السلام الدوليـــة للنقل والتجـــارة
شركة مســاهمة عـامــة

SALAM INTERNATIONAL

اشارتنا رقم : 2018/77/ب ر/م ر
التاريخ: 30/ 4/ 2018

السادة / بورصة عمان المحترمين

تحية طيبة وبعد ،

مرفق طيه البيانات المالية عن الفترة كما في 31/3/ 2018 باللغه الانجليزيه

وتفضلوا بقبول فائق الاحترام،،،،،،

رئيس مجلس الإدارة

الدكتور محمد أبو حمور

بورصة عمـــان
الدائـــرة الإدارية والمالية
الديـــوان
٠٦ أيار ٢٠١٨
الرقم المتسلسل: 2830
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SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA - JORDAN
CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED
MARCH 31, 2018 TOGETHER
WITH THE REVIEW REPORT

SALAM INTERNATIONAL TRANSPORT
AND TRADING COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AQABA – JORDAN
MARCH 31, 2018

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Review Report on the Condensed Consolidated Interim Financial Statements

AM \ 81552

To the Shareholders of
Salam International Transport and Trading Company
Public Shareholding Limited Company
Aqaba – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Salam International Transport and Trading Company (a Public Shareholding Limited Company) as of March 31, 2018 and the related condensed consolidated interim statements of income and comprehensive income, changes in owners' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with International Accounting Standard No. (34) Relating to Interim Financial Reporting. Our responsibility is to express an opinion on these condensed consolidated interim financial statements based on our review.

Scope of Review

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

Deloitte.

Basis of Qualified Conclusion

1. There is an amount due from the Housing and Urban Development Corporation against "Decent Housing for Decent Living" project in an amount of around JD 9 million as of March 31, 2018 and December 31, 2017. Along with above receivable are related project developers costs payable, deferred income and capitalized interest amounting to an amount of around JD 2.5 million, JD 3.1 million and JD 300 thousand as of March 31, 2018 and 31 December 2017, respectively. We were unable to obtain sufficient appropriate review evidence by performing alternative review procedures. Consequently, we were unable to determine whether any adjustments to those balances were necessary.

2. Included in the fixed assets and inventory balances shown on the condensed consolidated interim statement of financial position are amounts of JD 976K as of March 31, 2018 (2017: JD 995K) that have not been impaired in accordance with International Accounting Standard "36" Impairment of Assets or written down to net realisable value in accordance with International Accounting Standard "2" Inventories. It is not possible to determine with reasonable certainty the exact value of the impairment as the Company has not performed an impairment review. In these circumstances, we are unable to quantify the effect of the departure from the accounting standards.

Qualified Conclusion

Based on our review, except for the possible impact for the matters described in the paragraphs (1 & 2) stated in the "Basis of Qualified Conclusion" above, nothing has come to our attention that cause us to believe that the accompanying condensed consolidated interim financial statements are not prepared, in all material respects, the condensed consolidated interim statement of financial position of Salam International Transport and Trading Company (a Public Shareholding Limited Company) as of March 31, 2018 and it's condensed consolidated interim financial performance, cash flow for the period ended in that date in accordance with International Accounting Standard (34) relating to interim financial reporting.

Emphasis of Matter

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

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

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

Other Matter

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

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

Amman – Jordan
April 30, 2018

Deloitte & Touche (M.E.) - Jordan

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

	Note	March 31, 2018 (Reviewed not Audited)	December 31, 2017
ASSETS		JD	JD
Current Assets:			
Cash on hand and at banks	4	176,320	278,463
Accounts receivable-net	5	875,672	874,309
Due from related parties	16/A	1,949,722	1,796,725
Accounts receivable - "Decent Housing for Decent Living" project	6	8,957,230	8,957,230
Residential units available for sale	7	519,974	519,974
Checks under collection and notes receivable - short term		439,728	451,591
Financial assets at fair value through profit or loss		11,402	10,866
Inventory - net		495,435	507,161
Other debit balances		825,039	611,342
Total Current Assets		14,250,522	14,007,661
Non-Current Assets:			
Checks under collection and notes receivable - long term		135,169	154,560
Financial assets at fair value through other comprehensive income		652,205	678,219
Investment properties - net	9	4,807,597	4,825,596
Investment in associates	8	12,767,837	12,618,590
Projects under construction	10	2,408,894	2,369,914
Advance payments for land acquisition	11	3,146,817	3,146,817
Advance payments for acquiring investment in companies	12	150,494	150,494
Property and equipment - net		1,251,459	1,286,294
Total Non-Current Assets		25,320,472	25,230,484
TOTAL ASSETS		39,570,994	39,238,145
LIABILITIES AND OWNERS' EQUITY			
Current Liabilities:			
Due to banks	13	596,494	728,856
Accounts payable		4,891,735	4,751,234
Due to related parties	16/B	1,660,653	2,984,650
Loans - current portion	14	1,651,802	2,069,525
Deferred checks and notes payable - short term		639,990	432,985
Income tax provision	15	85,192	71,557
Other credit balances		3,103,931	2,737,852
Total Current Liabilities		12,629,797	13,776,659
Non-Current Liabilities:			
Deferred checks and notes payable - long term		5,618	-
Shareholder's current account	16/B	1,696,632	274,085
Long-term Loans	14	2,898,403	2,960,938
Total Non-Current Liabilities		4,600,653	3,235,023
Total Liabilities		17,230,450	17,011,682
OWNERS' EQUITY			
SHAREHOLDERS' EQUITY			
Paid-up capital	17	18,000,000	18,000,000
Share discount		(1,349,998)	(1,349,998)
Statutory reserve		1,970,514	1,970,514
Voluntary reserve		48,024	48,024
Financial assets at fair value revaluation reserve		(177,228)	(151,214)
Accumulated (losses)		(1,399,086)	(1,394,796)
Profit for the period		242,974	-
Net Shareholders' Equity		17,335,200	17,122,530
Non-controlling interests		5,005,344	5,103,933
Net Owners' Equity		22,340,544	22,226,463
TOTAL LIABILITIES AND OWNERS' EQUITY		39,570,994	39,238,145

