Al Sham Shipping Joint Stock Company

FINANCIAL STATEMENT

31 DECEMBER 2009

ERNST & YOUNG

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AUDITORS' REPORT TO THE SHAREHOLDERS OF AL SHAM SHIPPING JOINT STOCK COMPANY

We have audited the accompanying financial statements of Al Sham Shipping Joint Stock Company ("The company") which comprise the balance sheet as at 31 December 2009 and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2009 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Ernst & Young ERNST & YOUNG

17 March 2010
Damascus, Syrian Arab Republic

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2009

	Notes	***2009 SP***	*2008 SP*
Revenue	**4**	**133,855,506**	309,136,081
Direct charges	**5**	**(234,572,591)**	(206,083,883)
GROSS (LOSS) PROFIT		**(100,717,085)**	103,052,198
Administrative expenses	**6**	**(26,438,943)**	(45,910,182)
		(127,156,028)	57,142,016
Other income	**7**	**10,432,228**	10,990,919
Capital Losses		**(16,250)**	-
(Loss) Profit befor loss on foreign exchange		**(116,740,050)**	68,132,935
Loss on foreign exchange		**(3,693,123)**	(16,339,953)
(LOSS) PROFIT FOR THE YEAR		**(120,433,173)**	51,792,982
(Loss) Earnings Per Share	**8**	**(74.49)**	32.21

The attached notes from 1 to 21 form an integral part of these financial statements.

BALANCE SHEET
At 31 December 2009

	Notes	***2009*** ***SP***	*2008* *SP*
ASSETS			
Non-current assets			
Property, plant, and equipment	9	**809,858,740**	851,676,797
Intangible assets	10	**4,241,565**	5,395,472
Available-for-sale investments	11	**147,200**	134,300
		814,247,505	857,206,569
Current assets			
Inventories	12	**17,750,995**	16,683,172
Accounts receivable and prepayments	13	**9,276,088**	10,373,831
Cash and Bank balances	14	**231,069,049**	394,144,346
		258,096,132	421,201,349
TOTAL ASSETS		**1,072,343,637**	1,278,407,918
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**804,000,000**	804,000,000
Additional paid in capital		**33,324,559**	33,324,559
Statutory reserve	17	**63,004,443**	63,004,443
Retained earnings		**149,110,973**	333,783,746
Total equity		**1,049,439,975**	1,234,112,748
Current liabilities			
Accounts payable and accruals	19	**22,903,662**	44,295,170
Total liabilities		**22,903,662**	44,295,170
TOTAL EQUITY AND LIABILITIES		**1,072,343,637**	1,278,407,918

The financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 13 March 2010.

Raed Kamal Edin
(Financial Manager)

Mohammad Haykal
(Chairman)

The attached notes from 1 to 21 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2009

	Notes	*Share capital*	*Additional paid in capital*	*Statutory reserve*	*Retained earnings*	*Total*
		SP	***SP***	***SP***	***SP***	***SP***
Balance at 1 January 2009		804,000,000	33,324,559	63,004,443	333,783,746	1,234,112,748
(Loss) Profit for the year		-	-	-	(120,433,173)	(120,433,173)
Transfer to statutory reserve	17	-	-	-	-	-
Dividends paid		-	-	-	(64,239,600)	(64,239,600)
Balance at 31 December 2009		**804,000,000**	**33,324,559**	**63,004,443**	**149,110,973**	**1,049,439,975**
Balance at 31 December 2008		804,000,000	33,324,559	57,825,145	331,357,902	1,226,507,606
Profit (Loss) for the year		-	-	-	51,792,982	51,792,982
Transfer to statutory reserve	17	-	-	5,179,298	(5,179,298)	-
Dividend paid	18	-	-	-	(44,187,840)	(44,187,840)
Balance at 31 December 2008		804,000,000	33,324,559	63,004,443	333,783,746	1,234,112,748

The attached notes from 1 to 21 form an integral part of these financial statements.

