

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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2024 TOGETHER
WITH INDEPENDENT AUDITOR'S REPORT

SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA – JORDAN
DECEMBER 31, 2024

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INDEPENDENT AUDITOR'S REPORT

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

Qualified Opinion

We have audited the consolidated financial statements of Salam International Transport and Trading Company (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Qualified Opinion

Projects under construction, which are carried in the consolidated statement of financial position at JD 2.3 million, include the amounts relating to the Dead Sea project of JD 1.7 million, which exhibited indicators or impairment. Management has not determined if the recoverable amount of the Dead Sea Project was at least equal to its carrying amount, which constitutes a departure from IFRSs. We were unable to determine the adjustments necessary to this amount.

Accounts payable, which are carried in the consolidated statement of financial position at JD 2.6 million, includes payables relating to the Dead Sea project of JD 1.3 million. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the payables relating to the Dead Sea Project as we could not confirm these amounts with the respective counterparties. Consequently, we were unable to determine whether any adjustments to this amount were necessary.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant to our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter

How our audit addressed the key audit matter

Payments on Account of Acquiring Land and Projects under Construction

The consolidated financial statements include payments on account for acquiring plots of land and projects under construction, which include the value of work done and its directly related costs of JD 5.5 million, excluding the Dead Sea project referred to in the Basis for Qualified Opinion section of our report, as at December 31, 2024, which represents 18% of the Group's non-current assets.

The Group signed an agreement with the government and related entities to develop certain plots of land. The agreement states that the plots of land will be transferred to the Group once the aforementioned development has been completed. The ownership of the plots of land had not been legally transferred to the Group at the reporting date.

The following risks were identified that the payments made and projects under construction referred to above may be impaired:

- The non-transfer of the land to the Group as referred to above; and
- The recoverable amount of the land may be less than the advance payments referred to in the first paragraph.

The Group, in conjunction with an external valuer, has determined that the payments made and projects under construction are not impaired. In making this determination, the Group has applied certain judgments and made certain estimates about the transfer of the land to the Group and the fair value of the land which are considered to be significant. Consequently, we have identified this as a key audit matter.

Refer to notes 15 and 16 of the consolidated financial statements for further disclosure about this matter

- We assessed the design and implementation of controls over the process of determining that the payments and projects under construction, referred to in the adjacent paragraph, were not impaired.
- We obtained confirmations from the related government entities to confirm the payments on account for acquiring plots of land.
- We reviewed the contracts between the Group and the government and related entities to determine if there were any contracted impediments to the land being transferred which had not yet been addressed by the reporting date.
- We assessed the skills, competence, objectivity, and qualification of the external valuers appointed by the Group to determine the value of these lands.
- We reviewed the engagement letter between the external valuers and the Group to determine if the scope of their work was sufficient.
- We inspected minutes of Board of Directors meetings and correspondence between the Group and the government and related entities to determine whether it was probable that the land would be transferred to the Group.
- We determined if the valuations performed by the external valuer indicated that the value of the land was more than the payments made to acquire the land and projects under construction.
- We reperformed the mathematical accuracy of the valuations, where applicable.
- We assessed the disclosure in the consolidated financial statements, relating to this matter, against the requirements of IFRS Accounting Standards.

Other Matter

The accompanying consolidated financial statements are a translation of the original consolidated financial statements, which are in the Arabic language, to which reference should be made.

Other Information

Management is responsible for the other information. The other information comprises the information in the Annual Report, other than the consolidated financial statements, and the auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

The Group maintains accounting records, which are in agreement line with the accompanying consolidated financial statements. We recommend that the General Assembly of the Shareholders approve these consolidated financial statements after taking into consideration the contents of the Basis for Qualified Opinion of our report.

The engagement partner on the audit resulting in this independent auditor's report is: **Shafiq Batshon**

Amman – Jordan
April 3, 2025

Deloitte & Touche (Middle East) – Jordan

Deloitte & Touche (M.E.)

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

		December 31,	
	Note	2024	2023
		JD	JD
ASSETS			
Current Assets:			
Cash and balances at banks	5	1,159,220	1,653,618
Accounts receivable-net	6	1,122,468	937,207
Due from related parties	22/a	1,077,430	1,067,923
Residential units available for sale	7	117,824	117,824
Checks under collection and notes receivable maturing in one year	8	35,663	75,599
Financial assets at fair value through profit or loss	9	9,565	9,318
Inventory - net	10	93,870	102,386
Other debit balances	11	418,568	343,262
Total Current Assets		4,034,608	4,307,137
Non-Current Assets:			
Checks under collection and notes receivable maturing in more than one year	8	59,193	77,554
Financial assets at fair value through other comprehensive income	12	476,184	500,443
Investment properties - net	13	4,321,609	4,393,603
Investments in associate companies	14	17,300,435	16,192,903
Projects under construction	15	2,349,625	2,368,490
Advance payments for land acquisition	16	4,886,506	4,961,989
Property and equipment - net	17	764,807	875,151
Right of use asset - net	32	188,609	213,210
Total Non-Current Assets		30,346,968	29,583,343
TOTAL ASSETS		34,381,576	33,890,480
LIABILITIES AND OWNERS' EQUITY			
Current Liabilities:			
Due to banks	18	109	22,069
Accounts payable	19	2,638,675	2,443,256
Due to related parties- short term	22/b	618,204	603,465
Lease liability - short term	32	22,887	22,887
Deferred cheques and notes payable - short term		25,466	24,000
Income tax provision	20	49,399	66,872
Other credit balances	21	532,694	731,316
Total Current Liabilities		3,887,434	3,913,865
Non-Current Liabilities:			
Deferred cheques and notes payable - long term		6,243	30,244
Due to related parties- long term	22/b	3,971,446	3,971,446
Partner Current Account	22/b	28,927	48,677
Lease liability - long term	32	170,760	195,249
Total Non-Current Liabilities		4,177,376	4,245,616
Total Liabilities		8,064,810	8,159,481
OWNERS' EQUITY			
SHAREHOLDERS' EQUITY			
Authorized and Paid-up capital	23	18,000,000	18,000,000
Share discount	23	(1,349,998)	(1,349,998)
Statutory reserve	24	318,176	300,386
Fair value reserve for financial assets stated at fair value	26	(325,043)	(301,032)
Retained earnings	27	6,337,002	5,677,319
Total Shareholders' Equity		22,980,137	22,326,675
Non-controlling interests		3,336,629	3,404,324
Total Owners' Equity		26,316,766	25,730,999
TOTAL LIABILITIES AND OWNERS' EQUITY		34,381,576	33,890,480

General Manager

Chairman of Board of Directors

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH
THE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AQABA - JORDAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		For the Year Ended	
		December 31,	
	Note	2024	2023
		JD	JD
Revenue	28	5,269,111	5,970,973
<u>Less:</u> Cost of revenue	29	<u>(4,407,502)</u>	<u>(4,370,432)</u>
Gross Profit		861,609	1,600,541
 <u>Less:</u> General and administrative expenses	30	(975,957)	(902,002)
Depreciation and amortization		(115,470)	(77,534)
Right of use asset amortization	32	(24,601)	(24,602)
Lease interest expense	32	(6,122)	(7,112)
Marketing expenses		(2,548)	(8,970)
Borrowing costs		(10,766)	(9,417)
Company's share of associated companies' profits	14	1,708,439	1,435,365
Profits (loss) from valuation of financial assets at fair value through profit or loss		247	(1,000)
Other income - Net	31	<u>168,357</u>	<u>85,347</u>
Profit for the Year before Income Tax		1,603,188	2,090,616
<u>Less:</u> Income tax for the year	20	<u>(13,470)</u>	<u>(59,850)</u>
Profit for the Year		<u>1,589,718</u>	<u>2,030,767</u>
 <u>Attributable to:</u>			
The Company's shareholders' share		1,657,413	2,035,302
Non-controlling interests' share		<u>(67,695)</u>	<u>(4,536)</u>
Total		<u>1,589,718</u>	<u>2,030,766</u>
 Earnings per Share for the year attributable to the Company's Shareholders	33	<u><u>-/09</u></u>	<u><u>-/11</u></u>

General Manager

Chairman of Board of Directors

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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AQABA - JORDAN