General Manager

Chairman of the Boared of Directors

THE ACCOMPANYING NOTES FROM (1) to (25) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSD CONSOLIDATED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPONAYING REVIEW REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME

(REVIEWED NOT AUDITED)

	Note	For the Three months ended March 31, 2018	2017
		JD	JD
Revenue		1,213,245	1,043,512
Less: Cost of revenue		(808,468)	(793,403)
Gross Profit		404,777	250,109
Less: General and administrative expenses		(369,359)	(355,520)
Marketing expenses		(12,418)	(12,701)
Borrowing costs		(126,920)	(234,628)
Company's share of associate companies profit	8	274,247	249,795
Gain from valuation of financial assets at fair value through profit or loss		535	160
Other (Losses) / Income - net		(12,824)	1,430
Income / (Loss) before Income Tax Expense		158,038	(101,355)
Less: Income tax expense	15	(13,653)	-
Income / (Loss) for the Period		144,385	(101,355)
Attributable to:			
The Company's shareholders		242,974	29,236
Non-controlling interest		(98,589)	(130,591)
Total		144,385	(101,355)
Earnings Gain per Share for the period Attributable to the Company's Shareholders	18	0.014	0.002

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) to (25) CONSTITUTE AN INTEGRAL PART OF THESE

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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Three Months Ended March 31,	
	2018	2017
	JD	JD
Income / (Loss) for the period	144,385	(101,355)
Comprehensive Income Items:		
Items not to be subsequently transferred to condensed consolidated interim statement of income:		
Change in fair value of financial assets at fair value through other comprehensive income	(26,014)	33,807
Total Comprehensive Income / (Loss) for the Period	118,371	(67,548)
Total Comprehensive Income / (Loss) for the Year Attributable to:		
Company's shareholders	216,960	62,078
Non- controlling interest	(98,589)	(129,626)
Total	118,371	(67,548)

THE ACCOMPANYING NOTES FROM (1) to (25) CONSTITUTE AN INTEGRAL PART OF THESE

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

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SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Note	Company's Shareholders' Equity: Authorized and Paid-up Capital	Share Discount	Statutory Reserve	Voluntary Reserve	Financial Assets at Fair Value Revaluation Reserve	Accumulated (Losses)/Retained Earnings: Realized	Unrealized	Total	Profit for the Period *	Total	Non-Controlling Interest	Total
		JD	JD	JD	JD	JD	JD	JD	JD		JD	JD	JD
For the Three Months Ended March 31, 2018													
Balance - beginning of the year		18,000,000	(1,349,998)	1,970,514	48,024	(151,214)	(3,311,405)	1,916,609	(1,394,796)	-	17,122,530	5,103,933	22,226,463
Prior years' adjustments	25	-	-	-	-	-	(4,290)	-	(4,290)	-	(4,290)	-	(4,290)
Adjusted balance - beginning of the year		18,000,000	(1,349,998)	1,970,514	48,024	(151,214)	(3,315,695)	1,916,609	(1,399,086)	-	17,118,240	5,103,933	22,222,173
Profit for the period		-	-	-	-	-	-	-	-	242,974	242,974	(98,589)	144,385
Change in fair value of financial assets at fair value through other comprehensive income		-	-	-	-	(26,014)	-	-	-	-	(26,014)	-	(26,014)
Total Comprehensive Income For the Period		-	-	-	-	(26,014)	-	-	-	242,974	216,960	(98,589)	118,371
Balance - End of the Period		18,000,000	(1,349,998)	1,970,514	48,024	(177,228)	(3,315,695)	1,916,609	(1,399,086)	242,974	17,335,200	5,005,344	22,340,544
For the Three Months Ended March 31, 2017													
Balance - beginning of the year		18,000,000	(1,349,998)	1,970,514	48,024	(143,453)	(3,812,032)	1,916,609	(1,895,423)	-	16,629,664	7,213,550	23,843,214
Profit for the period		-	-	-	-	-	-	-	-	29,236	29,236	(130,591)	(101,355)
Change in fair value of financial assets at fair value through other comprehensive income		-	-	-	-	32,842	-	-	-	-	32,842	965	33,807
Total Comprehensive Income For the Period		-	-	-	-	32,842	-	-	-	29,236	62,078	(129,626)	(67,548)
Balance - End of the Period		18,000,000	(1,349,998)	1,970,514	48,024	(110,611)	(3,812,032)	1,916,609	(1,895,423)	29,236	16,691,742	7,083,924	23,775,666

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

THE ACCOMPANYING NOTES FROM (1) to (25) CONSTITUTE AN INTEGRAL PART OF THESE

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

THE ACCOMPONAYING REVIEW REPORT.