CASH FLOW STATEMENT
Year ended 31 December 2009

	Note	*2009* *SP*	*2008* *SP*
OPERATING ACTIVITIES			
(Loss) profit before tax		**(120,433,173)**	51,792,982
Adjustments for:			
Depreciation		**42,500,518**	37,727,166
Amortization		**1,153,908**	877,658
Gain on disposal of property and equipment		**16,250**	(1,000)
Loss on foreign exchange		**3,693,123**	16,339,953
		(73,069,374)	106,736,759
Working capital changes:			
Inventories		**(1,067,823)**	(7,480,357)
Accounts receivable and prepayments		**1,463,888**	1,734,216
Accounts payable and accruals		**(21,697,227)**	12,920,014
Net cash (used in) from operating activities		**(94,370,536)**	113,910,632
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(698,711)**	(63,750,054)
Proceeds from disposal of property, plant and equipment		**-**	(2,762,500)
Purchase of intangible asset		**-**	10,000
Net cash (used in) from investing activities		**(698,711)**	(66,502,554)
FINANCING ACTIVITIES			
Dividends paid		**(64,239,600)**	(44,187,840)
Net cash used in financing activities		**(64,239,600)**	(44,187,840)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(159,308,847)**	3,220,238
Net foreign exchange difference		**(3,766,450)**	(15,524,351)
Cash and cash equivalents at 1 January		**394,144,346**	406,448,459
CASH AND CASH EQUIVALENTS AT 31 **DECEMBER**	13	**231,069,049**	394,144,346

The attached notes from 1 to 21 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2009

1 CORPORATE INFORMATION

Al Sham Shipping Joint Stock Company is a joint stock company registered and incorporated in Syria on 16 August 1993, commercial registration number 89/M dated 24 July 1994, with duration of 25 years starting from the date of establishment. Its registered capital is SYP 804,000,000. It is engaged in the business of owning and renting marine vessels to customers for maritime transport activities. The Company's registered address is East Jahez, Abu Rumaneh, and Damascus.

2 SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation
The financial statements are prepared under the historical cost convention.
The financial statements have been presented in Syrian Pounds.

Statement of Compliance
The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Changes in accounting policies
The accounting policies adopted are consistent with those of the previous financial year except adopting the new following standards issued by the International Accounting Standards Board (IASB) which must be applied from 1 January 2009:

IAS 1 *Presentation of Financial Statements(amendment)*
The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity. In addition, the standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Company has elected to present one statement. It is not allowed to present the items of statement of comprehensive income at the statement of changes in equity.

Improvements to IFRSs
In May 2008 and April 2009 the IASB issued omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position of the company.
The adoption of these amendments did not have any impact on the financial position of the company but applying the amendments on IAS 1 impact on presenting and necessary closures in company's financial statements.

Significant accounting judgments, estimates and assumptions:
The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.
In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets:
The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date and when there are indicators that the carrying amounts may not be recoverable.
If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.
For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.
A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

The attached financial statements prepared according to the following accounting policies:

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

Cash and cash equivalents
For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash, bank statements and short term deposits which its maturities are 3 months or less subtracted the overdraft accounts.

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Revenue recognition
Revenue is recognized to the extent that it is probably that future economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at fair value of the consideration received, excluding discounts, rebates, and other sales tax or duty.
Interest revenue is recognised as the interest accrues using the effective interest method.

Property and equipment
Plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of importing and shipping and all necessary cost to install the assets in its place and in condition to start using it. Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the income statement as the expense is incurred.

Depreciation is calculated on a straight line basis over the estimated useful lives of other assets as follows:

Assets	Useful life	Annual Depreciation %
Freehold buildings	50	2%
Vessels	33	3%
Motor Vehicles	10	10%
Furniture and fixtures	5	20%
Ship dry docking	5	20%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets
Intangible assets include the value of computer software. The useful life for computer software is estimated to be 5 years. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses which recognized in the income statement.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the income statement in the expense category consistent with the function of the intangible asset.