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year	
	Ended December 31,	
	2024	2023
	JD	JD
Profit for the year	1,589,718	2,030,767
<u>Comprehensive Income Items:</u>		
<u>Items not to be subsequently transferred to consolidated statement of profit or loss :</u>		
Change in fair value- financial assets at fair value through other comprehensive income	(24,011)	(15,794)
Total Comprehensive Income for the Year	<u>1,565,707</u>	<u>2,014,972</u>
Total Comprehensive Income for the Year Attributable to:		
Company's shareholders	1,635,937	2,019,508
Non- controlling interests	(67,695)	(4,536)
Total	<u>1,568,242</u>	<u>2,014,972</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY
(A PUBLIC SHAERHOLDING LIMITED COMPANY)
AQABA - JORDAN
CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Company's Shareholders' Equity									
	Financial Assets									
	Paid-up	Share	Statutory	at Fair Value	Retained earnings			Net Shareholders'	Non-Controlling	
	Capital	Discount	Reserve	Revaluation Reserve	Realized	Non-realized	Total	Equity	Interests	Total
	JD	JD	JD	JD	JD			JD	JD	JD
For the Year Ended December 31, 2024										
Balance as of January 1, 2024	18,000,000	(1,349,998)	300,386	(301,032)	3,760,710	1,916,609	5,677,319	22,326,675	3,404,324	25,730,999
Prior years' adjustment (Note 27)	-	-	-	-	(79,940)	-	(79,940)	(79,940)	-	(79,940)
Adjusted balance - beginning of the year	18,000,000	(1,349,998)	300,386	(301,032)	3,680,770	1,916,609	5,597,379	22,246,735	3,404,324	25,651,059
Profit for the year	-	-	-	-	1,657,413	-	1,657,413	1,657,413	(67,695)	1,589,718
Change in fair value of financial assets at fair value	-	-	-	(24,011)	-	-	-	(24,011)	-	(24,011)
Total Comprehensive Income for the Year	-	-	-	(24,011)	1,657,413	-	1,657,413	1,633,402	(67,695)	1,565,707
Transferred to statutory reserved	-	-	17,790	-	(17,790)	-	(17,790)	-	-	-
Dividends (Note 26)	-	-	-	-	(900,000)	-	(900,000)	(900,000)	-	(900,000)
Balance - End of the Year	18,000,000	(1,349,998)	318,176	(325,043)	4,420,393	1,916,609	6,337,002	22,980,137	3,336,629	26,316,766
For the Year Ended December 31, 2023										
Balance as of January 1, 2023	18,000,000	(1,349,998)	224,676	(285,238)	2,694,276	1,916,609	4,610,885	21,200,325	3,408,860	24,609,185
Prior years' adjustment (Note 27)	-	-	-	-	6,842	-	6,842	6,842		6,842
Adjusted balance - beginning of the year	18,000,000	(1,349,998)	224,676	(285,238)	2,701,118	1,916,609	4,617,727	21,207,167	3,408,860	24,616,027
Profit for the year	-	-	-	-	2,035,302	-	2,035,302	2,035,302	(4,536)	2,030,766
Change in fair value of financial assets at fair value	-	-	-	(15,794)	-	-	-	(15,794)	-	(15,794)
Total Comprehensive Income for the Year	-	-	-	(15,794)	2,035,302	-	2,035,302	2,019,508	(4,536)	2,014,972
Transferred to statutory reserved	-	-	75,710	-	(75,710)	-	(75,710)		-	-
Dividends	-	-		-	(900,000)	-	(900,000)	(900,000)	-	(900,000)
Balance - End of the Year	18,000,000	(1,349,998)	300,386	(301,032)	3,760,710	1,916,609	5,677,319	22,326,675	3,404,324	25,730,999

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

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD

BE READ WITH THEM AND WITH THE ACCOMPANYING INDEPENDENT AUDITOR'S REPORT

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY
(A PUBLIC SHAERHOOLDING LIMITED COMPANY)
AQABA - JORDAN
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31,	
		2024	2023
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before income tax		1,603,188	2,090,616
Adjustments:			
Real estate investment depreciation	13	71,994	71,994
Property and equipment depreciation	17	73,932	129,185
Right of use asset amortization	32	24,601	24,602
Lease interest expense	32	6,122	7,112
(Gain) from sale of property and equipment		(74,557)	-
Net Company's (profit) from selling a Associate companies	14	(1,708,439)	(1,435,365)
(Loss) gain from valuation of financial assets at fair value through profit or loss		(247)	1,000
Borrowing costs		10,766	9,417
Net Cash flows from Operating Activities before Changes in Working Capital		7,360	898,561
(Increase) in accounts receivable		(185,261)	(186,382)
Decrease in cheques under collection and notes receivable		58,297	180,174
Decrease in inventory		8,516	2,174
(Increase) decrease in other debit balances		(75,306)	7,262
Increase in accounts payable		195,419	345,566
(Decrease) in other credit balances		(210,867)	(52,035)
Net Cash Flows (used in) from Operating Activities before Income Tax Paid and Provisions		(201,842)	1,195,320
Income tax paid	20	(30,943)	(86,490)
Net Cash Flows (used in) from Operating Activities		(232,785)	1,108,830
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease (increase) in financial assets at fair value through other comprehensive income		248	(1,066)
(Increase) in investments in associate companies	14	(616,387)	(10)
Proceeds from projects under constructions	15	18,865	22,403
Proceeds from advance payments for land acquisition	16	75,483	217,091
Dividends distribution in associate companies	14	1,217,294	1,022,303
(Purchase) of property and equipment	17	(53,319)	(84,174)
Matured financial assets at amortized cost		164,288	-
Net Cash Flows from Investing Activities		806,472	1,176,547
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Paid) from borrowing costs		(10,766)	(9,417)
Dividends paid		(900,000)	(900,000)
(Paid) of lease liability		(30,611)	(29,999)
(Decrease) in deferred checks and notes payable		(22,535)	(25,100)
Change in due from/to related parties		(14,518)	(583,029)
(Decrease) in due to banks		(21,960)	(59,027)
Change in non contoling interest		(67,695)	(4,536)
Net Cash (used in) Financing Activities		(1,068,085)	(1,611,108)
Net (decrease) increase in Cash		(494,398)	674,269
Cash on hand and at banks - beginning of the year		1,653,618	979,349
Cash on Hand and at Banks - End of the Year	5	1,159,220	1,653,618

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONSOLIDATED FIANACAIL STATEMENTS AND SHOULD BE READ WITH THEM

SALAM INTERNATIONAL TRANSPORT AND
TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA – JORDAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General

- a. Salam International Transport and Trading Company were 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 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 – Hashemite Kingdome of 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 estate and other real estate-related activities).
 - Providing services, operating touristic restaurants, and supplying hotels with food.
 - Guaranteeing others while benefiting the Company.
 - Transporting crude oil.
 - Investing in other companies.
 - Borrowing funds from banks to finance its activities.
- c. The consolidated financial statements have been approved by the Board of Directors on March 24, 2025.

2. Significant Accounting Policies

- Basis of Preparation of the Consolidated Financial Statements

- The attached consolidated financial statements have been prepared in accordance with the standards issued by the International Accounting Standards Board and the interpretations issued by the International Financial Reporting Interpretations Committee of the International Accounting Standards Board.
- The consolidated financial statements have been prepared in accordance with the historical cost principle, except for financial assets and financial liabilities that are measured at fair value through profit or loss, and financial assets measured at fair value through other comprehensive income, which are recognized at fair value as of the date of the consolidated financial statements. Additionally, assets and liabilities for which fair value hedging has been applied are also recognized at fair value.
- The reporting currency of the consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Company.
- The accounting principles adopted for the consolidated financial statements for the year are consistent with those used in the prior year ended December 31, 2022, except for what is mentioned in Note (3-a) to the consolidated financial statements.

- **Basis of Consolidation of the Financial Statements**

- The consolidated financial statements include the financial statements of the company and its subsidiaries, as well as entities over which it has control. Control exists when the company has power over the investee, is exposed to variable returns from its involvement with the investee, and has the ability to affect those returns through its power over the investee, enabling the group to use its authority over the investee to affect its returns.
- If circumstances or events indicate changes in any of the elements of control mentioned above, the group reassesses the extent of its control over the investee.
- When the voting rights of a Company are less than the majority rights in the invested company, and the Group exercises control over the invested company when it holds sufficient voting rights that give it practical ability to direct the related activities of the invested company from one side. The Group considers all relevant facts and circumstances when assessing whether the voting rights it holds are sufficient to grant it control over the invested company or not, 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.
 - Any additional facts and circumstances that indicate that the Company's 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.
- 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 profit or loss 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 profit or loss up to the date of their disposal, which is the date on which the Company loses control over the subsidiaries.
- The non-controlling interests represent the portion which is 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.

