	Financing	101,053	539,625
Petra Company	Sister company	Expenses	711,037	712,027
Aqaba Development Corporation	Shareholder in subsidiary	Financing	-	475,000
Sea Star for Shipping and Logistics' Company	Associate Company	Financing	4,270	129,870
Others	Sister company	Expenses	37,185	38,606
Total			<u>3,002,869</u>	<u>4,866,116</u>

- 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 105,067 for the Nine Months ended September 30, 2017 (JD 204,519 for the Nine Months ended September 30, 2016) .
- The total earnings of management and supervision from Sea Star for Shipping and Logistics' Company (Associate Company) is JD 12,196 for Nine Months period ended September 30, 2017 (JD 12,082 for the Nine Months ended September 30, 2016) .
- Under a bill of waiver (sale of shares) signed between Mada'en Al Noor for Investment and Real Estate Company (Subsidiary Company) and Aqaba for Development (ADC) Mada'en Al Noor for Real Estate and Development on 8 August 2017, was sold the entire shares amounted to 2,467,500 share owned by Mada'en Al Noor for Investment and Real Estate Company in Al Aqaba for Markets Development are to be sold to the beneficiary, the partner Aqaba Development Company. Accordingly all Al Aqaba for Market Development balances were eliminated from Salam International Transport and Trading Company condensed consolidated interim financial statements.
- During the third quarter of 2017, Afaq Procurement and Warehousing 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). Moreover, the amount was recorded as a deposit within other debit balances in the condensed consolidated interim financial statements as of 30 September 2017.

## Executive management salaries and remunerations

- Executive management salaries amounted to JD 76,900 for Nine Months ended September 30, 2017 (JD 49,500 for Nine Months ended September 30, 2016).

17. Authorized and Paid-in Capital and share discount

The authorized and paid - in capital reached JD 18 million, and the shares discount amounted to JD 1,349,998 as of September 30, 2017 and December 31, 2016.

18. Earnings per Share for the Year Attributable to the Company's Shareholders

This item consists of the following:

	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
<u>From continuing operations</u>		
Profit for the period attributable to the shareholders of the Company	823,764	195,978
Weighted average number of shares	Share 18,000,000	Share 18,000,000
Earnings per share for the period attributable to the Company's Shareholders	JD/Share 0.05	JD/Share 0.01
	For the Nine Months Ended September 30,	
	2017	2016
	JD	JD
<u>From continuing and discontinued operations</u>		
Profit for the period attributable to the shareholders of the Company	244,981	81,416
Weighted average number of shares	Share 18,000,000	Share 18,000,000
Earnings per share for the period attributable to the Company's Shareholders	0.014	0.005

## 19. 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 Nine Months Ended September 30,	
					2017	2016
	JD	JD	JD	JD	JD	JD
Net sales	441,770	949,670	2,352,205	105,067	3,848,712	3,163,952
Less: Cost of sales	(132,774)	(699,440)	(1,709,981)	(97,202)	(2,639,397)	(2,023,724)
Gross Profit	308,996	250,230	642,224	7,865	1,209,315	1,140,228
Less: Expenses allocated to segments						
General and administrative expenses	(353,324)	(187,674)	(442,471)	(57,398)	(1,040,867)	(1,176,239)
Marketing expenses	-	(35,965)	-	-	(35,965)	(39,333)
Profit (loss) from Operations	(44,328)	26,591	199,753	(49,533)	132,483	(75,344)
Profit from investments and other	1,253,986	(466,610)	20,342	2,629	810,347	654,426
Borrowing cost	(218,818)	(234,355)	-	(20,451)	(473,624)	(572,727)
Profit (loss) before tax for the period	990,840	(674,374)	220,095	(67,355)	469,206	6,355
Less: Income tax for the period and previous years	-	-	(31,837)	-	(31,837)	(36,061)
Profit (loss) for the Continuing Operations	990,840	(674,374)	188,258	(67,355)	437,369	(29,706)
Net (Loss) for the Period Discontinued Operations	-	(748,569)	-	-	(748,569)	(328,529)
(Loss) for the Period	990,840	(1,422,943)	188,258	(67,355)	(311,200)	(358,235)
					September 30, 2017	December 31, 2016
					JD	JD
Segment Assets	12,909,563	22,828,267	2,591,321	1,130,800	39,459,951	50,181,724
	12,909,563	22,828,267	2,591,321	1,130,800	39,459,951	50,181,724
Segment Liabilities	7,134,429	8,468,183	559,150	1,325,784	17,487,546	26,338,510
	7,134,429	8,468,183	559,150	1,325,784	17,487,546	26,338,510

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 Nine Month Ended			
		September 30, 2017		September 30, 2017	
		Revenue	Expenses	Assets	Liabilities
		JD	JD	JD	JD
Maset Al - Salam Company - Sudan	Sudan	-	-	290,678	-
Company's Name	Geographical Area	For the nine Months Ended September 30, 2016		December 31, 2016	
		Revenue	Expenses	Assets	Liabilities
		JD	JD	JD	JD
Maset Al - Salam Company - Sudan	Sudan	-	-	290,678	-