Impairment and indefectibility of financial assets
The Company assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

Assets carried at amortized cost
If there is an objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (ie: the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

Derecognition of financial assets and liabilities

Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:
(a) the rights to receive cash flows from the asset have expired;
(b)the Company retains the right to receive cash flows from the asset, but has assumed on an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
(c)the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
Where the Company has transferred it rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

Provisions
Provisions are recognised when the Company has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Income tax
The company is subject to the provisions of law number 41 dated 26 December 2005,which exempts the maritime transportation activity from income tax, in addition to that, the company was tax exempted in accordance with the provisions of investment law number 10 for the year 1991.

Fair values
The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics.

3 STANDARDS ISSUED BY IASB BUT NOT AFFICTIVE YET:

Company did not apply the following standards which are issued by IASB but not affective yet:

- IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial position.
- IFRIC 17 Interpretation Distribution of Non-Cash Assets to Owners: which concern in distribution of non monitary assets to the owners, which is applicable for the year ended at 1 July 2009.
- IFRIC 18 Transfer of Assets from Customers: applied for the year ended at 1 July 2009.

Applying this standards and improvement as expectation will not have a critical impact on the financial performance and position of the company.

4 REVENUE

	2009	*2008*
	SP	*SP*
Antaradus vessel revenues	**44,688,714**	154,721,086
Ramitha vessel revenues	**89,166,792**	154,414,995
	133,855,506	309,136,081

5 DIRECT CHARGES

Direct charges for the year 2009 were as follows:

	Antaradus *SP*	Ramitha *SP*	**Total** ***SP***
Crew Salaries	30,853,730	30,237,518	**61,091,248**
Dry docking	5,381,051	6,387,822	**11,768,873**
Depreciation	13,531,379	13,786,739	**27,318,118**
Spare parts and tools	7,470,464	7,735,394	**15,205,858**
Maintenance	10,698,407	9,593,008	**20,291,415**
Telecommunication	79,404	69,146	**148,550**
Fuel	15,716,443	11,209,938	**26,926,381**
Lubricants	1,606,393	1,638,884	**3,245,277**
Management fees	5,498,915	5,467,087	**10,966,002**
Commissions	2,975,432	5,615,286	**8,590,718**
Insurance	9,765,308	9,722,712	**19,488,020**
Renovation	57,385	-	**57,385**
Emergency costs	3,511,049	1,113,649	**4,624,698**
Food	2,276,729	2,062,988	**4,339,717**
General costs	2,264,313	1,918,717	**4,183,030**
Miscellaneous costs	11,746,466	4,580,835	**16,327,301**
	123,432,868	111,139,723	**234,572,591**

Direct charges for the year 2008 were as follows:

	Antaradus *SP*	Ramitha *SP*	Total *SP*
Crew Salaries	28,640,536	29,874,193	**58,514,729**
Dry docking	4,932,630	2,129,274	**7,061,904**
Depreciation	13,529,657	13,766,906	**27,296,563**
Spare parts and tools	7,279,928	6,087,429	**13,367,357**
Maintenance	8,863,488	8,714,436	**17,577,924**
Telecommunication	60,140	85,825	**145,965**
Fuel	339,831	44,549	**384,380**
Lubricants	5,614,192	4,726,547	**10,340,739**
Management fees	5,601,701	5,601,700	**11,203,401**
Commissions	9,680,100	10,154,575	**19,834,675**
Insurance	8,038,087	8,038,075	**16,076,162**
Renovation	-	49,973	**49,973**
Emergency costs	781,083	1,528,098	**2,309,181**
Food	2,104,269	1,941,073	**4,045,342**
General costs	1,762,683	1,673,646	**3,436,329**
Miscellaneous costs	11,034,469	3,404,790	**14,439,259**
	108,262,794	97,821,089	**206,083,883**

* Management fee is determined in accordance with the provisions and amendments to the Management Agreements signed with Columbia Ship Management for both Antaradus and Ramitha vessels dated 20 August 2002 and 19 September 2003 respectively. Annual management fee was amended in 2009 to become USD 95,540 which equal to 4,371,887 SP for Antaradus vessel and USD 93,160 which equal 4,481,095 SP for Ramitha vessel.