SALAM INTERNATIONAL TRANSPORT AND TRADING COMPANY

(A PUBLIC SHAERHOILDING LIMITED COMPANY)

AQABA - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

(REVIEWED NOT AUDITED)

	Note	For the Three Months Ended March 31, 2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income / (Loss) for the period before income tax		158,038	(101,355)
Adjustments:			
Property and equipment and investment properties depreciation		19,791	47,860
Company's share of associate companies (profits)	8	(274,247)	(249,795)
(Gain) from valuation of financial assets at fair value through profit or loss		(535)	(160)
Borrowing costs		126,920	234,628
Net Cash flows from (used in) Operating Activities before Changes in Working Capital		29,967	(68,822)
(Increase) in accounts receivable		(1,363)	(118,311)
Decrease in checks under collection and notes receivable		31,254	14,651
Decrease (increase) in inventory		11,726	(19,304)
(Increase) in other debit balances		(213,697)	(133,415)
Increase in accounts payable		140,501	22,560
Increase in other credit balances		366,079	381,234
Net Cash Flows from Operating Activities before Income Tax Paid		364,467	78,593
Income tax paid	15/a	-	(7,500)
Net Cash Flows from Operating Activities		364,467	71,093
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in investments in associates		125,000	143,356
(Increase) decrease in projects under constructions		(38,980)	613
Acquisition of property and equipment		34,835	24,009
Net Cash Flows from Investing Activities		120,855	167,978
CASH FLOWS FROM FINANCING ACTIVITIES:			
Borrowing cost settlements		(126,920)	(234,628)
Decrease in deferred checks and notes payable		212,623	335,563
(Increase) decrease in due from/to related parties		(60,548)	70,171
(Decrease) in due to banks		(132,362)	(7,533)
Loans Paid		(480,258)	(466,939)
Net Cash flows (used in) Financing Activities		(587,465)	(303,366)
Net (Decrease) in Cash		(102,143)	(64,295)
Cash on hand and at banks - beginning of the year		278,463	156,733
Cash on Hand and at Banks - End of the Period	4	176,320	92,438
Non-Cash Transactions:			
Increase in shareholder's current account from related parties		1,422,547	-

THE ACCOMPANYING NOTES FROM (1) to (25) CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSILIDATED INTERIM FIANACAIL STATEMENTS AND SHOULD BE READ WITH THEM AND THE ACCOMPONAYING REVIEW REPORT.

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

1. General

a. Salam International Transport and Trading Company was established and registered as a Public Shareholding Limited Company on January 30, 1997 under registration No. (326), with a paid-up capital of JD 1,200,000. The Company's paid-up capital was gradually increased to JD 15,000,000, distributed over 15 million shares at JD 1 par value per share. In its extraordinary meeting held on April 22, 2014, the Company's General Assembly approved increasing the Company's capital of JD 15 million so that authorized and paid-up capital would become JD 18 million through public underwriting to the Company's shareholders. However, the underwriting of 2,427,962 shares out of 3 million shares has been made in addition the subscribed and paid up capital became 17,427,962 share at JD 1 par value per share.

- On September 13, 2011, the Company was registered at the Aqaba Special Economic Zone according to Law No. (32) For the Year 2000.

- The Company's Head Office is located in Aqaba – Jordan.

b. The Parent Company's and its Subsidiaries' main objectives include the following:

- Conducting all types of marine activity (transporting passengers and various types of goods, in addition to touristic marine transportation).
- Possessing, managing, operating and leasing ships of all kinds.
- Obtaining maritime agencies, brokering, and representing international rating agencies.
- Obtaining commercial agencies and tendering.
- Renting marine maintenance workshops of all kinds, including repairing ships.
- Conducting land transport, business and related tendering.
- Conducting real estate activities (buying and selling real estates and other real estate-related activities).
- Providing services, operating touristic restaurants, and supplying hotels with food.
- Guaranteeing others while benefiting the Company.
- Transporting crude oil.
- Investing in other companies.
- Borrowing funds from banks to finance its activities.

c. The condensed consolidated interim financial statements have been approved by the Board of Directors on April 29, 2018.

2. Significant Accounting Policies

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

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

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

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

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

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

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

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

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

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

IFRIC 22 *Foreign Currency Transactions and Advanced Consideration*
The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- The prepayment asset or deferred income liability is non-monetary.

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

IFRS 15 *Revenue from Contracts with Customers*
In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance obligations in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 may be adopted retrospectively, by restating comparatives and adjusting retained earnings at the beginning of the earliest comparative period. – Alternatively, IFRS 15 may be adopted as of the application date on January 1, 2018, by adjusting retained earnings at the beginning of the first reporting year (the cumulative effect approach).