## 20. 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. The following table shows information on how the fair value of these financial assets and liabilities is determined (evaluation methods and inputs used):

	Fair Value		Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	September 30, 2017	December 31, 2016				
	JD					
Financial Assets						
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Companies' shares						
Total	10,217	10,068	Level I	Quoted Shares	N/A	N/A
	10,217	10,068				
Financial assets at fair value through other comprehensive income						
Quoted shares	291,308	291,643	Level I	Quoted Shares	N/A	N/A
Unquoted shares				Compared it with the market value of a similar instrument		
Total	414,624	382,000	Level II		N/A	N/A
	705,932	673,643				
Total Financial Assets at Fair Value	716,149	683,711				

There were no transfers between Level I and Level II during the ended period September 30, 2017 and 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 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, or interest rates will be repriced during the year.

	September 30, 2017		December 31, 2016		The Level of Fair Value
	Book Value	Fair Value	Book Value	Fair Value	
	JD	JD	JD	JD	
Financial assets with no fair value					JD
Real estate investments	2,377,825	5,720,404	11,989,195	13,993,394	Level II
Total Financial assets with no fair value	2,377,825	5,720,404	11,989,195	13,993,394	(Under real state estimation)
Financial Liabilities with no Fair Value					
Loans	5,245,680	5,718,680	9,927,326	9,961,043	Level II
Total Financial Liabilities with no Fair Value	5,245,680	5,718,680	9,927,326	9,961,043	

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.

## 21. 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 September 30, 2017. In the opinion of the Company's management, its legal consultants, and its subsidiaries, the claims provision included in other credit balances, is 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 (subsidiary) 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 Construction Company by one of the constructors of the Mada'en Markets Project, which has been executed by Mada'en Al Salam Construction Company. Arbitrators were designated to follow the arbitration procedures, based on a court decision to commit the subsidiary of paying JD 145,897 in addition to the legal interest by 9% annually as of September 6, 2014.

## 22. 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.

The Company's quick liquidity ratio comparing banks and account receivables except for Housing and Urban Development Corporation against the "Decent Housing for Decent Living project" as of the date of the September 30, 2017 and December 31, 2016.

	September 30, 2017	December 31, 2016
	JD	JD
Cash on hand and at banks	117,855	156,733
Checks under collection and notes receivable - short term	449,675	610,578
Accounts receivable-net	722,384	547,467
Financial assets at fair value through profit or loss	10,217	10,068
Due from related parties	1,164,447	977,197
Total	<u>2,464,578</u>	<u>2,302,043</u>
<u>Less: Current liabilities</u>	<u>(13,915,859)</u>	<u>(17,323,016)</u>
(Deficit) in Working Capital	<u>(11,451,281)</u>	<u>(15,020,973)</u>

The Company's liquidity position as of the date September 30, 2017 and December 31, 2016 is as follows:

	September 30, 2017	December 31, 2016
	JD	JD
Current assets	14,373,661	13,511,623
<u>Less: Current liabilities</u>	<u>(13,915,859)</u>	<u>(17,323,016)</u>
Surplus / (Deficit) in Working Capital	<u>457,802</u>	<u>(3,811,393)</u>

Management believes that the liquidity risk is not significant as of the date of the condensed consolidated interim financial statements, as current liabilities include JD 3,002,869 in the form of due to related parties as of September 30, 2017 (JD 4,866,116 as of December 31, 2016).

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.

### 23. Contingent Liabilities

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

	September 30, 2017	December 31, 2016
	JD	JD
Letter of guarantees	1,290,054	1,255,054

### 24. 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 5 February 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 (Subsidiary Company) and Aqaba Development Company (ADC) which states that Mada'en Al Noor should waive all its shares in Al Aqaba for Markets Development (Subsidiary Company) to the benefit of Aqaba Development Company (ADC). Accordingly all Al Aqaba for Market Development balances were eliminated from Salam International Transport and Trading Company condensed consolidated interim financial statements when the sale transaction was committed.

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

	January 1 <sup>st</sup> 2017 JD
<b><u>Assets</u></b>	
Cash on hand and at bank	2,045
Due from related party	24,398
Other debit balances	88,079
Real estate investment –net	7,109,279
Property, plant and equipment	13,028
Total Assets	<u>7,236,829</u>
<b><u>Liabilities</u></b>	
Loan	2,999,930
Due to related party	515,000
Account payables and other credit balances	400,823
Total Liabilities	<u>3,915,753</u>
<b><u>Shareholder Equity</u></b>	
Paid up capital	4,700,000
Accumulated (losses)	(1,378,924)
Net Shareholder equity	<u>3,321,076</u>
Total liabilities and shareholder equity	<u>7,236,829</u>