* During the 3rd quarter 2009 a new management has been contracted with which is Dobsom Fleet management LTD as an alternative of Columbia Ship Management. The management fees was during this period USD 22,312 which equal 1,017,820 SP for Antradus and USD 24,000 which equal 1,095,200 SP for Ramitha vessel.

6 ADMINISTRATIVE EXPENSES

	2009 SP	2008 SP
Salaries and wages	**8,852,123**	9,248,564
Travel and transportation	**1,831,075**	7,896,872
Research and consulting	**2,562,016**	5,004,554
Board of Directors' compensation	**-**	7,114,725
Depreciation and amortization	**4,567,435**	4,246,357
Others	**8,626,294**	12,399,110
	26,438,943	45,910,182

7 OTHER INCOME

	2009 SP	2008 SP
Interest income	**10,376,485**	10,963,151
Miscellaneous income	**47,116**	19,014
Securities Revenue	**8,627**	8,754
	10,432,228	10,990,919

8 (Loss) Earning Per Share

Basic earnings per share are calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year as follows:

	2009 SP	2008 SP
(Loss) Porfit for the year	**(120,433,173)**	51,792,982
Weighted average number of share outstanding during the year	**1,608,000**	1,608,000
Basic (Loss) Earning Per Share	**(74.90)**	32.21

Diluted earnings per share have the same figure as the basic earnings per share since the company has not issued any instrument, which would have an impact on earnings per share when exercised

9 PROPERTY AND EQUIPMENT

	Buildings	*Furniture and fixtures*	*Vehicles*	*Vessels*	*Dry Docking*	*Total*
	SP	*SP*	*SP*	*SP*	*SP*	*SP*
Cost						
At1 January 2009	39,693,071	13,241,076	13,564,509	910,519,620	58,844,366	1,035,862,642
Additions	-	23,276	-	675,435	-	698,711
Disposals	-	(39,000)	-	-	-	(39,000)
At 31 December 2009	**39,693,071**	**13,225,352**	**13,564,509**	**911,195,055**	**58,844,366**	**1,036,522,353**
Depreciation						
At 1 January 2009	10,760,034	9,962,990	5,507,880	150,893,037	7,061,904	184,185,845
Depreciation charge for the year	795,494	1,258,795	1,359,238	27,318,118	11,768,873	42,500,518
Relating to disposals	-	(22,750)	-	-	-	(22,750)
At 31 December 2009	**11,555,528**	**11,199,035**	**6,867,118**	**178,211,155**	**18,830,777**	**226,663,613**
Net carrying amount						
At 31 December 2009	**28,137,543**	**2,026,317**	**6,697,391**	**732,983,900**	**40,013,589**	**809,858,740**

9 PROPERTY AND EQUIPMENT (continued)

	Buildings *SP*	*Furniture and fixtures* *SP*	*Vehicles* *SP*	*Vessels* *SP*	*Dry Docking* *SP*	*Total* *SP*
Cost						
At 1 January 2008	39,693,071	12,326,511	12,359,509	907,753,497	-	972,132,588
Additions	-	934,565	1,205,000	2,766,123	58,844,366	63,750,054
Disposals	-	(20,000)	-	-	-	(20,000)
At 31 December 2008	**39,693,071**	**13,241,076**	**13,564,509**	**910,519,620**	**58,844,366**	**1,035,862,642**
Depreciation						
At 1 January 2008	9,966,173	8,737,727	4,169,305	123,596,474	-	146,469,679
Depreciation charge for the year	793,861	1,236,263	1,338,575	27,296,563	7,061,904	37,727,166
Relating to disposals	-	(11,000)	-	-	-	(11,000)
At 31 December 2008	**10,760,034**	**9,962,990**	**5,507,880**	**150,893,037**	**7,061,904**	**184,185,845**
Net carrying amount						
At 31 December 2008	**28,933,037**	**3,278,086**	**8,056,629**	**759,626,583**	**51,782,462**	**851,676,797**

9 PROPERTY, PLANT AND EQUIPMENT (continued)

The depreciation charge has been allocated in the income statement as follows:

