



SALAM INTERNATIONAL
TRANSPORT & TRADING CO. P.L.C.

السلام الدولية للنقل والتجارة
شركة مساهمة عامة

اشارتنا رقم : 2019/46/ب رام ر
التاريخ: 2019/ 5 /12

الساده / بورصة عمان المحترمين

تحية طيبة وبعد ,

مرفق طيه البيانات المالية عن الفترة كما في 2019/3/31 باللغه الانجليزيه .

وتفضلوا بقبول فائق الاحترام.....

رئيس مجلس الإدارة

الدكتور محمد أبو حمور

Acc2019/mr/acc54

بورصة عمان
الدفتر الإداري والمالية
الديوان

١٢ أيار ٢٠١٩

2865

الرقم المتسلسل:

31034

رقم الملف:

الجهة المختصة:

SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2019 TOGETHER
WITH THE REVIEW REPORT

SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA – THE HASHEMITE KINGDOM OF JORDAN
MARCH 31, 2019

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Review Report

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To the Shareholders of
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 March 31, 2019 and the related condensed consolidated interim statements of income and comprehensive income, changes in owners' equity and cash flows for the three-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.

Conclusion

Based on our review, 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 March 31, 2019 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 Matters

We draw attention to:

1. Note (7) of the condensed consolidated interim financial statements, which discloses projects under construction that are not yet completed.
2. Note (8) of the condensed consolidated interim financial statements, which discloses that advance payment to acquire land in which its ownership is not transferred to the Company yet.
3. Note (19) of the condensed consolidated interim financial statements, which states that the corresponding figures included in the condensed consolidated interim statement of changes in equity, statement of income, statement of comprehensive income and cash flows have been restated to comply with a new International Financial Reporting Standards and to rectify the qualifications included in our report in the condensed consolidated interim financial statements for the first quarter of the year 2018, our conclusion is not modified in respect of this matter.

Other Matters

The Company's fiscal year ends on December 31 of each year. These condensed consolidated interim financial statements have been prepared for management purposes and for the Jordan Securities Commission's requirements.

The 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
April 30, 2019


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 SHAREHOLDING LIMITED COMPANY)
AQABA - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	March 31, 2019 (Reviewed not Audited)	December 31, 2018
		JD	JD
ASSETS			
Current Assets:			
Cash and balances at banks	4	105,838	646,463
Accounts receivable-net	5	859,153	734,104
Due from related parties	12/a	1,715,396	1,473,892
Accounts receivable - Decent Housing for Decent Living project		554,625	614,625
Residential units available for sale		471,362	519,974
Checks under collection and notes receivable maturing during the year		517,542	401,741
Financial assets at fair value through profit or loss	15	9,055	10,004
Inventory - net		252,365	243,604
Other debit balances		560,239	422,088
Total Current Assets		5,045,575	5,066,495
Non-Current Assets:			
Checks under collection and notes receivable - long term		113,830	99,536
Financial assets at fair value through other comprehensive income	15	607,012	613,190
Investment properties - net	15	4,735,573	4,753,573
Investments in associates	6	13,566,853	13,541,063
Projects under construction	7	3,108,838	2,373,881
Advance payments for land acquisition	8	6,431,222	3,146,817
Advance payments for acquiring Investment in companies		150,494	150,494
Property and equipment - net		764,601	873,472
Total Non-Current Assets		29,478,423	25,552,026
TOTAL ASSETS		34,523,998	30,618,521
LIABILITIES AND OWNERS' EQUITY			
Current Liabilities:			
Due to banks	9	706,709	666,939
Accounts payable		1,930,347	1,844,289
Due to related parties	12/b	4,254,283	1,603,393
Loans - short term	10	866,672	950,257
Deferred checks and notes payable - short term		615,656	717,006
Income tax provision	11	57,030	70,369
Other credit balances		868,478	524,511
Total Current Liabilities		9,299,175	6,376,764
Non-Current Liabilities:			
Shareholder's current account	12/b	768,718	1,015,950
Due to related parties	12/b	1,120,345	-
Long-term Loans	10	971,968	1,133,135
Total Non-Current Liabilities		2,861,031	2,149,085
Total Liabilities		12,160,206	8,525,849
OWNERS' EQUITY			
SHAREHOLDERS' EQUITY			
Authorized and Paid-up capital	1	18,000,000	18,000,000
Share discount		(1,349,998)	(1,349,998)
Statutory reserve		2,059,079	2,059,079
Voluntary reserve		48,024	48,024
Financial assets at fair value revaluation reserve		(218,370)	(212,192)
Accumulated (losses)		(1,162,955)	(1,162,955)
Profit for the period		331,235	-
Net Shareholders' Equity		17,707,015	17,381,958
Non-controlling interests		4,656,777	4,710,714
Net Owners' Equity		22,363,792	22,092,672
TOTAL LIABILITIES AND NET OWNERS' EQUITY		34,523,998	30,618,521