- The Company owns the following subsidiary companies as of December 31, 2024:

<u>Company's Name</u>	<u>Paid-up Capital</u>	<u>Ownership Percentage</u>	<u>Nature of Activity</u>	<u>Place of Work</u>	<u>Date of Ownership</u>	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Total Revenue</u>	<u>Total Expenses</u>
	JD	%				JD	JD	JD	JD
Farah International Catering Service Company	1,000,000	100	Trading	Jordan	September 21, 1992	2,869,918	1,421,455	4,255,130	(4,262,729)
Golden State for Commercial Services Company	204,874	100	Trading	Jordan	September 4, 2005	211,789	406	-	(444)
Mada'en Al – Noor Investment and Real Estate Development	6,000,000	75	Real estate	Jordan	June 3, 2004	5,380,439	1,575,867	-	(88,501)
Al - Ibtikar Land Transportation	2,600,000	70	Transportation Supply &	Jordan	March 9, 2005 February 18,	299,989	659,726	-	(204,483)
Afaq Supply and Storage Company	500,000	90	Storage	Jordan	2008	1,095,322	293,662	129,564	(6,101)
Mada'en Al – Bahr Investment and Real Estate Development	1,000,000	100	Trading	Jordan	September 5, 2010	1,429,448	1,551,363	-	(82,985)
Technical for Construction and Real Estate Services	1,000,000	98.75	Real estate	Jordan	September 1, 1992	3,398,934	10,922	309,475	(264,723)
Mada'en Al – Shorouq Investment Real Estate Company	6,660,000	69.99	Real estate	Jordan	November 20, 2006	10,038,369	3,979,521	140,000	(157,923)
Maha Al Sharq Real Estate Investment and Development	1,709,608	100	Real estate	Jordan	January 30, 2019	1,709,608	2,495	-	(755)
Al Maha Arabian Real Estate Investment and Development	715,150	100	Real estate	Jordan	January 30, 2019	715,150	2,176	-	(805)
Arabian Maha Land Real Estate Development Company	1,050,413	100	Real estate	Jordan	January 30, 2019	1,050,413	2,805	-	(845)

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 Group 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 Group 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 Group 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 Group loses control of a subsidiary, the Group 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 the statement of profit or loss.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss or retained earnings statement as appropriate.

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

Segments Information

- The business segment represents a set of assets and operations that jointly provide products and services subject to risks and returns different from those of other business segments, measured according to the reports used by the executive manager and the Company's key decision makers.
- The geographic segment is associated with providing products or services in a defined economic environment subject to risks and returns different from those of other economic environments.

Assets Available for Sale

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

Inventory

Goods are shown at cost according to the first-in-first-out method, or the net realizable value, whichever is lower after downloading the allowance for damaged and obsolete items, spare parts are valued at the end of the year at the cost (using the first-in-first-out method) or net realizable value, whichever is lower, and the part items value booked in the consolidated statement of profit or loss when used.

Financial Instruments

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

Financial assets are recognised when the Group becomes a party to the contract of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (except for financial assets at fair value through statement of Profit or loss) are added to deducted from the fair value of the financial assets, as appropriate, on initial recognition.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs, and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in the consolidated statement of profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions, and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Provision for expected credit loss

The Company has adopted the simplified approach to recognize expected credit losses over the life of its receivables as permitted by IFRS 9. Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of stage 2 with the recognition of expected credit losses over their lifetime.

A provision for the expected credit loss should be recognized over the life of the financial instrument if the credit risk on that financial instrument increases substantially since the initial recognition and the expected credit loss is an expected weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the expectation of several future economic scenarios, discounted at the effective interest rate of the asset.

The Group assesses whether there is objective evidence of impairment on an individual basis for each asset of individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

Write off

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in the consolidated statement of profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of Profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through statement of Profit or loss.

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Trade and other payables classified as financial liabilities are initially measured at fair value, after deducting the net of transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised based on effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised consolidated statement of profit or loss.

Investments in Associates and Companies Subject to Joint Control

Associated companies are those companies which the group exercises substantial influence, Significant influence is the ability to participate in the financial and operating policies of the investee and not joint control or control over those policies.

The considerations used to define joint control are to some extent similar to the considerations used to define control over subsidiaries.

The Group's investment in the associate is recognized under the equity method.

Under the equity method, investments in associate companies are shown at cost. The carrying amount of investments in the associate company is adjusted to record the Group's share in the changes in the net assets of the associate company at the date of acquisition. The goodwill resulting from the affiliate company is recorded as part of the investment account and is not amortized, nor is it individually impaired that an impairment test is taken.

The consolidated statement of income reflects the group's share of the results of business of the affiliate company. Any changes in the comprehensive income statement of this investment are classified under the group's comprehensive income statement. In the event that there is a change in the equity of the affiliate company, these changes, if any, are shown in the list of changes in the group's consolidated equity. Profits and losses resulting from transactions between the group and the affiliate companies are excluded to the extent of the group's share in the affiliate company.

The Group's share of the profits or losses of the associate company is shown in the consolidated income statement within the operating profit and represents the profit or loss after tax and the rights of non-controllers in the subsidiary of the associate company.

As of December 31, 2024 and 2023, the details of investments in associates are as follows:

<u>Company's Name</u>	<u>Percentage of Ownership</u> %	<u>Business Location</u>
Jordan Maritime Real Estate Investment Complex Company	26	Jordan
Jordan National Shipping Lines Company	20.64	Jordan
Jordanian Academy for Marine Studies	25	Jordan
Jordanian National Line for Ships Operation Company *	50	Jordan
Aqaba Storing Chemicals Company	15	Jordan
Al Maha Real Estate Development Company	33.33	Jordan
Arabian Ships Management Company	20	Jordan
Al-Shams Economics Company	24	Jordan
Sea Star for Shipping and Logistics Company ***	50	Jordan
Haqel al Aqaba One for Investment **	33.33	Jordan
Ayyam Amman Company for real estate development	40	Jordan

* The Company does not have control over these companies, but it does exercise significant influence over the financial and operating policies of these companies.

** Haqel al Aqaba One 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 (An Affiliate Company).

*** Under liquidation.

- During the year 2024, Maset Al Aqaba for Ships Building Company and Marine Lines for Storage and Port Services Company was liquidated.

Investment Property

Investment property is property held to earn rental income, for capital appreciation, but not for sale in the ordinary course of business. Investment properties are carried at cost less accumulated depreciation. Their fair values are disclosed in the notes to the consolidated financial statements, and they are revaluated annually, by independent Real-Estate experts, based on market values at the end of the year, and Real-Estate investments are depreciated using the straight-line method over their expected useful life using a rate of 2%. When the recoverable amount of property and equipment is less than the carrying amount, their value is reduced to the recoverable amount, and the impairment loss is recorded in the consolidated statement of profit or loss.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses. Property and equipment (except for land) are depreciated over their useful lives, using the straight-line method at annual rates as follows:

	%
Building and hangars	2 - 4
Furniture and fixtures	15 - 20
Devices and equipment	10 - 15
Cars and trucks	5 - 15
Computers	20

- When the recoverable amount of property and equipment is less than the carrying amount, their value is reduced to the recoverable amount, and the impairment loss is recorded in the consolidated statement of profit or loss.
- The useful lives of property and equipment are reviewed at year-end. If they differ from previously prepared expectations, the difference in the estimate for the upcoming years is recorded, as a change in estimate.
- Property and equipment are derecognized when disposed of or when there is no expected future benefit from their use or disposal.

Projects under construction

This item represents the value of works on the project plus related costs. Moreover, direct costs are deferred and charged to the project upon its completion.