Amendments to IFRS 15 *Revenue from Contracts* with Customers
The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

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

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

b. Amendments effective on the condensed consolidated interim financial statements of the Company

IFRS 9 *Financial Instruments*
IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

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

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

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

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

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

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

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

IFRS 9 Implementation Impact For the Year 2014.

b. Basis of Consolidation of the Condensed Financial Interim Statements

- The condensed consolidated interim financial statements include the condensed consolidated interim financial statements of the Company (Salam International Transport and Trading Company), its subsidiaries, and entities under its control. Moreover, control is achieved when the Company has the ability to control the financial and operating policies of the subsidiary companies to obtain benefits from their activities. Transactions, balances, revenue, and expenses between the Company and its subsidiaries are eliminated.

- The condensed consolidated interim financial statements of the subsidiary companies are prepared for the same fiscal year of the Company using the same accounting policies of the Company. If the accounting policies adopted by the subsidiaries differ from those adopted by the Company, the necessary adjustments to the subsidiary companies' condensed consolidated interim financial statements are made so that their accounting policies match those of the Company.

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

- The Company owns the following subsidiary companies as of March 31, 2018:

Company's Name	Paid-up Capital JD	Ownership Percentage %	Nature of Activity	Place of Work	Date of Ownership
Farah International Catering Service Company	1,000,000	99.86	Trading	Jordan	September 21, 1992
Golden State For Commercial Services Company	204,874	99.86	Trading	Jordan	September 4, 2005
Mada'en Al – Noor Investment and Real Estate Development	6,000,000	75	Real estate	Jordan	June 3, 2004
Al-Ibtikar Land Transport	2,600,000	70	Transportation	Jordan	March 9, 2005
Afaq Supply and Storage Company	500,000	90	Supply & Storage	Jordan	February 18, 2008
Amman River Transport and Supply Company	1,000	100	Trading	Jordan	August 31, 2008
Mada'en Al – Bahr Investment and Real Estate Development	1,000,000	87.5	Trading	Jordan	September 5, 2010
Technical for Construction and Real Estate Services	1,000,000	98.75	Real estate	Jordan	September 1, 1992
Mada'en Al – Shorouq Investment Real Estate Company	6,660,000	69.99	Real estate	Jordan	November 20, 2006
Mada'en Al – Aqaba Investment Real Estate Company	2,500,000	60	Real estate	Jordan	September 6, 2007
Mada'en Al – Salam Construction Company	250,000	80	Real estate	Jordan	May 15, 2006

- Subsidiaries' results of operations are included in the condensed consolidated interim statement of income effective from the acquisition date, which is the date of transferring control over the subsidiary by the group. The results of operations of subsidiaries disposed of during the year were included in the consolidated statement of income up to the effective date of disposal, which is the date of losing control over the subsidiary.

Investments in Associates and Companies Subject to Joint Control

Associated companies are those companies whereby the Company exercises significant influence over their financial and operating policies but does not control them, and whereby the Company owns between 20% to 50% of the voting rights. Moreover, associates are established through contractual agreements and their operating and financial decisions require unanimous approval investments in associated companies are accounted for according to the equity method, and initially recognized at cost which includes all acquisition costs.

The condensed consolidated interim financial statements include the Company's share of the profit and loss from the investment in associated companies, according to the equity method, after the required necessary adjustments are made to comply with the accounting policies adopted by the parent company.

As of March 31, 2018, the details of investments in associates are as follows:

Company's Name	Percentage of Ownership	Business Location
	%	
Jordanian Marine Real Estate Investment Complex Company	26	Jordan
Jordan National Shipping Lines Company	22.96	Jordan
Jordanian Academy for Marine Studies	25	Jordan
Jordanian National Line for Ships Operation Company***	50	Jordan
Maset Al Aqaba for Ships Building Company***	50	Jordan
Aqaba Storing Chemicals Company	*	Jordan
Al Maha Real Estate Development Company	33.33	Jordan
Marine Lines for Storage and Port Services Company***	50	Jordan
Arabian Ships Management Company	20	Jordan
Maset Al Salam Company – Sudan	46	Sudan
Al Shams Economics Company	30	Jordan
Sea Star for Shipping and Logistics Company***	50	Jordan
Haqel al Aqaba for investment Company **	33.33	Jordan

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

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

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

- Segments Information

The business segment represents a set of assets and operations that jointly provide products and services subject to risks and returns different from those of other business segments, measured according to the reports used by the executive manager and the Company's key decision makers.

- The geographic segment is associated with providing products or services in a defined economic environment subject to risks and returns different from those of other economic environments.

3. Using Estimates

Preparation of the condensed consolidated interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities and disclosures on contingent liabilities. These estimates and judgments impact revenue, expenses, provisions and financial assets at fair value revaluation reserve. In particular, this requires from the Company's management to issue significant judgments for estimating the amounts of future cash flows and their timing. These estimates are necessarily based on several assumptions and factors with varying degrees of consideration and uncertainty. Actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Management believes that the estimates in the condensed consolidated interim financial statements are reasonable, and consistent with the estimates used at the end of the year 2017 except estimates used to calculate the impact of International Financial Reporting Standard No. (9) relating to Financial Instruments which was calculated using expected credit loss method using simplified approach.