	2009 SP	2008 SP
Depreciation charged to direct cost	**39,086,991**	34,358,467
Depreciation charged to administrative expenses	**3,413,527**	3,368,699
	42,500,518	37,727,166

10 INTANGIBLE ASSETS

	2009 SP	2008 SP
Costs:		
At1 January	**7,150,788**	4,388,288
Additions	**-**	2,762,500
At 31 December	**7,150,788**	7,150,788
Amortisation:		
At1 January	**1,755,316**	877,658
Provided during the year	**1,153,907**	877,658
At 31 December	**2,909,223**	1,755,316
Net book value at 31 December	**4,241,565**	5,395,472

11 AVAILABLE-FOR-SALE INVESTMENTS

Available for sale investments represents fifty Baltic Exchange Limited ordinary shares purchased during the year 2007.
Since these investments are unquoted, the Board of Directors believes that the fair value of the investments approximate their cost.

12 INVENTORIES

	2009 SP	2008 SP
Antaradus vessel fuel	**9,299,033**	6,076,219
Ramitha vessel fuel	**4,011,353**	10,606,953
Food inventory-Antarados	**321,404**	-
Food inventory- Ramitha	**157,220**	-
Oil inventory-Antarados	**2,178,130**	-
Oil inventory- Ramitha	**1,783,855**	-
	17,750,995	16,683,172

13 ACCOUNTS RECEIVABLE AND PREPAYMENTS

	2009	*2008*
	SP	*SP*
Trade receivables	**2,137,341**	4,340,239
Prepayments	**3,337,805**	2,066,063
Deposits	**839,429**	398,658
Work advances	**1,714,668**	1,832,648
Accrued income	**1,002,821**	1,174,954
Staff advances	**174,024**	491,269
Other receivables	**70,000**	70,000
	9,276,088	10,373,831

As at 31 December, the aging analysis of trade receivables is as follows:

	Past due but not impaired					
Total	***More than 120 days***	***90-120 days***	***60-90 days***	***30-60 days***	***Less than 30 days***	
SP	*SP*	*SP*	*SP*	*SP*	*SP*	
2,137,341	**1,751,229**	-	**286,863**	-	**99,249**	**2009**
4,340,239	-	-	-	-	4,340,239	2008

14 CASH AND BANK BALANCES

Cash and cash equivalents included in the statement of cash flows include the following balance sheet amounts:

	2009	*2008*
	SP	*SP*
Cash on hand	**112,089**	309,964
Cash in Banks	**9,697,170**	60,066,883
Deposits at banks	**221,259,790**	333,767,499
	231,069,049	394,144,346

15 RELATED PARTY TRANSACTIONS

Related parties transactions included in the balance sheet are as the following:

Related party	**Transaction**	***2009***	*2008*
		SP	*SP*
Transtic	Purchasing of new archiving and information flow system	-	2,762,500
Transtic	Balance due to Transtic related to the new archiving and information flow system purchased.	**138,126**	925,438

16 SHARE CAPITAL

The Company's authorized, subscribed and paid capital is Syrian Pounds 804,000,000 divided into 1,608,000 shares with par value of Syrian Pounds 500 each.

17 STATUTORY RESERVE

The Company has transferred 10% of its annual profits to the statutory reserve in accordance with article 246 of the Syrian commercial law issued by resolution number 149 for the year 1949. The new corporate law number 3 for the year 2008 requires the company to compute the statutory reserve as 10% of the pre-tax income.
Since the Company is tax exempted, and the year result for is loss, therefore no statutory reserve is transferred.

18 DIVIDENDS PAID

During the year ended 31 December 2009, the General Assembly declared and the Company paid dividends to the shareholders amounting to SYP 64,239,600 on 2008 results.

19 ACCOUNTS PAYABLE AND ACCRUALS

	2009	*2008*
	SP	*SP*
Trade accounts payable	**10,592,762**	6,035,184
Advances from customers	**1,684,211**	17,376,439
Retentions	**1,795,495**	1,822,753
Accrued expenses	**8,364,296**	9,131,583
Unearned revenues	**-**	9,546,015
Other payables	**466,898**	383,196
	22,903,662	44,295,170

20 FAIR VALUES OF FINANCIAL INSTRUMENTS

The Company's financial instruments include bank balances, accounts receivable, and other debit balances. The financial liabilities include accounts payable and other credit balances.