Provisions

Provisions are recognized at the date of the consolidated statement of financial position only when the Group has a past event has created a legal or constructive obligation, an outflow of resources is probable, and the amount of the obligation can be reliably estimated.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.
- Income tax expenses are calculated based on taxable profits, which differ from the profits subject to taxation as reported in the consolidated financial statements. Reported profits include revenues not subject to taxation or expenses not deductible in the current fiscal year but rather in subsequent years, as well as accumulated losses acceptable for tax purposes, or items that are neither deductible nor acceptable for tax purposes.
- Taxes are calculated on the basis of the tax rates prescribed by the prevailing laws, regulations, and instructions of the countries where the Group operates.
- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and the value of the taxable amount. Moreover, deferred taxes are calculated, according to the consolidated statement of financial position liability method, at the tax rates expected to be applied at the tax settlement date or the realization of the deferred tax assets or liabilities.
- The balance of deferred tax assets and liabilities is reviewed as of the date of the consolidated financial statements, and it is reduced if it is expected that partial or total benefits cannot be realized from those deferred tax assets.

Revenue Recognition

The Group recognises revenue mainly from sales of apartments.

Revenue is measured at the fair value of the amounts received or to be collected from the contracts with customers. Revenue is recognized when the Group transfers the ownership of the apartments to the customer when the ownership of the apartments is waived in the Department of Land and Survey according to the Jordanian law. As All contracts are considered void if they are not documented in the department.

Apartment available for sales revenue is recognized at the fair value of the consideration received when all the following conditions are met:

- a. The Group has transferred to the buyer all of the significant risks and benefits related to the ownership of the apartments to the buyer.
- b. The Group does not maintain its ongoing management relationship, which is usually related to the ownership of the apartments or their actual control over these sold apartments; and
- c. The amount of revenue can be measured reliably.
- d. It is probable that the economic benefits associated with the transaction will flow to the Group; and

The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest Income and Expenses

Interest income and expense for all financial instruments are recognized in the statement of profit or loss using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated considering all the contractual terms of the instrument.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (at the amortised cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortised cost of the credit-impaired financial assets (the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Leases

The Group as a Lessee

The Group evaluates whether a contract contains a lease at the inception of the contract. The group recognizes right-of-use assets and corresponding lease liabilities for all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a term of 12 months or less) and leases of low-value assets. For these leases, the group recognizes lease payments as operating expenses on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which economic benefits from the leased assets are consumed.

The lease obligation is initially measured at the present value of the lease payments that were not paid on the start date of the lease, and is discounted by using the price implicit in the lease.

If this rate cannot be easily determined, the Company uses its expected incremental borrowing rate.

The lease payments included in the rental obligation measurement include:

- Fixed rental payments (essentially including fixed payments), minus rental incentives receivable;
- Variable rental payments that depend on an index or a rate, initially measured using the index or the rate at the date the contract begins.
- The amount expected to be paid by the lessee under the residual value guarantees.
- The price of the exercise of purchase options, if the lessee is reasonably certain of the exercise of the options; and
- Payment of the contract termination fines, if the lease reflects the exercise of the lease termination option.

Rental obligations are presented as a separate note to the consolidated statement of financial position.

Subsequently, lease obligations are subsequently measured by increasing the book value to reflect the interest in the rental obligations (using the effective interest method) and by reducing the book value to reflect the rental payments paid.

The lease obligations (and a similar adjustment to the related right-of-use assets) are re-measured whenever:

- The lease term has changed or there is an event or important change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease obligations are re-measured by deducting the adjusted lease payment using the adjusted discount rate.
- Lease payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value, in which cases the lease obligation is re-measured by deducting the modified rental payments using a non-variable discount rate (unless the rental payments change due to a change in the floating interest rate, in this case the adjusted discount rate is used).
- The lease contract is adjusted, and the lease amendment is not accounted for as a separate lease, in which case the lease obligation is re-measured based on the duration of the adjusted lease contract by deducting the adjusted rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right-of-use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease contract transfers the ownership of the underlying asset or the cost of the right to use, which reflects that the company expects to exercise the purchase option, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins on the lease commencement date.

The right-of-use assets are presented as a separate note in the consolidated statement of financial position.

The Group applies International Accounting Standard (36) to determine whether the value of the right to use has decreased and calculates any impairment losses as described in the policy of "property and equipment".

Variable rents that are not dependent on an index or rate are not included in the measurement of lease obligations and right-of-use assets. Related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in "Other Expenditures" in the statement of profit or loss.

The Group as a Lessor

The Group enters into lease contracts as a lessor regarding some investment properties.

Leases in which the Group is the lessor are classified as operating or finance leases. In the event that the terms of the lease contract transfer all risks and rewards of ownership to the lessee, the contract is classified as a finance lease, and all other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The primary direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the company's net investment in the rental contracts. Finance lease income is allocated to the accounting periods to reflect a constant periodic rate of return on the Group's existing net investment with respect to lease contracts.

When the contract includes leasing components and components other than leasing, the Group applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

Construction contracts

Construction contracts are recognized in the consolidated statement of profit or loss in proportion to the stage of completion, and expenses are recognized unless they do not generate assets related to contract activities in the future. The stages of completion are evaluated by reference to studies specific to the completed work.

Borrowing Costs

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

Foreign Currencies

- Transactions in foreign currencies during the year are recorded at the exchange rates prevailing at the date of the transaction.
- Financial assets and liabilities denominated in foreign currencies are translated at the date of the consolidated statement of financial position, using the average exchange rates prevailing as of that date.
- Non-financial assets and liabilities denominated in foreign currencies are presented at fair value, using the rates prevailing at the date of their evaluation.
- Gains or losses resulting from foreign currency translation are recorded in the consolidated statement of profit or loss.
- Differences resulting from the translation of non-financial assets and liabilities denominated in foreign currencies, such as equity shares, are recorded as part of the change in fair value.
- Upon consolidation, the financial assets and financial liabilities of the Company and its subsidiaries are translated from the local currency to the reporting currency at the average exchange rates prevailing at the date of the consolidated financial position. Moreover, profit and loss items are translated at the average exchange rates prevailing during the year. Exchange differences are recorded in a separate item in the consolidated comprehensive statement of profit or loss and within owners' equity. In case one of the subsidiaries is sold, the exchange differences are recorded within revenues and expenses in the consolidated statement of profit or loss.

3. Adoption of new and revised Standards

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2024, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IFRS 16 Leases – Lease Liability in as Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current.
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- IFRS S1 - General Requirements for Disclosure of Sustainability – related financial information*
- IFRS S2 - Climate Related Disclosures*

* Provided that the regulatory authorities in the countries in which the Group operates approve its application, noting that no instructions have been issued regarding it until the date of the consolidated financial statements.

b. New and Revised Standards in issue but not yet effective

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective, management is in the process of assessing the impact of the new requirements.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments to the Sustainability Accounting Standards Board “SASB” standards to enhance their international applicability	January 1, 2025
Amendments to IAS 21 - Lack of Exchangeability	January 1, 2025
Amendments to IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards — Volume 11	January 1, 2026
IFRS - 18 Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS - 19 Subsidiaries without Public Accountability	January 1, 2027

* The management anticipates adopting these new standards, interpretations, and amendments in the Group's financial statements during the initial application period. Furthermore, they expect that adopting these new standards, interpretations, and amendments will not have any significant impact on the Group's financial statements during the initial application period.

4. Significant Accounting Judgments and Key Source of Uncertainty

The preparation of consolidated financial statements and the application of accounting policies require the management of the group to make judgments, estimates, and assumptions that affect the amounts of financial assets, financial liabilities, and disclosure of contingent liabilities. These estimates and judgments also impact revenues, expenses, provisions in general, expected credit losses, and the fair value reflected in equity. In particular, the management of the group is required to make significant judgments and estimates to assess the amounts and timing of future cash flows. These mentioned estimates are necessarily based on various factors with varying degrees of estimation and uncertainty, and actual results may differ from estimates due to changes in circumstances and conditions affecting those estimates in the future.

We believe that our estimates included in the consolidated financial statements are reasonable and detailed as follows:

Judgments, estimates, and assumptions are reviewed periodically. Moreover, the effect of the change in estimates is recognized in the financial period in which the change occurs if the change affects only the financial period. On the other hand, the effect of the change in estimates is recognized in the financial period in which the change occurs and in future periods if the change affects the financial period and future financial periods.

Management believes that its estimates in the consolidated financial statements are reasonable. The key estimates used by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Useful lives of tangible assets and intangible assets

The management periodically recalculates the useful lives of tangible assets and intangible assets for calculating annual depreciation and amortization based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Income tax

The fiscal year is charged with the income tax expense in accordance with the accounting regulations, laws and standards. Moreover, deferred tax assets and liabilities and the required tax provision are recognized.