4. Cash on Hand and at Banks

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Cash on hand	47,319	39,263
Current accounts at banks	129,001	239,200
	176,320	278,463

5. Accounts Receivable - Net

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Trade receivables *	1,110,020	1,104,159
Employees' receivable	16,813	21,311
Less : Allowance for doubtful receivables **	(251,161)	(251,161)
Accounts Receivable - Net	875,672	874,309

* The Company's accounts receivable mainly consists of trade receivables. Moreover, the company follows the interaction policy with qualified parties and to get sufficient guarantees wherever is appropriate to decrease the financial losses risk resulted from obligations have not been met. The Company books a provision for the receivables aging more than 360 days if no related collections are made during the year. Furthermore, the accounts accrued and impaired amounted to JD 251,161 as of the date of the condensed consolidated interim financial statements.

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

	March 31, 2018	December 31, 2017
	JD	JD
Balance – beginning of period / year	251,161	251,161
Balance – End of Period / Year	251,161	251,161

6. Accounts Receivable - "Decent Housing for Decent Living" Project

This item represents receivables from the Housing and Urban Development Corporation on the "Decent Housing for Decent Living" project of JD 9 Million as of March 31, 2018 and December 31, 2017, including JD 3.1 Million, booked as unearned revenues and subcontractors payable at the end of the year 2014. During the year 2013, the Company capitalized interest and fees of around JD 300 K incurred on a loan which the Company has obtained to finance the project. The Company has opted to go to arbitration against The Housing and Urban Development Corporation for the amounts due, and arbitration proceedings are still ongoing.

7. Residential Units Available for Sale

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

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

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

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

8. Investment in Associates

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

	March 31, 2018	December 31 , 2017
	JD	JD
Balance beginning of the period / year	12,618,590	13,060,149
Cash dividend	(125,000)	(811,551)
Capital increase	-	16,667
Disposal of investment in associate**	-	(640,799)
Share in financial assets evaluation reserve at fair value	-	15,314
Company Net share of associate companies profit	274,247	978,810
Balance - End of the Period / Year	12,767,837	12,618,590

* The Company net share of associate companies profit for the period ended March 31, 2018 was calculated based on financial information prepared by those companies' managements.

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

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

9. Investment Properties - Net

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

	March 31, 2018	December 31, 2017
	JD	JD
Cost		
Balance at the beginning of the period / year	3,599,696	9,459,477
Effect of disposal of a subsidiary – Note (22)	-	(5,859,781)
Balance at the End of the Period / Year	3,599,696	3,599,696
Accumulated depreciation		
Balance at the beginning of the period / year	675,754	747,263
Effect of disposal of a subsidiary – Note (22)	-	(143,453)
Depreciation for the period	18,049	71,994
Balance at the End of the Period / Year	693,803	675,754
Net Book Value	2,905,893	2,923,942
Add: Lands		
Balance at the beginning of the period / year	1,901,704	3,276,981
Effect of disposal of a subsidiary – Note (22)	-	(1,375,277)
Balance at the End of the Period / Year	1,901,704	1,901,704
	4,807,597	4,825,596

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

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

10. Projects under Construction

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Al Shouroq City Project *	490,204	490,204
Dead Sea project *	1,879,710	1,879,710
Others *	38,980	-
	2,408,894	2,369,914

* These represent project under construction totaling JD 2,408,894 which have not been completed yet, as of March 31, 2018. Recovery of these amounts depends on executing the operating plans of the subsidiaries to complete the projects and obtaining the necessary funding.

- According to the Department of Land and Survey, the market value based on the price of the plot, of land on which Al Shorouq City Project and Dead Sea Project are erected, for these projects under construction, including the value of the land on which the projects are built exceeds their book value as of March 31, 2018.

11. Advance Payments for Land Acquisition

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Advance payments on Mada'en Al - Shorouq contracts*	3,146,817	3,146,817
	3,146,817	3,146,817

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

12. Advance Payments for Acquiring Investment in Companies

This item represents advance payments against investing in Maset Al - Salam Company-Sudan (Private Shareholding Company) as of March 31, 2018 and December 31, 2017.

13. Due to Banks

This item consists of the following:

	March 31, 2018	December 31, 2017
	JD	JD
Credit Bank current account	12,157	36,756
Overdraft *	584,337	692,100
	595,022	728,856

* This item represents direct credit facilities in the form of an overdraft account, granted by several local banks, with a ceiling of JD 2,425,000 and an interest rate ranging from 7.5 % to 9.5 %. The purpose of the facilities is to finance the normal activities of the Company, and they have been granted against the personal guarantee of Mr. Ahmed Helmi Armoush. During the first half of the year 2016 the Company was granted additional credit facilities with a ceiling of JD 70,000, Moreover, the overdraft account was rescheduled with Standard Chartered Bank, and the related agreement was signed on April 23, 2015.