H.E. Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) to (19) 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 - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
(REVIEWED NOT AUDITED)

	Note	<u>For the Three Months</u>	
		<u>Ended March 31,</u>	
		<u>2019</u>	<u>2018</u> <u>(Restated)</u>
		JD	JD
Revenue		1,143,579	1,213,245
Less: Cost of revenue	19	<u>(811,956)</u>	<u>(1,286,987)</u>
Gross Profit		331,623	(73,742)
Less: General and administrative expenses		(253,471)	(369,359)
Marketing expenses		(12,301)	(12,418)
Borrowing costs		(68,982)	(126,920)
Company's share of associate companies profit	6	264,801	274,247
(Losses) gain from valuation of financial assets at fair value through profit or loss		(949)	535
Other income / (losses) - net	19	<u>23,402</u>	<u>(445,694)</u>
Income / (Loss) before Income Tax Expense		284,123	(753,351)
Less: Income tax expense	11	<u>(6,825)</u>	<u>(13,653)</u>
Income / (Loss) for the Period		<u>277,298</u>	<u>(767,004)</u>
Attributable to:			
The Company's shareholders		331,235	(387,658)
Non-controlling interest		<u>(53,937)</u>	<u>(379,346)</u>
Total		<u>277,298</u>	<u>(767,004)</u>
Earnings Gain (Loss) per Share for the period Attributable to the			
Company's Shareholders	13	<u>0.018</u>	<u>(0.022)</u>

H.E. Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) to (19) CONSTITUTE AN INTEGRAL PART OF THESE
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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AQABA - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months	
	Ended March 31,	
	2019	2018 (Restated)
	JD	JD
Income / (loss) for the period	277,298	(767,004)
<u>Comprehensive Income Items:</u>		
<u>Items not to be subsequently transferred to condensed consolidated Interim statement of income:</u>		
Change in fair value of financial assets at fair value through other comprehensive income	(6,178)	(26,014)
Total Comprehensive Income / (Loss) for the Period	271,120	(793,018)
<u>Total Comprehensive Income / (Loss) for the Year Attributable to:</u>		
Company's shareholders	325,057	(413,672)
Non- controlling Interest	(53,937)	(379,346)
Total	271,120	(793,018)

THE ACCOMPANYING NOTES FROM (1) to (19) 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 - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED, NOT AUDITED)

		Company's Shareholders' Equity											
		Authorized and						Financial Assets					
Note	Paid-up Capital	Share Discount	Statutory Reserve	Voluntary Reserve	at Fair Value	Accumulated (Losses)		Profit for the Period	Non-Controlling Interest		Total		
						Realized	Unrealized		Total	Total		Interest	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
	18,000,000	(1,349,998)	2,039,079	48,074	(212,197)	(3,079,564)	1,916,609	(1,162,955)	17,381,958	4,710,714	22,092,672		
					(6,178)			331,235	325,057	(53,937)	271,120		
	18,000,000	(1,349,998)	2,039,079	48,074	(218,370)	(3,079,564)	1,916,609	(1,162,955)	17,707,015	4,656,777	22,363,792		
	18,000,000	(1,349,998)	1,970,514	48,074	(151,214)	(3,311,405)	1,916,609	(1,394,796)	17,122,530	5,103,933	22,226,463		
19						(442,615)		(442,615)	(442,615)	(125,000)	(567,615)		
	18,000,000	(1,349,998)	1,970,514	48,074	(151,214)	(3,754,020)	1,916,609	(1,837,411)	16,679,915	4,978,933	21,658,848		
					(26,014)			(387,658)	(413,672)	(379,346)	(793,018)		
	18,000,000	(1,349,998)	1,970,514	48,074	(177,228)	(3,754,020)	1,916,609	(1,837,411)	16,266,243	4,599,587	20,865,830		

For the Three Months Ended March 31, 2019

Balance - beginning as of January 1, 2019
Total Comprehensive Income For the Period
Balance - End of the Period

For the Three Months Ended March 31, 2018 (Restated)

Balance - beginning as of January 1, 2018
Impact of applying IFRS (9) (Restated)
Adjusted balance - beginning of the year
Total Comprehensive Income for the Period
Balance - End of the Period (Restated)