Lawsuits provision

A provision is made to meet any potential legal liabilities based on a legal study prepared by the Company's legal counsel. This study identifies potential future risks and is reviewed periodically.

Assets and liabilities at cost

Management periodically reviews the assets and liabilities at cost for estimating any impairment in value, which is recognized in the consolidated statement of profit or loss for the year.

Fair value measurement and valuation procedures

When estimating the fair value of financial assets and financial liabilities, the bank uses available observable market data. In case of the absence of level (1) inputs, the Company conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

Calculation of provision for expected credit losses

The Group management is required to use important judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risk of significant increase in credit risk for financial assets after the initial recognition and future measurements information for expected credit losses.

The expected credit loss is measured as an allowance equivalent to the expected credit loss over the life of the asset.

Determining the number and relative weight of forward-looking scenarios for each type of products / market and the identification of future information relevant to each scenario
When measuring the expected credit loss, the Company uses reasonable and reliable future information based on the assumptions of the future movement of the various economic factors and how these economic factors affect each other.

Probability of default

The probability of default is a key input in measuring the expected credit loss. The probability of default is considered an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions and expectations relating to future circumstances.

Loss given default

Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financier expects to collect, taking into account cash flows from collaterals and credit adjustments.

Revenue recognition

The Group's management uses significant estimates and assumptions to determine the amount and timing of revenue recognition under IFRS 15, "Revenue from contracts with customers".

Key Sources of Uncertainty Estimates:

- The following are the most significant assumptions about the future and other uncertain assumptions at the reporting date that have a risk ratio that could cause a material adjustment to the carrying amount of assets and liabilities during the next financial year.
- Calculation of expected credit losses: When measuring expected credit losses, the Company uses reasonable and verifiable future information based on assumptions about the future movement of the various economic engines and how these will affect each other. Loss given default is an estimate of loss arising from default and is based on the difference between the contractual cash flows due and those foreseen by the lender, taking into account cash flows from collateral and integrated credit enhancements. The possibility of default is a key input in measuring expected credit losses. The probability of default is known to estimate the probability of default in a given period of time and includes historical data, assumptions and expectations for future circumstances.

5. Cash and Balances at Banks

This item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Cash on hand	18,879	14,973
Current accounts at banks	1,142,752	1,640,594
Total	1,160,631	1,655,567
<u>Less: Provision for expected credit loss *</u>	(1,411)	(1,949)
Net Cash on Hand and Current Accounts at Banks	1,159,220	1,653,618

- * The movement on provision for expected credit loss of current accounts at the bank during the year is as follows:

	December 31,	
	2024	2023
	JD	JD
Balance - beginning of the year	1,949	1,949
Released during the year	(538)	-
Ending balance	1,411	1,949

6. Accounts Receivable - Net

This item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Trade receivables	1,222,040	1,046,661
Employees' receivable	13,603	15,324
Total	1,235,643	1,061,985
<u>Less: Provision for expected credit loss *</u>	<u>(113,175)</u>	<u>(124,778)</u>
Net Accounts receivable	1,122,468	937,207

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

	December 31,	
	2024	2023
	JD	JD
Balance - beginning of the year	124,778	126,428
<u>Less: Written off debts during the year</u>	<u>(11,603)</u>	<u>(1,650)</u>
Ending balance	113,175	124,778

7. Residential Units Available for Sale

This item represents residential units available for sale in ZARQA as of December 31, 2024, and 2023.

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

	December 31,	
	2024	2023
	JD	JD
Balance – beginning of the year	117,824	117,824
Balance – End of Year	117,824	117,824

- The selling price of residential units available for sale is not less than their book value as of December 31, 2024, and 2023.
- The fair value for residential units available for sale according to the latest estimate by the real estate appraiser is around JD 303,000 as of December 31, 2024 (around JD 303,000 as of December 31, 2023).

8. Cheques under Collection and Notes Receivable

The item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Maturing in one year	35,663	75,599
Maturing in more than one year *	59,193	77,554
	94,856	153,153

* The maturity of the checks under collection and notes receivable until January 1st, 2028.

9. Financial Assets at Fair Value through Profit or Loss

The item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Shares quoted in active markets	9,565	9,318
	9,565	9,318

10. Inventory-Net

The item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Spare parts	352,912	350,738
Food inventory and other saleable materials	68,870	75,472
Others	-	4,088
	421,782	430,298
<u>Less: Provision for slow-moving inventory *</u>	(327,912)	(327,912)
	93,870	102,386

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

	December 31,	
	2024	2023
	JD	JD
Balance at the beginning of the year	327,912	327,912
Balance at the End of the Year	327,912	327,912

11. Other Debit Balances

The item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Guarantees and deposits against banks facilities	214,023	214,573
Prepaid expenses	44,169	65,859
Refundable deposits	25,366	37,344
Income and Sales tax deposit	135,010	25,486
	418,568	343,262

12. Financial Assets at Fair Value through Other Comprehensive Income

The item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Quoted stocks in active market	325,184	349,443
Unquoted stocks in active markets	151,000	151,000
	476,184	500,443

13. Investment Properties - Net

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

	December 31,	
	2024	2023
	JD	JD
<u>Cost</u>		
Balance at the beginning of the year	3,599,696	3,599,696
Balance at the End of the Year	3,599,696	3,599,696
<u>Accumulated depreciation</u>		
Balance at the beginning of the year	1,107,797	1,035,803
Depreciation for the year	71,994	71,994
Balance at the End of the Year	1,179,791	1,107,797
Net Book Value	2,419,905	2,491,899
<u>Add: Land</u>		
Balance at the beginning of the year	1,901,704	1,901,704
Balance at the End of the Year	1,901,704	1,901,704
	4,321,609	4,393,603
Depreciation Ratio	2%	2%

- The fair value of the investment properties according to the latest real estate independent appraisers' assessment was JD 7.7 million as of December 31, 2024, and 2023.

14. Investment in Associates Companies

This item consists of the following:

			Received cash dividends		The company's share of the profits of the associate companies		Percentage of Contribution					
			December 31,		December 31,		December 31,		December 31,			
Nature of Business	Location	Paid-up Capital	2024	2023	2024	2023	2024	2023	Losses Amortization	2024	2023	
		JD	JD	JD	JD	JD	%	%	JD	JD	JD	
Company's name												
Jordan National Shipping Lines Company	Marine Shipping	Amman	15,000,000	557,294	557,303	876,319	652,796	20.64	20.64	-	6,261,278	5,942,253
Jordanian Marine Real Estate Investment Complex Company	Real Estate investment	Aqaba	15,600,000	-	-	(124,130)	(190,200)	26	26	616,387	1,973,140	1,480,883
Jordanian Academy for Marine Studies	Education	Amman	2,000,000	250,000	325,000	220,486	292,906	25	25	-	1,277,827	1,307,341
Jordanian National Line for Shipping Operations' Company	Marine Shipping	Aqaba	700,000	350,000	100,000	461,676	332,576	50	50	-	1,222,135	1,110,459
Aqaba Chemicals Storage Company *	Chemical Storage	Amman	4,000,000	-	-	129,564	113,054	15	15	-	1,045,084	915,520
Al Maha Real Estate Development Company **	Real Estate investment	Amman	12,000,000	-	-	-	-	33.33	33.33	-	3,973,530	3,973,530
Arabian Ships Management Company	Ships Managemet	Aqaba	149,000	60,000	40,000	100,373	77,869	20	20	-	244,725	204,352
Sea Star for Shipping and Loigistics' Services Company ***	Marine Services	Aqaba	200,000	-	-	(5,694)	(11,453)	50	50	-	79,861	85,555
Haqel al Aqaba One for Investment	Real Estate investment	Aqaba	50,000	-	-	-	-	33.33	33.33	-	16,667	16,667
Investment in Shams Economics Company	Commercial Agencies	Amman	30,000	-	-	-	-	30	30	-	7,200	7,200
Ayyam Amman for Real Estate Development Company	Real Estate investment	Amman	750,000	-	-	49,845	167,818	40	40	-	1,198,988	1,149,143
			1,217,294	1,022,303	1,708,439	1,435,366			616,387	17,300,435	16,192,903	

- The net share of the Company was calculated from the investment's profits in the associate companies for the year ended December 31, 2024 and 2023, based on financial statements of these companies.