14. Bank Loans

This item consists of the following:

	Loan Principle	Remaining Installments	Interest Rate	March 31, 2018 Due Installment	March 31, 2018 Due during a Year	March 31, 2018 Total	March 31, 2018 Due during More than a Year	December 31, 2017 Due Installment	December 31, 2017 Due during a Year	December 31, 2017 Total	December 31, 2017 Due during More than a Year
	JD		%	JD	JD	JD	JD	JD	JD	JD	JD
Housing Bank for Trade and Finance-loan (1) *	2,650,000	98	8	70,826	180,000	250,826	1,950,000	69,624	240,018	309,642	1,950,000
Etihad Bank ******	1,446,209	20	8/75	25,000	275,000	300,000	230,182	-	300,000	300,000	305,182
Standard Chartered Bank **	3,566,192	15	6/5	115,000	823,525	938,525	-	115,000	1,154,569	1,269,569	-
Housing Bank for Trade and Finance-loan (2)****	400,000	30	8/5	-	75,979	75,979	110,342	-	100,468	100,468	99,602
Housing Bank for Trade and Finance-loan (3)***	250,000	35	8	11,472	50,000	61,472	130,000	-	64,846	64,846	130,000
Housing Bank for Trade and Finance-loan (4)*****	501,154	45	7/75	-	25,000	25,000	477,879	-	25,000	25,000	476,154
				222,298	1,429,504	1,651,802	2,898,403	184,624	1,884,901	2,069,525	2,960,938

* During the third quarter of the year 2013, the Company has changed the due bill into a loan, the first installment of which matures on January 1, 2014 to put in order the liquidity position of the Company. Moreover, during the year 2015, the Company signed an agreement with the Housing Bank for Trade and Finance to defer settlement of the installments that mature during 2015 to February 1, 2016 until February 1, 2027.

** During the first half of the year 2015, the loan has been rescheduled and merged with the overdraft account, and the agreement was signed on April 23, 2015.

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

**** At the beginning of 2017, the Company was granted a discounted loan from Housing Bank for Trade and Finance in the amount of JD 4000,000 with annual interest rate 8.5%, the loan shall be repaid over 30 installments where the first is due on August 1, 2017 and the other installments are due at the beginning of each month.

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

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

The guarantees against the direct credit facilities above represent personal guarantee of Mr. Ahmed Helmi Armoush (major shareholder) and mortgages of listed shares at fair value amounted to JD 3,494,134 as of March 31, 2018.

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

	March 31, 2018	December 31, 2017
Balance at the beginning of the period / year	5,030,463	9,927,326
Effect of disposal of subsidiary - Note (22)	-	(2,999,930)
Loans received	-	751,154
loans Paid	(480,258)	(2,648,087)
Balance at the End of the Year	4,550,205	5,030,463

15. Income Tax

a. Income Tax Provision:

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

	March 31, 2018	December 31, 2017
	JD	JD
Balance beginning of the period / year	71,557	61,762
Income tax expense for the period / year	13,635	42,201
Income tax paid during the period / year	-	(32,406)
Balance - End of the Period / Year	85,192	71,557

b. Income Tax Expense:

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

	For the Three Months Ended March 31,	
	2018	2017
	JD	JD
Income tax expense for the period	13,635	-
Balance End of the period	13,635	-

c. Income Tax status:

Salam International Transport and Trading Company (Parent Company):

a. Aqaba:

The Company has reached a final settlement with the Income and Sales Tax Department up to the year 2013. Furthermore, the Company has submitted its tax returns for the years 2014 till 2016 but didn't reach to a settlement yet, and according to the company's management and the legal consultants there are no due balances on the Company.

b. Amman:

The Company has reached a final settlement with the Income and Sales Tax Department up to the end of the year 2014 and submitted its tax returns for the years 2015 and 2016 but didn't reach to a settlement yet, and according to the company's management and the legal consultants there are no due balances on the Company.

Subsidiaries:

The following schedule shows the tax situation of each subsidiary:

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

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

16. Balances and Transactions with Related Parties

A. Due from related parties during the period / year

	Nature of Relationship	Nature of Transaction	March 31, 2018	December 31, 2017
			JD	JD
Jordanian Marine Real Estate Investment Complex Company	Associate Company	Financing	358,487	259,174
Al Maha Real Estate Development Company	Associate Company	Financing	765,189	759,197
Zahret AL Ordoon Clearance Company	Sister Company	Financing	-	28,360
Armoush Tourist Investment	Sister Company	Financing	-	41,734
Aqaba for Storing Chemical	Associate Company	Financing	674,401	668,116
Nahdah for Trading Services	Sister Company	Expenses	5,380	5,380
CMA CGM Company	Subsidiary's GM	Expenses	43,604	-
Ayam - Amman for real estate developing	Sister company	Expenses	34,815	4,735
Others	Sister company	Expenses	67,846	30,029
Total			1,949,722	1,796,725

- Due from related party with maturity exceeding 360 days amounted to JD 1,696,602 as of March 31, 2018, representing payments to related parties assocates as of the same date. Moreover, no decision has been made to pay it, or capitalize, it in part or in whole, and no provision is needed thereon.