THE ACCOMPANYING NOTES FROM (1) TO (19) CONSTITUTE AN INTEGRAL PART OF THESE
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH
THEM AND THE ACCOMPANYING REVIEW REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA - THE HASHEMITE KINGDOM OF JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	For the Three Months	
	Ended March 31,	
	2019	2018 (Restated)
Note	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit / (loss) for the period before income tax	284,123	(753,351)
Adjustments:		
Property and equipment and investment properties depreciation	16,478	19,791
Company's share of associate companies (profits)	6 (264,801)	(274,247)
Loss (gain) from valuation of financial assets at fair value through profit or loss	949	(535)
Borrowing costs	68,982	126,920
Net Cash flows from (used in) Operating Activities before Changes in Working Capital	105,731	(881,422)
(Increase) in accounts receivable	(125,049)	(1,363)
(Increase) decrease in checks under collection and notes receivable	(130,095)	31,254
(Increase) decrease in inventory	(8,761)	11,726
(Increase) in other debit balances	(138,151)	(213,697)
Increase in accounts payable	86,058	140,501
Increase in other credit balances	343,967	1,277,468
Net Cash Flows from Operating Activities before Income Tax Paid	133,700	364,467
Income tax paid	11/a (20,164)	-
Net Cash Flows from Operating Activities	113,536	364,467
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net decrease in investments in associates	239,011	125,000
(Increase) in projects under constructions	-	(38,980)
Decrease accounts receivable - Decent Housing for Decent Living project	60,000	-
Decrease residential units available for sale	48,612	-
Purchase of property and equipment	-	34,835
Net Cash Flows from Investing Activities	347,623	120,855
CASH FLOWS FROM FINANCING ACTIVITIES:		
(Paid) of borrowing costs	(68,982)	(126,920)
(Increase) decrease in deferred checks and notes payable	(101,350)	212,623
(Increase) in due from/to related parties	(626,470)	(60,548)
Increase (decrease) in due to banks	39,770	(132,362)
Loans Paid	10 (244,752)	(480,258)
Net Cash Flows (used in) Financing Activities	(1,001,784)	(587,465)
Net (Decrease) in Cash	(540,625)	(102,143)
Cash on hand and at banks - beginning of the year	646,463	278,463
Cash on Hand and at Banks - End of the Period	4 105,838	176,320
Non-Cash Transactions:		
(Decrease) Increase in shareholder's current account from related parties	(247,232)	1,422,547
Loss on disposal of property and equipment from related parties	110,393	-
(Increase) in projects under construction from related parties	(734,957)	-
(Increase) in payments on account of land acquisition from related parties	(3,284,405)	-

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

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 million distributed over 15 million shares at JD 1 par value per share. In its extraordinary meeting held on April 22, 2014, the Company's General Assembly approved increasing the Company's capital from JD 15 million to 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 April 29, 2019.

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, 2018. In addition, the results of the Company's operations for the three months ended March 31, 2019 do not necessarily represent indications of the expected results for the year ending December 31, 2019, and do not contain the appropriation of the profit of the three months period ended March 31, 2019, which is usually performed at year-end.
- The consolidated financial statements include the financial statements of the Company and its subsidiaries under its control. The control exists when the Company controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries.
- The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.
- All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.
- The subsidiaries financial statements are prepared under the same accounting policies adopted by the Company. If the subsidiaries apply different accounting policies than those used by the company, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Company.
- The results of the subsidiaries' operations are consolidated in the consolidated statement of income effective their acquisition date, which is the date on which control over subsidiaries is effectively transferred to the Company. Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated statement of income up to the date of their disposal, which is the date on which the Company loses control over the subsidiaries.
- The non-controlling interests represents the portion not owned by the company on the subsidiaries. Non-controlling interests are shown in the subsidiaries net assets as a separate line item within the Company's statement of shareholders equity.

Control is achieved when the Company:

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

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

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

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

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

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

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

- The Company owns the following subsidiary companies as of March 31, 2019:

Company's Name	Paid-up Capital	Ownership Percentage	Nature of Activity	Place of Work	Date of Ownership	Total Assets	Total Liabilities	Total Revenue	Total Expenses
	JD	%				JD	JD	JD	JD
Farah International Catering Service Company	1,000,000	100	Trading	Jordan	September 21, 1992	2,396,625	516,534	737,915	684,926
Golden State For Commercial Services Company	204,874	100	Trading	Jordan	September 4, 2005	10,117	450	-	1,550
Mada'en Al – Noor Investment and Real Estate Development	6,000,000	75	Real estate	Jordan	June 3, 2004	18,199,302	7,661,616	148,195	267,365
Al - Ibtikar Land Transportation	2,600,000	70	Transportation	Jordan	March 9, 2005	471,649	525,265	-	39,430
Afaq Supply and Storage Company	500,000	90	Supply & storage	Jordan	February 18, 2008	1,227,608	914,423	41,083	(1,373)
Amman River Transport and Supply Company	1,000	100	Trading	Jordan	August 31, 2008	2,851	3,230	-	-
Mada'en Al – Bahr Investment and Real Estate Development	1,000,000	100	Trading	Jordan	September 5, 2010	1,883,677	1,339,501	-	28,778
Technical for Construction and Real Estate Services	1,000,000	98.75	Real estate	Jordan	September 1, 1992	4,125,382	872,497	80,482	54,928
Mada'en Al – Shorouq Investment Real Estate Company	6,660,000	69.99	Real estate	Jordan	November 20, 2006	8,445,074	1,022,886	-	34,731
Mada'en Al – Aqaba Investment Real Estate Company	2,500,000	60	Real estate	Jordan	September 6, 2007	1,699,589	4,500	-	20,346
Mada'en Al – Salam Construction Company	250,000	80	Real estate	Jordan	May 15, 2006	363,228	50,594	-	197,431
Zain AL Maha Al Ordouni Real Estate Development Company *	544,192	100	Real estate	Jordan	January 30, 2019	544,192	-	-	-
Maha Al Sharq Real Estate Investment & Development Company *	1,709,608	100	Real estate	Jordan	January 30, 2019	1,709,608	-	-	-
Al Maha Al Arabi Real Estate Investment & Development Company *	715,150	100	Real estate	Jordan	January 30, 2019	715,150	-	-	-
Ard Al Maha Al Arabi Real Estate Development Company *	1,050,413	100	Real estate	Jordan	January 30, 2019	1,050,413	-	-	-