The carrying values of the Company’s financial assets and financial liabilities are deemed to approximate their fair values due to their short term maturity.

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's principle financial liabilities comprise of trade payables and other credit balances. These financial liabilities are the result of the Company's normal operations. The Company's financial assets (cash and short term deposits) arise directly from its operations.

The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Interest rate risk
The Company is exposed to interest rate risk on its interest bearing bank accounts.

Most of the financial instruments on the balance sheet are not subject to interest rate risk except for bank balances and customers' accounts, the majority of which are denominated in United States Dollars

Interest rate risk table
The following table demonstrates the sensitivity to a reasonable change in interest rates, with all other variables held constant, of the Company's profit before tax. There is no impact on the Company's equity.

Currency	Increase in basis points	Sensitivity of net interest income	
		2009	*2008*
		SP	*SP*
USD	+10	**205,372**	281,301
		205,372	281,301

Currency	Decrease in basis points	Sensitivity of net interest income	
		2009	*2008*
		SP	*SP*
USD	-10	**(205,372)**	(281,301)
		(205,372)	(281,301)

A negative amount in the table reflects a potential net reduction in income statement, while a positive amount reflects a net potential increase.

Credit risk
Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Company seeks to limit its credit risk by adopting a strict collection policy.

Accounts receivable are stated net of provision for doubtful debts and are short term in nature, fair value approximates carrying value.

The Company limits its credit risk with regard to bank deposits by only dealing with reputable banks.

Liquidity risk

The table below summarizes the maturity profile of the Company's financial liabilities at 31 December 2009 based on contractual payments:

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

31 December 2009	Less than 3 months SP	3 to 12 months SP	1 to 5 Years SP	No specific Maturity SP	Total
Accounts payable and accruals	13,927,575	8,976,087	-	-	**22,903,662**

31 December 2008	Less than 3 months SP	3 to 12 months SP	1 to 5 Years SP	No specific Maturity SP	Total
Accounts payable and accruals	18,369,471	25,925,699	-	-	**44,295,170**

Foreign currency risk
Most of the Company's revenues and operating expenses are in United States Dollars.
The 31 December 2009 average market rate of exchange rate is Syrian Pounds 45.60 for each United States Dollar. The tables below indicate the currencies to which the Company had significant exposure at 31 December 2009. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Syrian Pound, with all other variables held constant on the income statement and equity.

Currency	**Increase in currency rate in %**	**Effect on profit**	
		2009 SP	*2008 SP*
GBP	5%	**56,454**	80,380
USD	5%	**10,730,638**	17,647,712
Euro	5%	**43,808**	326,359
		10,830,900	18,054,451

Currency	**Decrease in currency rate in %**	**Effect on profit**	
		2009 SP	*2008 SP*
GBP	-5%	**(56,454)**	(80,380)
USD	-5%	**(10,730,638)**	(17,647,712)
Euro	-5%	**(43,808)**	(326,359)
		(10,830,900)	(18,054,451)

A negative amount in the table reflects a potential net reduction in income statement, while a positive amount reflects a net potential increase.

21 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Operational risk

The Company deals with a single customer only because of the nature of the maritime transport business. However, the Company is not exposed to significant operational risk since it is mitigated by the contractual terms stipulated in agreements with customers which give the Company adequate flexibility in managing terms of the charter parties and their durations. Furthermore, the Company has a wide range of potential customers given the market demand for the services provided.

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and

Healthy capital structure in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders.
No changes were made in the objectives, policies or processes during the years end 31 December 2009 and 31 December 2008 except the declaration of dividends.

The Company maintains high cash reserves in order to meet the business needs especially the critical capital expenditures similar to purchasing a new vessel which addresses the company's expansion plan and revenue increase plan. In addition, such cash is highly needed for the day to day business running as operating expenditures, at the same time the company invests idle cash balances in short term deposits in order to gain interest income.