Due to related parties

B. Due to related parties during the period / year

	Nature of Relationship	Nature of Transaction	March 31, 2018	December 31, 2017
			JD	JD
Partner Current Account -Ahmad Armosh	Shareholder	Financing	1,696,632	274,085
Jordanian Academy for Marine Studies	Associate Company	Expenses	750	1,386
Jordanian National Line for Ships Operating Company	Associate Company	Financing	397,886	353,979
Marine Lines for Storage and Port Services Company	Sister Company	Financing	299,719	300,048
Jordan National Shipping Lines Company	Associate Company	Financing	3,593	3,667
National Orbit for Transportation and Trade Services Company	Sister Company	Expenses	-	105,517
CMA CGM Company	Sister Company	Expenses	-	664,851
Maset Al Aqaba Ships for Building Company	Associate Company	Financing	201,568	201,568
Jordan – Dubai for Properties Company	Associate Company	Financing	502,000	532,000
Sun General Investments Company	Sister Company	Financing	60,852	39,998
Petra Company	Sister company	Expenses	45,301	709,248
Armoush Tourist Investment	Sister company	Expenses	27,417	-
Sea Star for Shipping and Logestics Company	Associate Company	Financing	105,572	16,431
Others	Sister company	Expenses	15,995	55,957
Total			1,660,653	2,984,650

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

- The total earnings for National Orbit for Transportation and Trade Services Company (Sister Company) amounted to JD 81,256 for the three months ended March 31, 2018 (JD 17,290 for the three months ended March 31, 2017) .

- Under a bill of waiver (sale of shares) signed between Mada'en Al Noor for Investment and Real Estate Company (Subsidiary Company) and Aqaba for Development (ADC) Mada'en Al Noor for Real Estate and Development on 8 August 2017, was sold the entire shares amounted to 2,467,500 share owned by Mada'en Al Noor for Investment and Real Estate Company in Al Aqaba for Markets Development are to be sold to the beneficiary, the partner Aqaba Development Company Accordingly all Al Aqaba for Market Development balances were eliminated from Salam International Transport and Trading Company condensed consolidated interim financial statements.

-During the third quarter of 2017, Al-afaq Company for supply and storage (subsidiary) sold a 50% of its investment in Aqaba Storing Chemicals Company (affiliate) due to enter a Strategic partner in the company with 55% of the old partner's shares.

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

Executive management salaries and remunerations

Executive management salaries amounted to JD 30,000 for three months ended March 31,2018 (JD 25,611 for three months ended March 31, 2017).

17. Paid-up Capital

Accordingly, the authorized and paid - up capital reached JD 18 million, and the shares discount to JD 1,349,998 as of March 31, 2018 and December 31, 2017.

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

This item consists of the following:

	For the Three Months Ended March 31,	
	2018	2017
	JD	JD
Profit for the period attributable to the shareholders of the Company	242,974	29,236
	Share	Share
Weighted average number of shares	18,000,000	18,000,000
	JD/share	JD/share
Gain per share for the period attributable to the Company's Shareholders	.014	0.002

19. Segmental Distribution

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

	Projects and Investments	Real Estate and Construction	Services	Transportation	For the Three Months Ended March 31, 2018	2017
	JD	JD	JD	JD	JD	JD
Net sales	226,678	165,662	739,379	81,526	1,213,245	1,043,512
Less: Cost of sales	(31,465)	(162,178)	(589,310)	(25,515)	(808,468)	(793,403)
Gross Profit	195,213	3,484	150,069	56,011	404,777	250,109
Less: Expenses allocated to segments						
General and administrative expenses	(178,367)	(51,255)	(124,314)	(15,423)	(369,359)	(355,520)
Marketing expenses	-	(12,418)	-	-	(12,418)	(12,701)
Gain / (Loss) profit from Operations	16,846	(60,189)	25,755	40,588	35,418	(118,112)
Profit (loss) from investments and other	446,050	(184,104)	12	-	261,958	251,385
Borrowing cost	(65,859)	(56,753)	-	(4,308)	(126,920)	(234,628)
Income / (Loss) before tax for the period	397,037	(301,046)	25,767	36,280	158,038	(101,355)
Less: Income tax for the period	(12,831)	-	(822)	-	(13,653)	-
Income / (loss) for the period	384,206	(301,046)	24,945	36,280	144,385	(101,355)

					March 31, 2018	December 31, 2017
					JD	JD
Total Assets	26,544,341	10,915,785	1,821,878	288,990	39,570,994	39,298,145
	26,544,341	10,915,785	1,821,878	288,990	39,570,994	39,298,145
Total Liabilities	3,999,815	11,368,577	557,423	1,304,635	17,230,450	17,011,682
	3,999,815	11,368,577	557,423	1,304,635	17,230,450	17,011,682

B- The following is information on the Company's business segments based on geographical distribution :

All of the companies are based inside the kingdom except as shown in the table below:

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

Company's Name	Geographical Area	For the Three Months Ended March 31, 2017		December 31, 2017	
		Revenue	Expenses	Assets	Liabilities
		JD	JD	JD	JD
Haset Al - Salam Company - Sudan	Sudan	-	-	290,678	-