* Based on the Board of Directors' decision of Madaen Al Shorouk Investment & Real Estate Development Company dated December 16, 2018 an approval to purchase and own the whole shares of the subsidiaries companies of the associate company "Al Maha Real Estate Development Company", and as follows:

1. Zain AL Maha Al Ordouni Real Estate Development Company with a capital after the addition of JD 544,192 / share.
2. Maha Al Sharq Real Estate Investment & Development Company with a capital after the addition of JD 1,709,608 / share.
3. Al Maha Al Arabi Real Estate Investment & Development Company with a capital after the addition of JD 715,150 / share.
4. Ard Al Maha Al Arabi Real Estate Development Company with a capital after the addition of JD 1,050,413 / share.

During the first quarter of the year 2019, the companies completed the procedures to transfer the ownerships and capital increase.

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 March 31, 2019, 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 *****	22.64	Jordan
Jordanian Academy for Marine Studies	25	Jordan
Jordanian National Line for Ships Operation Company ***	50	Jordan
Maset Al Aqaba for Ships Building Company ***	50	Jordan
Aqaba Storing Chemicals Company	*	Jordan
Al Maha Real Estate Development Company	33.33	Jordan
Marine Lines for Storage and Port Services Company ***	50	Jordan
Arabian Ships Management Company	20	Jordan
Maset Al Salam Company – Sudan	46	Sudan
Al Shams Economics Company	30	Jordan
Sea Star for Shipping and Logistics Company ***	50	Jordan
Haqel al Aqaba for Investment **	33.33	Jordan
Ayyam Amman Company for real estate improvement *****	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 Chemical Storage 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 Chemicals Company partners, and will have significant influence over the financial and operating policies of the Aqaba Storing Chemicals Company.

*** The Company does not exercises significant influence over their financial and operating 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 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 Estate Development Company (an associate) in a condition that Salam International Transport And Treading 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 amounted to JD 388,000.

***** During the second quarter of the year 2018, and first quarter of 2019, Salam International Transport and Trading (the Holding Company) sold part of its shares in Jordan National Shipping Line (associate company) to related parties.

- The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of the new and revised standards which are applied on or after the 1st of January of 2019 as follow:

a. Amendments with no material effect on the condensed consolidated interim financial statements of the company:

Annual improvements to IFRSs issued between 2015 and 2017

Improvements include amendments to IFRS (3) Business Combinations, (11) Joint Arrangements, International Accounting Standards (12), Income Taxes and (23) Borrowing Costs.

IFRIC (23) Uncertainty on the Treatment of Income Tax

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses:

- Whether the tax treatment should be considered in aggregate;
- Assumptions regarding the procedures for the examination of tax authorities;
- Determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances.

Amendments to IFRS 9 Financial Instruments.

These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.

Amendments to IAS (28) "Investment in Associates and Joint Ventures".

These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "*Financial Instruments*" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendments to IAS 19 Employee Benefits.

These amendments relate to adjustments to plans, reductions, or settlements.

Effect of Application of IFRS (16) "Leases"

The Company has adopted IFRS (16), "Leases", which replace the existing guidelines on leases, including IAS (17) "Leases" , IFRIC (4) "Determining whether an arrangement contains a lease "and the interpretation of the previous Interpretations Committee (15)" Operational leases - incentives " and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS (16) was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has opted for the modified retrospective application permitted by IFRS (16) upon adoption of the new standard. During the first time application of IFRS (16) to operating leases, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the initial application. The Company adoption had not affected the amounts or disclosures in the interim condensed financial statements.

3. Significant accounting Estimates and key sources of uncertainty estimates

Preparation of the accompanying condensed consolidated interim financial statements and the application of accounting policies require from the Company's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, provisions, and the financial assets valuation reserve, and in a specific way, it requires the Company's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believes that the estimates used in the condensed consolidated interim financial statements are reasonable and consistent with the estimates used in preparing the consolidated financial statements for the year 2018, except for the effect of the following:

Extension and termination lease options

Extension and termination options are included in a number of leases. These terms are used to increase operational flexibility in terms of contract management, most of the retained extension and termination options are practice at by both the bank and the lessor.