* The Company has an effective influence over the company's financial policies, operating, and administrative decisions.

** Al Maha Real Estate Development Company is under liquidation and awaiting completion of liquidation procedures to offset the investment with the amount due to related parties (Note 23).

*** Sea Star for Shipping and Logistics' Services Company is under liquidation and awaiting completion of liquidation procedures to offset the investment with the amount due to related parties (Note 23).

15. Projects under Construction

This item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Al Shorouq City Project *	920,177	939,042
Dead Sea project	1,679,448	1,679,448
Total	2,599,625	2,618,490
<u>Less: Impairment</u>	<u>(250,000)</u>	<u>(250,000)</u>
	<u>2,349,625</u>	<u>2,368,490</u>

- Projects under implementation with a total value of JD 2,349,625 as of December 31, 2024, have not yet been completed. Their recovery depends on the implementation of operational plans by subsidiaries to complete them and finding the necessary financing for them.

According to the Land and Survey Department, the market value, based on the basin's land price on which the Shorouq City and Dead Sea projects are situated, including the value of the land, exceeds the book value of these projects as of December 31, 2024.

* Movement on Al Shorouq City Project as follows:

	December 31,	
	2024	2023
	JD	JD
Balance - beginning of the year	939,042	971,894
Disposal of projects in progress balances related to sold lands - Note (16)	(18,865)	(32,852)
Balance – End of Year	<u>920,177</u>	<u>939,042</u>

16. Advance Payments for Land Acquisition

This item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Advance payments related to contracts for Mada'en Al Shorouq and its subsidiaries *	4,886,506	4,961,989
	<u>4,886,506</u>	<u>4,961,989</u>

* Movement on advance payments for land acquisition as follows:

	December 31,	
	2024	2023
	JD	JD
Balance - beginning of the year	4,961,989	5,179,080
Sale of lands by waiver of contracts **	(75,483)	(217,091)
Balance – End of Year	4,886,506	4,961,989

- This item represents payments on account of contracts for Madinat Al Shorouq for Real Estate Investment and Development Company (a subsidiary) and its subsidiaries to purchase land from the National Resources Investment and Development Corporation for the purpose of development and construction based on a recent property appraisal. The fair value of these lands exceeds their cost, inclusive of associated expenses. Some of these lands have been sold at prices exceeding their cost, including associated expenses. Management believes there is no need for any write-downs. During 2024, some of these lands were sold through assignment contracts with the approval of the National Resources Investment and Development Corporation.

** During the year 2024, some of the lands of Madinat Al Shorouq were sold through assignment contracts with the approval of the National Resources Investment and Development Corporation. The total cost of the sold lands amounted to JD 94,347, of which JD 75,483 represent projects under implementation related to these lands, and JD 18,864 represent the cost of these lands. As a result of the sales, profits of JD 45,075 were generated.

- Until date of preparing these financial statements, the ownership of the plots of land has not been legally transferred to the Group.

17. Property and Equipment - Net

This item consists of the following:

	Land	Buildings and Hangar	Furniture and Fixtures	Devices and Equipments	Vehicles and Trucks	Computers	Total
<u>Year 2024</u>	JD	JD	JD	JD	JD	JD	JD
<u>Cost:</u>							
Balance - beginning of the year	204,874	52,638	683,473	837,169	1,028,294	247,080	3,053,528
Additions	-	-	19,213	6,793	26,463	850	53,319
Disposals	-	-	(3,243)	(15,295)	(369,021)	-	(387,559)
Balance - End of the Year	204,874	52,638	699,443	828,667	685,736	247,930	2,719,288
<u>Accumulated Depreciation:</u>							
Balance - beginning of the year	-	52,638	494,845	704,651	692,983	233,260	2,178,377
Depreciation for the year	-	-	26,174	24,439	18,915	4,404	73,932
Disposals	-	-	(3,243)	(15,142)	(279,443)	-	(297,828)
Balance - End of the Year	-	52,638	517,776	713,948	432,455	237,664	1,954,481
Net Book Value for property and equipment at year end	204,874	-	181,667	114,719	253,281	10,266	764,807
<u>Year 2023</u>							
<u>Cost:</u>							
Balance - beginning of the year	204,874	52,638	679,099	816,753	971,078	244,912	2,969,354
Additions	-	-	4,374	20,416	57,216	2,168	84,174
Balance - End of the Year	204,874	52,638	683,473	837,169	1,028,294	247,080	3,053,528
<u>Accumulated Depreciation:</u>							
Balance - beginning of the year	-	52,638	466,863	679,614	621,655	228,422	2,049,192
Depreciation for the year	-	-	27,982	25,037	71,328	4,838	129,185
Balance - End of the Year	-	52,638	494,845	704,651	692,983	233,260	2,178,377
Net Book Value for property and equipment at year end	204,874	-	188,628	132,518	335,311	13,820	875,151

- Property and equipment includes fully depreciated assets of JD 1.910.233 as of December 31, 2024 (JD 1,890,235 as of December 31, 2023).

- Depreciation expense is distributed between cost and general and administrative expenses.

18. Due to Banks

This item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Overdraft for a subsidiary company**	109	22,069
	109	22,069

* This item represents direct credit facilities in the form of overdraft accounts granted by several banks. The details of the direct credit facilities are as follows:

- Direct credit facilities in form of overdraft granted by Arab bank to Farah International Catering Service company with a total limit of JD 200,000 With an interest of 7.5% and a commission of 0.5% annually. The objective of these facilities is to finance the company's regular activities, and they have been granted against the personal guarantee of one of the shareholders for Farah's company (a Subsidiary company), and a cash margin guarantee amounted to JD 100,000.

19. Accounts Payable

This item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Trade payables	2,638,675	2,443,256
	2,638,675	2,443,256

* The grace period granted to the Group by suppliers and service providers ranges from one to three months. The Group's management implements specific policies for financial risk management to ensure that all obligations are met within the agreed grace period.

20. Income Tax

a. Income Tax Provision:

The movement on the income tax provision is as follows:

	December 31,	
	2024	2023
	JD	JD
Balance beginning of the year	66,872	93,512
Income tax for the year	13,470	59,850
Income tax paid during the year	(30,943)	(86,490)
Balance - End of the Year	49,399	66,872

b. Income Tax Expense:

Income tax expense shown in the consolidated statement of profit or loss represents the following:

	2024	2023
	JD	JD
Income tax for the year	13,470	59,850
	13,470	59,850

c. Income Tax Status:

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

a. Aqaba:

The 2022 income tax discussion has been completed, and self-assessment statements through 2023 have been submitted to the Income and Sales Tax Department. According to the company's management and tax advisor, there are no outstanding balances owed by the company.

b. Amman:

The tax file audit was completed until the end of 2022, and a final settlement was obtained. The group submitted self-assessment statements for the year 2023.

An income tax provision for the year 2024 was calculated based on assets. In the opinion of management and the tax advisor, there is no need to record any additional provision.

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	2023	2021
Golden State for Commercial Services Company	2023	2020
Mada'en Al – Noor Investment and Real Estate Development Company	2023	2018
Al-Ibtikar Land Transportation Company	2023	2020
Afaq Supply and Storage Company	2023	2020
Mada'en Al – Bahr Investment and Real Estate Development Company	2023	2020
Technical for Construction and Real Estate Services Company	2023	2020
Mada'en Al – Shorouq Investment Real Estate Company	2023	2018
Mada'en Al-Salam Construction Company	2023	2015

In the opinion of the Company's 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 consolidated financial statements.