20. Fair Value Hierarchy

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

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

Financial Assets	Fair Value		Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	March 31, 2018	December 31, 2017				
	JD	JD				
Financial assets at fair value						
Financial assets at fair value through profit or loss						
Companies' shares	11,402	10,866	Level I	Quoted Shares	N/A	N/A
Total	11,402	10,866				
Financial assets at fair value through other comprehensive income						
Shares that have market value	330,205	356,219	Level I	Quoted Shares	N/A	N/A
Shares with no market value	322,000	322,000	Level II	Compared it with the market value of a similar instrument	N/A	N/A
Total	652,205	678,219				
Total Financial Assets at Fair Value	663,607	689,085				

There were no transfers between Level I and Level II during the ended period March 31, 2018 and 2017.

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

Except for what is mentioned in the table below, we believe that the carrying amount of the financial assets and liabilities shown in the 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.

	March 31, 2018		December 31, 2017		The Level of
	Book Value	Fair Value	Book Value	Fair Value	Fair Value
Financial liabilities with no fair value	JD	JD	JD	JD	JD
Real estate investments	4,807,597	5,730,404	4,825,596	5,730,404	Level II
Total Real Estate Investments	4,807,597	5,730,404	4,825,596	5,730,404	
Financial Liabilities with no Fair Value					
Loans	4,561,685	4,783,983	5,030,463	5,215,087	Level II
Total Financial Liabilities with no Fair Value	4,561,685	4,783,983	5,030,463	5,215,087	

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

21. Lawsuit against the Company

- According to the legal counsel's letter at the parent Company, there are no claims raised against the Company as of March 31, 2018. In the opinion of the Company's management, its legal consultants, and its subsidiaries, the claims provision included in other credit balances are sufficient for any contingent liabilities as of the date of the condensed consolidated interim financial statements.

- Mada'en Al – Noor Investment and Real Estate Development Company has raised a claim of arbitration against the Housing and Urban Development Corporation – "Decent Housing for Decent Living" project, and arbitrators were designated to follow the arbitration procedures, as the arbitration decision has not been issued as of the date of the condensed consolidated interim financial statements.

- There is an arbitration claim issued against the subsidiary Mada'en Al – Salam Real Estate Development and Investment Company by one of the constructors of the Mada'en Markets Project, which has been executed by Mada'en Al Salam Real Estate Development and Investment Company. Arbitrators were designated to follow the arbitration procedures, based on the Arbitration Tribunal's decision to obligate the subsidiary to pay JD 145,897, in addition to the legal interest of 9% annually as of September 6, 2014 until the date of full settlement, noting that during the year 2017, a settlement with the contractor and accordingly, checks with an amount of JD 100,000 have been written to the contractor.

According to the legal counsel's letter at the parent Company, there are no claims

22. Losing Control of a Subsidiary Company and Discontinued operation

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

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

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

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

The net (loss) from discontinued operations for the year 2016 was as follows:

	January 1st 2017
	JD
Income statement	
Rented buildings revenue	142,678
Less: Operating expenses	(41,111)
Rent revenue – net	101,567
Less: General and administrative expenses	(264,013)
Marketing expenses	(12,282)
Interest and commission	(275,729)
(Loss) for the year	(450,457)

23. Liquidity risk:

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

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

	March 31, 2018	December 31 2017
	JD	JD
Cash and cash at banks	176,320	278,463
Checks under collection and notes receivable - short term	439,728	451,591
Accounts receivable-net	875,672	874,309
Financial assets at fair value through profit or loss	11,402	10,866
Due from related parties	1,949,722	1,796,725
Total	3,452,844	3,411,954
Current Liabilities	(12,629,797)	(13,776,659)
(Deficit) in working capital	(9,176,953)	(10,364,705)

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

	March 31, 2018	December 31 2017
	JD	JD
Current assets	14,250,522	14,007,661
Less: Current liabilities	(12,629,797)	(13,776,659)
Surplus in Working Capital	1,620,725	231,002

Management believes that the liquidity risk is not significant, as current liabilities include JD 1,660,653 in the form of due to related parties as of March 31, 2018 (JD 2,984,650 as of December 31, 2017).

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

24. Contingent Liabilities:

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

	March 31, 2018	December 31, 2017
	JD	JD
Letter of guarantees	1,290,054	1,290,054

25. The Impact of Prior Years' Adjustments

The Company has corrected some accounting errors by adjusting the opening balances for some items of assets and equity as of January 1, 2018, representing mainly reclassification of non-controlling interests, prior years' expenses, and others. Moreover, the Company has adjusted the opening balance of accumulated losses as it is not practical to adjust previous years' figures.

The following schedule shows the impact of prior years' adjustments as of January 1st, 2018, as follows:

	As of January 1, 2017		
	Stated Balance	Adjustment	Adjusted Balance
	JD	JD	JD
Liabilities			
Other credit balances	3,101,113	4,290	3,105,403
Owners' Equity			
(Accumulated losses)	(1,394,796)	(4,290)	(1,399,086)