When determining the duration of the lease, the management takes into account all the facts and circumstances that create an economic incentive to exercise the option of extension, or not to exercise the option of termination. Extension options (or periods following termination options) are only included in the term of the lease if the lease contract is reasonably asserted to be extended (or not terminated). The evaluation is reviewed in the event of an important event or a significant change in the circumstances that affect this assessment which is within the tenant's control.

Deduction of rental payments

Rental payments are deducted using the bank's additional borrowing rate ("IBR"). The management has applied the judgements and estimates to determine the additional borrowing rate at the start of the lease.

4. Cash on Hand and at Banks

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Cash on hand	37,083	50,395
Current accounts at banks	73,066	600,379
Total	110,149	650,774
Less: provision for expected credit loss	(4,311)	(4,311)
Net change on cash on hand and banks	105,838	646,463

5. Accounts Receivable – Net

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Trade receivables	1,097,257	966,420
Employees' receivables	13,668	15,866
Total	1,110,925	982,286
Less: provision for expected credit loss *	(251,772)	(248,182)
Accounts Receivable – Net	859,153	734,104

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

	March 31, 2019	December 31, 2018
	JD	JD
Balance - beginning of the period / year	248,182	271,515
Add: Added during the period / year	3,590	2,500
Less: Written off debts *	-	(25,833)
Balance – End of Period / Year	251,772	248,182

* According to the second Board of Directors meeting of Salam International Transport and Trading Company dated March 21, 2019, the approval to write off debts totaled to JD 25,833 was issued.

6. Investment in Associate Companies

The movement on investment in associate company during the period/year is as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Balance – beginning of period / year	13,541,063	12,618,590
Cash dividends distributed	(175,000)	(668,240)
Net change of investment in associate company	(64,011)	220,697
Acquisition of investment in associate company	-	388,000
Share in the revaluation reserve of financial assets at fair value	-	(1,659)
Net share of profit from associates *	264,801	983,675
Balance at the End of the Period / Year	13,566,853	13,541,063

* The Company's net profit share of the investment in associate companies for the period ended March 31, 2019 was calculated based on the financial information prepared by the companies' managements.

7. Projects under Construction

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Al Shouroq City Project *	1,225,161	490,204
Dead Sea project *	1,883,677	1,883,677
	3,108,838	2,373,881

- * Projects under construction represent total value JD 3,108,838 as of March 31, 2019 are not completed yet. However, the recovery of these amounts depends on executing the future plans of the subsidiaries to complete the projects and obtain the necessary funding.

According to the Department of Land and Survey, the market value based on the price of the plot, of land on which Al Shorouq City Project and Dead Sea Project are erected, for these projects under construction, including the value of the land on which the projects are built exceeds their book value as of March 31, 2019.

Madaen Al Shorouq Investment and Real Estate Development Company bought and acquired the shares of the associate company "Al Maha Real Estate Development Company" amounting to JD 4,019,363, against JD 4,019,363 of which JD 734,957 projects are under construction.

8. Advance Payments for Land Acquisition

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Advance payments on Mada'en Al – Shorouq Investment Real Estate Company contracts*	6,431,222	3,146,817
	6,431,222	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.

Madaen Al Shorouq Investment and Real Estate Development Company purchased and acquired all the shares of the subsidiaries companies of the associate company "Al Maha Real Estate Development Company" and as follows:

- Zain AL Maha Al Ordouni Real Estate Development Company with a capital after the addition of JD 544,192 / share.
- Maha Al Sharq Real Estate Investment & Development Company with a capital after the addition of JD 1,709,608 / share.
- Al Maha Al Arabi Real Estate Investment & Development Company with a capital after the addition of JD 715,150 / share.

- Ard Al Maha Al Arabi Real Estate Development Company with a capital after the addition of JD 1,050,413 / share.

During the first quarter of the year 2019, the companies completed the procedures to transfer the ownerships and capital increase.

9. Due to Banks

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Overdraft *	706,709	666,939
	706,709	666,939

- * This item represents direct credit facilities in the form of an overdraft account, granted by several local banks, with a ceiling of JD 710,000 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. And cash margin guarantees amounted to JD 110,000.

10. Bank Loans

This item consists of the following:

	March 31, 2019				December 31, 2018						
	Loan Principle	Remaining Installments	Interest Rate %	Due Installment	Due during a Year	Total	Due during More than a Year	Due Installment	Due during a Year	Total	Due during More than a Year
Housing Bank for Trade and Finance (1) *	2,650,000	17	7	-	219,525	219,525	480,000	-	160,000	160,000	540,000
Ethad Bank *****	1,446,209	3	8.75	-	255,162	255,162	-	-	305,162	305,162	-
Arab Bank *****	137,000	4	9.6	-	45,800	45,800	-	-	82,908	82,908	-
Standard Chartered Bank **	3,566,192	1	6.5	-	93,964	93,964	-	-	228,770	228,770	-
Housing Bank for Trade and Finance (2)****	400,000	22	8.5	-	132,593	132,593	-	-	60,000	60,000	81,364
Housing Bank for Trade and Finance (3)****	250,000	24	7	-	64,608	64,608	55,000	-	58,397	58,397	70,000
Housing Bank for Trade and Finance (4)*****	501,154	40	7.75	-	55,000	55,000	436,968	-	55,000	55,000	441,771
					866,672	866,672	971,968	-	950,257	950,257	1,133,135