21. Other Credit Balances

This item consists of the following:

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
	<u>JD</u>	<u>JD</u>
Shareholders' deposits	307,426	525,674
Unpaid accrued expenses	108,836	95,229
Income tax deposits	8,639	7,130
Sales tax deposits	28,489	28,872
Employees payable	1,535	-
Social security deposits	16,702	17,271
Unearned revenue	36,067	32,140
Lawsuits provision	25,000	25,000
	<u>532,694</u>	<u>731,316</u>

22. Balances and Transactions with Related Parties

a. Due from related parties at the end of the year:

Company's Name	Nature of Relationship	Nature of Transaction	December 31,	
			2024	2023
			JD	JD
Jordan Maritime Real Estate Investment Complex Company	Associate Company	Financing	758,283	527,875
Aqaba Company for Chemical Storage	Associate Company	Financing	33,000	240,294
Ayyam Amman for invesment development	Associate Company	Expenses	100,000	100,000
CMA CGM Company	Company owned by shareholder	Expenses	51,723	83,614
Sea Star for Shipping and Logistics Company	Associate Company	Expenses	-	27,500
Petra Navigation & International Trading Company	Company owned by shareholder	Expenses	-	99,314
Jordanian National Line for Ships Operation Company	Associate Company	Financing	79,743	-
Nour El Balad Real Estate Investment and Development Company	Company owned by shareholder	Financing	62,546	-
Other	Sister Companies within the group	Expenses	30,795	27,986
Total			1,116,090	1,106,583
Less: Provision for expected credit loss *			(38,660)	(38,660)
Net due from related party			1,077,430	1,067,923

* The movement on provision for expected credit loss during the year is as follow:

	2024	2023
	JD	JD
Beginning balance	38,660	38,660
Ending Balance	38,660	38,660

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

	Nature of Relationship	Nature of Transaction	December 31,	
			2024	2023
			JD	JD
Long-Term				
Al Maha Real Estate Development Company **	Associate Company	Financing	<u>3,971,446</u>	<u>3,971,446</u>
Partner Current Account -Ahmad Helmi Armoush	Shareholder	Financing	<u>28,927</u>	<u>48,677</u>
Short-Term				
Jordan National Shipping Lines Company	Associate Company	Financing	3,297	15,290
Jordan – Dubai for Properties Company	Associate Company	Expenses	-	74,405
Al- Shams General Investments Company	Partner in an Subsidiary Company	Financing	244,701	232,390
Armoush Company for Touristic Investments	Company owned by shareholder	Expenses	96	735
Noor AL-Balad Company	Company owned by shareholder	Expenses	275,000	275,000
Sea Star for Shipping and Logistics Company	Company owned by shareholder	Expenses	82,550	-
Others	Company owned by shareholder	Expenses	<u>12,560</u>	<u>5,645</u>
Total			<u>618,204</u>	<u>603,465</u>

- 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 4.019.364. However, in the future the capital of associates will be decreased by the amount mentioned above.

- The value of the paid logistics consultations for Petra Navigation and Trading Company (sister company within the group) amounted to JD zero for the year 2024 (JD 397,017 for the year 2023).

- Lease revenue from the Technical for Constuction and Real Estate Investment Company (associate company) reached to JD 35,800 for the year 2024 (JD 40,941 for the year 2023).

- The transportation revenue from CMA CGM (sister company) reached to JD 277,183 for the year 2024 (JD 485,780 for the year 2023).

- The supervision and follow-up revenue from Sea Star for Shipping and Logistics' Company (associate company) amounted to JD 3,000 as of December 31, 2024 (JD12,000 as of December 31, 2023).

- The supervision and follow-up revenue from the Jordanian National Lines Ship Operation Company (associate Company) reached JD 24,000 as of December 31, 2024 and 2023.

Executive management's salaries and remunerations

Executive management's salaries amounted to JD 178,824 for the year ended December 31, 2024 (JD 191,224 for the year ended December 31, 2023).

23. Subscribed and Paid-up Capital Issuance Discount

The authorized and paid-in capital reached JD 18 million and the discount of the share amounted to JD 1,349,998 as of December 31, 2024, and 2023.

24. Statutory Reserve

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

25. Dividends

In its meeting held on April 29, 2024, the General Assembly approved the recommendation of the Board of Directors to distribute cash dividends to shareholders at a rate of 5% of the capital.

26. Fair Value Reserve for Financial Assets stated at Fair Value

This item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Balance - beginning of the year	(301,032)	(285,238)
Unrealized gain	(24,011)	(15,794)
Balance at the End of the Year	<u>(325,043)</u>	<u>(301,032)</u>

27. Retained Earnings

This item consists of the following:

	December 31,	
	2024	2023
	JD	JD
Balance - beginning of the year	5,677,319	4,610,885
Prior years' adjustments *	(79,940)	6,842
Adjusted beginning balance	5,597,379	4,617,727
Profit for the year – Company's shareholders	1,657,413	2,035,302
Dividends paid	(900,000)	(900,000)
Transferred to statutory reserve	(17,790)	(75,710)
Balance at the End of the Year	<u>6,337,002</u>	<u>5,677,319</u>

- * This item represents prior years' adjustments of the Company's share of adjustments related to subsidiary companies that were recorded after the issuance of the consolidated financial statements of the Group for the years 2024 and 2023. It has a non-material effect on the Group.

28. Revenue

This item consists of the following:

	2024	2023
	JD	JD
Sales of Lands (waiver contracts) and related projects in progress	140,000	390,000
Rented buildings revenue	596,798	584,173
Restaurants and cafeteria revenue	4,255,130	4,103,390
Transportation and supervision revenue	277,183	893,410
	<u>5,269,111</u>	<u>5,970,973</u>

29. Cost of Revenue

This item consists of the following:

	2024	2023
	JD	JD
Cost of lands sale (waiver contracts) and a related project in progress	94,347	249,943
Rented buildings cost	195,931	181,016
Cost of sale of restaurants and cafeteria	4,013,760	3,830,613
Transportation's cost	103,464	108,860
	<u>4,407,502</u>	<u>4,370,432</u>

30. General and Administrative Expenses

This item consists of the following:

	2024	2023
	JD	JD
Salaries, wages, and bonuses	332,706	393,905
Social security contribution	37,349	38,917
Medical insurance	29,047	28,550
Rents	123,485	123,485
Telephone, postage, and internet	13,159	13,712
Travel and transportation	11,279	8,556
Professional fees	131,129	79,121
Hospitality	2,434	2,413
Subscriptions, stamps, and governmental fees	145,963	68,440
Computer expenses	6,482	6,345
Maintenance	5,769	3,151
Stationery and printing	2,718	1,599
Engineering and re-subdivision expenses	13,695	-
Advertising	1,005	310
Bank charges	1,914	4,959
Security	8,950	9,000
Board of Directors' remunerations	74,296	74,063
Water and electricity	2,907	2,509
Support for education and donations	18,911	26,896
Other	12,759	16,071
	<u>975,957</u>	<u>902,002</u>

31. Other Income - Net

This item consists of the following:

	2024	2023
	JD	JD
Revenue from management and supervision *	27,000	36,000
Revenue from sale of property and equipment	74,557	-
Other income - net	66,800	49,347
	168,357	85,347

* This item represents revenue from management and supervision from associate companies' note (22).

32. Lease Contracts

a. Right of Use Assets - net:

the company leases a building, the average leases term is 10 years. Following is the movement on the right-of-use assets during the year:

	For the Year Ended December 31,	
	2024	2023
	JD	JD
Balance beginning of the year	213,210	237,812
<u>Less:</u> Amortization during the year	(24,601)	(24,602)
Balance - End of the Year	188,609	213,210

b. Lease Liability:

	For the Year Ended December 31,	
	2024	2023
	JD	JD
Balance beginning of the year	218,136	241,023
<u>Add:</u> Interest during the year	6,122	7,112
<u>Less:</u> Paid during the year	(30,611)	(29,999)
Balance - End of the Year	193,647	218,136

Maturities analysis of Lease Liability:

	For the Year Ended December 31,	
	2024	2023
	JD	JD
Less than one year	22,887	22,887
From 1 to 10 years	170,760	195,249
Balance - End of the Year	193,647	218,136

Maturities of Undiscounted Lease Liability:

	For the Year Ended December 31,	
	2024	2023
	JD	JD
Less than one year	30,611	29,999
From 1 to 10 years	197,528	228,751
Balance - End of the Year	228,139	258,750

c. Amounts recorded in profit or loss statement

	For the Year Ended December 31,	
	2024	2023
	JD	JD
Right of use asset amortization for the year	24,601	24,602
Interest during the year	6,122	7,112

33. Earnings per share for the year attributable to the Group's Shareholders

This item consists of the following:

	2024	2023
	JD	JD
Profit for the year attributable to the shareholders of the Group	1,657,413	2,035,302
The weighted average number of shares	18,000,000	18,000,000
	JD/Share	JD/Share
Earnings per share for the year attributable to the Group's Shareholders	0.09	0.11

34. Lawsuits against the Company

There are cases filed against the subsidiary company (Al-Ibtikar Land Transport Company) totalling JD 199,895, while the provision for them amounted to JD 25,000 as of 31 December 2024. One of these cases, valued at JD 179,581, was based on the appeal submitted by the company to the Court of Cassation against the decision issued by the Court of Appeal. The Court of Cassation overturned the decision of the Court of Appeal and referred the case back to the Court of Appeal, which decided to conduct a technical expertise and appoint an expert. The expert issued the expertise report, concluding that the amount owed by the company does not exceed JD 7,000. The court decided to conduct a tripartite expertise with three experts appointed by the court. The subsequent appeal ruling on 23 January 2023 accepted the appeal on its merits and annulled the appealed decision regarding the amount adjudged. Instead, it obligated the appellant, the defendant Innovation Land Transport Company, to pay the plaintiff JD 5,287 and dismissed the claim for amount exceeding that. The court also ordered the defendant to bear the proportional fees, expenses, and legal interest from the date of the claim until full payment, and awarded the plaintiff attorney fees in favour of Al-Ibtikar Land Transport Company amounting to JD 1,200 for the two stages of litigation, as he lost the majority of his claim. In the opinion of the company and the legal advisor, the provision allocated to address these cases is sufficient as of 31 December 2024.