* During the third quarter of the year 2013, the Company has changed the due bill into a loan, the last installment of which matures on January 1, 2015 to put in order the liquidity position of the Company. However, 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 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

**** 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-Ethad 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 has a loan from Arab Bank an amount of JD 137 thousand, representing part of the guarantee balance paid to JDDC for a contribution of 220 thousand dinars. The loan is repayable under 12 equal monthly installments including interest each worth JD 11,400 except for the last installment which worth JD 11,600.

The guarantees against the direct credit facilities above represent personal guarantee of Mr. Ahmed Helmi Armouh (major shareholder) and mortgages of listed shares at fair value amounted to JD 2,896,692 as of March 31, 2019 (JD 3,005,317 as of December 31, 2018).

The movement on the loans during the period / year as of follows:

	March 31, 2019	December 31, 2018
Balance at the beginning of the period / year	2,083,392	5,030,463
Loans received	-	137,000
Loans Paid	(244,752)	(3,084,071)
Balance at the End of the Period / Year	1,838,640	2,083,392

11. Income Tax**a. Income Tax Provision:**

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
	JD	JD
Balance beginning of the period / year	70,369	71,557
Income tax expense for the period / year	5,566	72,217
Prior years income tax expense	1,259	55,151
Income tax paid during the period / year	(20,164)	(128,556)
Balance - End of the Period / Year	<u>57,030</u>	<u>70,369</u>

b. Income Tax Expense:

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

	<u>2019</u>	<u>2018</u>
	JD	JD
Income tax expense for the period	5,566	13,635
Income tax expense for the prior year	1,259	-
	<u>6,825</u>	<u>13,635</u>

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 2016. Furthermore, the Company has submitted its tax returns for the years 2017 and paid its tax dues on time. According to the Company's management and the tax consultant 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 to 2017 but did not reach to a settlement yet, and according to the Company's management and the tax consultants there are no due balances on the Company.

Subsidiaries:

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

<u>Company</u>	<u>Tax Returns up to Year</u>	<u>Final Settlement up to Year</u>
Farah International Catering Service Company	2017	2014
Golden State for Commercial Services Company	2017	2014
Mada'en Al - Noor Investment and Real Estate Development Company	2017	2014
Al-Ibtikar Land Transportation Company	2017	2016
Afaq Supply and Storage Company	2017	2016
Mada'en Al - Bahr Investment and Real Estate Development Company	2017	No settlement yet
Technical for Construction and Real Estate Services Company	2017	2015
Mada'en Al - Shorouq Investment Real Estate Company	2017	2016
Mada'en Al - Aqaba Real Estate Investment and Development Company	2017	2016
Mada'en Al - Salam Construction Company	2017	2015

- 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.

12. Balances and Transactions with Related Parties

a. Due from related parties during the period / year

	Nature of Relationship	Nature of Transaction	March 31, 2019 JD	December 31, 2018 JD
Jordanian Marine Real Estate Investment Complex Company	Associate Company	Financing	722,473	516,357
Al Maha Real Estate Development Company	Associate Company	Financing	-	74,656
Zahret AL Ordoon Clearance Company	Sister Company	Financing	-	28,360
Armouh Tourist Investment	Sister Company	Financing	80,459	-
Aqaba for Storing Chemical	Associate Company	Financing	670,351	667,546
Sun General Investments Company	Sister Company	Financing	104,306	140,969
CMA CGM Company	Sister Company	Expenses	68,695	5,250
Others	Sister company	Expenses	107,772	79,414
Total			1,754,056	1,512,552
Less: Provision for expected credit loss *			(38,660)	(38,660)
Due from related parties - net			1,715,396	1,473,892

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

	March 31, 2019 JD	December 31, 2018 JD
Balance - beginning of the period / year	38,660	-
The effect of IFRS 9 Implementation	-	38,660
Adjusted balance - Beginning of the period / year	38,660	38,660
Balance - End of the Period / Year	38,660	38,660

- Due from related party with maturity exceeding 360 days amounted to JD 1,268,567 as of March 31, 2019 (JD 1,001,376 as of December 31, 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.

b. Due to related parties during the period / year

	Nature of Relationship	Nature of Transaction	March 31, 2019 JD	December 31, 2018 JD
Partner Current Account - Ahmad Armouh	Shareholder	Financing	768,718	1,015,950
Jordanian Academy for Marine Studies	Associate Company	Expenses	-	1,692
Jordanian National Line for Ships Operating Company	Associate Company	Financing	382,352	389,706
Marine Lines for Storage and Port Services Company	Associate Company	Financing	298,152	298,497
Jordan National Shipping Lines Company	Associate Company	Financing	12,573	7,482
CMA CGM Company	Sister Company	Expenses	-	45,336
Maset Al Aqaba Ships for Building Company	Associate Company	Financing	199,444	199,789
Jordan - Dubai for Properties Company	Associate Company	Financing	472,000	472,000
Petra Company	Sister company	Expenses	727	72,878
Armouh Tourist Investment	Sister company	Expenses	-	26,998
Al Maha Real Estate Development Company **	Associate Company	Financing	3,944,707	10,459
Sea Star for Shipping and Logistics Company	Associate Company	Financing	16,658	12,628
Others	Sister company	Expenses	48,015	65,928
Total *			5,374,628	1,603,393

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

** A purchase and an ownership of the full shares of four subsidiaries companies from the associate company "Al Maha Real Estate Development Company", amounting to JD 4,019,363 compared to JD 4,019,363.

- The total earnings for Transportation for CMA CGM Company (Sister Company) amounted to JD 66,820 for the three months ended March 31, 2019 (JD 81,256 for the three months ended March 31, 2018).

- The total earnings of management and supervision from Sea Star for Shipping and Logistics' Company (Associate Company) is JD 15,000 for the three months ended March 31, 2019 (JD 15,000 for the three months ended March 31, 2018).

Executive management salaries and remunerations

Executive management salaries amounted to JD 27,210 for three months ended March 31, 2019 (JD 30,000 for three months ended March 31, 2018).

13. Earnings per Share attributable to shareholders of the Company

This item consists of the following:

	For the Three Months Ended March 31,	
	2019	2018 (Restated)
	JD	JD
Profit (loss) for the period attributable to the shareholders of the company	331,235	(387,658)
	Share	Share
Number of shares	18,000,000	18,000,000
	Share / JD	Share / JD
Share of profit (loss) for the period attributable to equity holders of the Company	0.018	(0.022)

14. Segmental Distribution

a. The following is information on the Company's business segments distributed according to activities

	Projects and	Real Estate and	For the Three Months Ended March 31,			
	Investments	Construction	Services	Transportation	2019	2018 (Restated)
	JD	JD	JD	JD	JD	JD
Net sales	190,649	148,195	737,915	66,820	1,143,579	1,213,245
Less: Cost of sales	(24,379)	(120,402)	(647,859)	(19,316)	(811,956)	(1,286,987)
Gross Profit	166,270	27,793	90,056	47,504	331,623	(73,742)
Less: Expenses allocated to segments						
General and administrative expenses	(97,622)	(101,898)	(37,067)	(16,884)	(253,471)	(369,359)
Marketing expenses	-	(12,301)	-	-	(12,301)	(12,418)
Gain / (Loss) profit from Operations	68,648	(86,406)	52,989	30,620	65,851	(455,519)
Profit from investments and other net	267,002	(3,150)	-	-	263,852	274,782
Borrowing cost	(44,934)	(24,048)	-	-	(68,982)	(126,920)
Other income / (losses)	23,402	-	-	-	23,402	(445,694)
Income / (Loss) before tax for the period	314,118	(113,604)	52,989	30,620	284,123	(753,351)
Less: Income tax for the period	(1,259)	(5,566)	-	-	(6,825)	(13,653)
Income (Loss) for the period	312,859	(119,170)	52,989	30,620	277,298	(767,004)
					March 31, 2019	December 31, 2018
					JD	JD
Total Assets	10,116,605	19,626,780	4,225,909	521,704	34,490,998	30,618,521
Total Liabilities	3,423,791	7,661,616	516,534	525,265	12,127,206	8,525,849

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 Three Months Ended March 31, 2019			March 31, 2019		
		Revenue	Expenses	Assets	Liabilities		
Maset Al - Salam Company - Sudan	Sudan	JD -	JD -	JD 290,768	JD -		
Company's Name	Geographical Area	For the Three Months Ended March 31, 2018			December 31, 2018		
		Revenue	Expenses	Assets	Liabilities		
Maset Al - Salam Company - Sudan	Sudan	JD -	JD -	JD 290,678	JD -		

15. 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).

	Fair Value		Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	March 31, 2019	December 31, 2018				
	JD	JD				
Financial Assets						
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Companies' shares	9,055	10,004	Level I	Quoted Shares	N/A	N/A
Total	9,055	10,004				
Financial assets at fair value through other comprehensive income						
Shares that have market value	285,012	291,190	Level I	Quoted Shares	N/A	N/A
Shares with no market value	322,000	322,000	Level II	Compared it with the market value of a similar instrument	N/A	N/A
Total	607,012	613,190				
Total Financial Assets at Fair Value	616,067	623,194				

There were no transfers between Level I and Level II during the ended period March 31, 2019 and the year 2018.