35. Contingent Liabilities

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

	December 31,	
	2024	2023
	JD	JD
Letters of guarantees and proper execution of tenders	99,500	78,000

- Mada'in Al-Bahr Company (subsidiary company) had obligations at the date of the financial statements that could arise in the form of delay fines in paying the land lease fees and the lease agreement of the land of recession, which amounted to JD 432,063, according to the letter of the Jordanian Company for Free Zones and Development No. 8/9/4462 dated May 14, 2019. According to the same letter, a recommendation will be submitted to the Council of Ministers by the Group and the Investment Authority to exempt from the amounts of fines and the lease of the land receding, as they have become public funds requiring a decision by the Council of Ministers to issue an exemption after taking some agreed upon steps.

36. 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	2024	2023
	JD	JD	JD	JD	JD	JD
Gross revenue	299,210	437,588	4,255,130	277,183	5,269,111	5,970,973
<u>Less:</u> Cost of revenue	(97,943)	(210,098)	(4,013,760)	(85,701)	(4,407,502)	(4,370,432)
Gross Profit	201,267	227,490	241,370	191,482	861,609	1,600,541
<u>Less:</u> Expenses allocated to segments						
General and administrative expenses	(347,765)	(318,461)	(273,350)	(182,574)	(1,122,150)	1,011,250
Marketing expenses	-	(2,548)	-	-	(2,548)	8,970
Profit from Operations	(146,498)	(93,519)	(31,980)	8,908	(263,089)	580,321
Gains on investments and other	248	-	-	-	248	(1,000)
Costs of borrowing	-	(341)	(74)	(10,351)	(10,766)	9,417
Net company's profit from selling a subsidiaries companies	1,708,439	-	-	-	1,708,439	1,435,365
Other revenue	40,861	28,521	24,418	74,557	168,357	85,347
Profit for the Year before tax	1,603,050	(65,339)	(7,636)	73,114	1,603,188	2,090,616
<u>Less:</u> Income tax for the year	(10,673)	(2,131)	(666)	-	(13,470)	(59,850)
Profit for the Year	1,592,377	(67,470)	(8,302)	73,114	1,589,718	2,030,766
					December 31,	
					2024	2023
					JD	JD
Segment Assets	16,341,161	14,870,508	2,869,918	299,989	34,381,576	33,890,480
	16,341,161	14,870,508	2,869,918	299,989	34,381,576	33,890,480
Segment Liabilities	1,136,662	4,846,967	1,421,455	659,726	8,064,810	7,884,481
	1,136,662	4,846,967	1,421,455	659,726	8,064,810	7,884,481

b. All of the assets and liability and subsidiaries companies are based inside the Hashemite Kingdom of Jordan.

37. Fair Value Hierarchy

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

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

Financial Assets	Fair Value		Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	December 31, 2024	2023				
	JD	JD				
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Companies' shares	9,565	9,318	Level I	Quoted Shares	N/A	N/A
Total	9,565	9,318				
Financial assets at fair value through comprehensive income						
Quoted shares	325,184	349,443	Level I	Quoted Shares	N/A	N/A
Unquoted shares	151,000	151,000	Level II	Compared with the market value of a similar instrument	N/A	N/A
Total	476,184	500,443				
Total Financial Assets at Fair Value	485,749	509,761				

There were no transfers between Level I and Level II during the year 2024.

b. The fair value of 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>December 31, 2024</u>		<u>December 31, 2023</u>		The Level of
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>	<u>Fair Value</u>
	JD	JD	JD	JD	
Assets with no fair value					
Real estate investments	4,321,609	7,660,000	4,393,603	7,660,000	Through real estate evaluators
Total Assets with No Fair Value	4,321,609	7,660,000	4,393,603	7,660,000	

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

38. Risks Management

a. Capital risk management

The Group manages its capital to ensure its ability to continue operations and maximize returns to stakeholders by achieving the optimal balance between equity and debt rights. Furthermore, there have been no changes to the group's policy during the year 2024.

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

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

	December 31,	
	2024	2023
	JD	JD
Total Liabilities	8,064,810	8,159,981
Total Shareholders' equity	26,316,766	25,730,999
Debt to Equity Ratio	31%	32%

b. Foreign currency risk

Currency risks arise from fluctuations in the value of financial instruments due to changes in foreign currency exchange rates. The Group's primary transactions are conducted in Jordanian Dinars and US Dollars.

The currency risk relates to changes in currency rates applicable to payments in foreign currencies. Since the Jordanian Dinar (the company's main currency) is pegged to the US Dollar, the Group's management believes that the foreign currency risk is immaterial.

c. Liquidity risk

Liquidity risks, also known as financing risks, refer to the difficulty the group may encounter in providing the necessary funds to meet its obligations. The Group manages liquidity risks by maintaining reserves and continuously monitoring actual cash flows, aligning financial asset maturities with financial liabilities.

The Group's liquidity position as of December 31, 2024, and 2023 is as follows:

	December 31,	
	2024	2023
	JD	JD
Current assets	4,034,608	4,307,137
(Less): Current liabilities	(3,887,434)	(3,913,865)
Working Capital	147,174	393,272

The Group assesses liquidity ratios on a monthly basis, relying on future forecasts over the long term. Additionally, the group's management periodically evaluates capital and financing requirements. Liquidity is supported by bank financing and the sale of lands through substitution.

d. Credit risk

Credit risks arise from the counterparty's inability to fulfil its obligations towards the Group, resulting in losses. The Group has adopted a policy of documenting its debts with the necessary and legally binding documents and seeks legal assistance to pursue any overdue payments. Additionally, the Group monitors its exposure to credit risks by studying the financial solvency of debtors, ensuring that the cumulative credit value is associated with parties approved by management. This is done by monitoring and periodically reviewing the granted credit limits, which are approved by management.

The book value of financial assets recorded in the consolidated financial statements, net of any impairment losses, represents the maximum credit risks that the group may be exposed to. It is noted that the balance of trade receivables in Farah Food Services Company amounted to JD 926,865, which is equivalent to 86% of the total trade receivables for the group as of December 31, 2024.

The Group's management considers the percentage of uncollected receivables, or non-collection of a portion thereof, to be extremely low. Additionally, strict credit control is maintained, with the debt of each client being continuously monitored individually.

e. Market risk

Market risks refer to losses in value resulting from changes in market prices, such as fluctuations in interest rates, foreign exchange rates, and equity instrument prices, thereby affecting the fair value of cash flows for financial instruments within and outside the consolidated financial statements.

f. Interest rate risk

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

Interest rate risks arise from changes in the value of financial instruments due to fluctuations in market interest rates. Sensitivity analysis below is determined based on exposure to interest rates related to utilized facilities and existing deposits as of the date of the consolidated financial statements. The analysis is prepared assuming that the amount as of the date of the consolidated financial statements was outstanding throughout the year. A half-percentage point increase or decrease is utilized:

	+0.5%	-0.5%
	JD	JD
Outstanding credit facilities –(loss)	(1)	1
	(1)	1

The Group continuously manages its interest rate risk exposure. Various options such as refinancing, renewing current positions, and alternative financing are evaluated regularly.