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

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

	<u>March 31, 2019</u>		<u>December 31, 2018</u>		<u>The Level of</u>
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Fair Value</u>
Financial liabilities with no fair value:	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Real estate investments	<u>4,753,573</u>	<u>7,772,550</u>	<u>4,753,573</u>	<u>7,772,550</u>	<u>Level II</u>
Total Real Estate Investments	<u>4,753,573</u>	<u>7,772,550</u>	<u>4,753,573</u>	<u>7,772,550</u>	
Financial Liabilities with no Fair Value:					
Loans	<u>1,838,640</u>	<u>2,261,564</u>	<u>2,083,392</u>	<u>2,562,614</u>	<u>Level II</u>
Total Financial Liabilities with no Fair Value	<u>1,838,640</u>	<u>2,261,564</u>	<u>2,083,392</u>	<u>2,562,614</u>	

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.

16. Lawsuits against the Company

- Mada'en Al – Noor Investment and Real Estate Development Company (subsidiary 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. The decision of the arbitration committee has been issued during the third quarter of the year the deferred revenues that are related to the project amounted around JD 2.2 million in addition to the accounts payable to the developers of the project amounted to about JD 2.5 million, where it was reached with them. The arbitration decision for one of the items around one million was appealed on October 16, 2018. The management and the legal counsel of the company believe that the possibility of revoking the decision is strong.

17. 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 March 31, 2019 and December 31, 2018 is as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Cash and balances at banks	105,838	646,463
Checks under collection and notes receivable - short term	517,542	401,741
Accounts receivable-net	859,153	734,104
Account receivable - a decent living place for a decent living	554,625	-
Financial assets at fair value through profit or loss	9,055	10,004
Due from related parties	1,715,396	1,473,892
Total	<u>3,761,609</u>	<u>3,266,204</u>
Current Liabilities	<u>(9,299,175)</u>	<u>(6,376,764)</u>
(Deficit) in working capital	<u>(5,537,566)</u>	<u>(3,110,560)</u>

The Company's liquidity position as of March 31, 2019 and December 31, 2018 is as follows:

	March 31, 2019	December 31, 2018
	JD	JD
Current assets	5,045,575	5,066,495
Less: Current liabilities	<u>(9,299,175)</u>	<u>(6,376,764)</u>
(Deficit) in Working Capital	<u>(4,253,600)</u>	<u>(1,310,269)</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 4,254,283 in the form of due to related parties as of March 31, 2019 (JD 1,603,393 as of December 31, 2018).

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.

18. Contingent Liabilities

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

	<u>March 31, 2019</u>	<u>December 31, 2018</u>
	JD	JD
Letter of guarantees	21,675	21,675

19. Comparative Figures

During the three month ended March 31, 2019, the Company's management adjusted the comparative figures for the three month ended March 31, 2018 as per the requirements of IAS (8). The restatement impacted the statement of changes in equity and its related effect on the deferred tax if any, for the three month ended March 31, 2018 as a result of errors in relation to calculation and the initial application of the expected credit loss to determine the value of the expected credit loss provision subjected to IFRS (9). In addition, to rectify the qualifications included in the reviewed report in the condensed consolidated interim for the first quarter of the year 2018.

The effect of the adjustments in the calculation and initial application of the expected credit losses for the three months ended March 31, 2018 is as follows:

	<u>Beginning of January 2018</u>		
	<u>Before Restatement</u>	<u>Adjustments Effect *</u>	<u>Restated Balance</u>
	JD	JD	JD
<u>shareholder's Equity</u>			
Accumulated (losses)	(1,399,086)	(438,325)	(1,837,411)
Non-Controlling interest	5,005,344	(405,757)	4,599,587

	<u>Beginning of January 2018</u>		
	<u>Before Restatement</u>	<u>Adjustments Effect</u>	<u>Restated Balance</u>
	JD	JD	JD
<u>Condensed consolidated statement of income</u>			
Cost of revenue	(808,468)	(478,519)	(1,286,987)
Other losses	(12,824)	(432,870)	(445,694)
Earnings (loss) per share attributable to company's share holder	-/014	(-/036)	(-/022)

	<u>Beginning of January 2018</u>		
	<u>Before Restatement</u>	<u>Adjustments Effect</u>	<u>Restated Balance</u>
	JD	JD	JD
<u>Condensed consolidated statement of cash flow</u>			
Profit/(loss) for the period before tax adjustment	158,038	(911,389)	(753,351)
Increase in other credit balances	366,079	911,389	1,277,468

* The effect of the adjustments for the period ended in March 31, 2018:

	<u>JD</u>
Adjustment to accumulated losses- expected credit losses	(438,325)
Adjustment to accumulated losses-prior qualifications treatment	-
Total	<u>(438,325)</u>

	<u>JD</u>
Adjustment to non-controlling interest	(125,000)
Adjustment to accumulated losses-prior qualifications treatment	<u>(280,757)</u>
Total	<u>(405,757)</u>