

**FILE COPY**

**AL-EQBAL INVESTMENT COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL  
INFORMATION FOR THE NINE MONTHS  
ENDED SEPTEMBER 30, 2016**

**TOGETHER WITH THE INDEPENDENT AUDITOR'S  
REPORT ON THE REVIEW OF THE CONDENSED  
CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**AL-EQBAL INVESTMENT COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN – JORDAN**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016**

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**Independent Auditor's Report on the Review of the Condensed Consolidated Interim  
Financial Information**

**To Chairman and Members of the Board of Directors  
Al-Eqbal Investment Company  
(Public Shareholding Company)  
Amman – Jordan**

We have reviewed the accompanying condensed consolidated interim financial information of **Al-Eqbal Investment Company – Public Shareholding Company- and its subsidiaries (“the Group”)** which comprise condensed consolidated interim statements of financial position as at September 30, 2016 and the related condensed consolidated interim statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the nine months period then ended and the notes about condensed consolidated interim financial information. Management is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with International Accounting Standard number (34) “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information 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 Entity”. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at September 30, 2016 is not prepared, in all material respects, in accordance with International Accounting Standard number (34) “Interim Financial Reporting”.

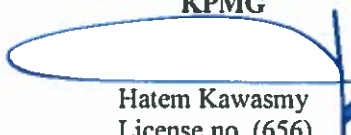


**Emphasis of matter**


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

- Note (15) to the condensed consolidated interim financial information which describes that the company's subsidiary (Al Fakher for tobacco trading and agencies) filed a lawsuit with the first instance court to object on the decision taken by the Income and Sales Tax department of Jordan for imposing taxes for the years 2009, 2010 and 2011 with an amount of JD 7,843,927 and Legal compensation with an amount of JD 3,889,245 due to the fact that the Income and Sales Tax department of Jordan considers Al Fakher for tobacco trading and agencies in Ajman-(United Arab Emirates) as a subsidiary and not a branch. The Lawsuit is still pending in the first instance court. The Company's Management, tax consultant and legal consultant opinion is that the probability of winning the lawsuit is high. The ultimate outcome of the lawsuit cannot reliably be determined and accordingly, no additional provision has been recorded in the condensed consolidated interim financial information against any consequences that may arise on the group.
- Note (15) to the condensed consolidated interim financial information which describes that the company filed a lawsuit with the First Instance Court to object on the decisions taken by income and sales tax employee's for imposing sales tax on the company amounted to JD 288,000 in addition to Legal compensation JD 576,000. The Company's Management and legal consultant opinion is that the probability of winning and cancelling the lawsuit is high. Accordingly, no provision has been recorded in condensed consolidated interim financial information against any consequences that may arise on the group.
- These financial statements are translated copy to the English language of the original consolidated financial statements issued in Arabic language.

**Kawasmy and Partners**  
**KPMG**



Hatem Kawasmy  
License no. (656)



**KPMG**  
Kawasmy & Partners Co.

Amman - Jordan  
23 October 2016

**AL-EQBAL INVESTMENT COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION**

<i>Jordanian Dinar</i>	<u>Note</u>	<b>September 30, 2016 (Reviewed not audited)</b>	<b>December 31, 2015 (Audited)</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash on hand and at banks		37,073,863	45,121,377
Cheques under collection		-	198,063
Trade and other receivables		23,960,141	10,059,518
Inventory		24,109,952	19,375,304
Other debit balances		4,894,564	3,248,301
<b>Total current assets</b>		<b>90,038,520</b>	<b>78,002,563</b>
<b>Non-current assets</b>			
Financial assets at fair value through statement of other comprehensive income	7	865,630	2,530,434
Investment property		658,884	658,884
Intangible assets-Goodwill from acquisition of subsidiary		6,602,986	6,602,986
Property, plant and equipment	8	17,915,502	19,501,016
Advance payments for Investments	9	1,834,722	938,663
<b>Total non-current assets</b>		<b>27,877,724</b>	<b>30,231,983</b>
<b>Total assets</b>		<b>117,916,244</b>	<b>108,234,546</b>
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities</b>			
Deferred cheques –short term		213,699	189,889
Accounts payable		7,672,148	5,827,397
Due to related party	12	-	173,523
Other credit balances		10,869,538	5,938,459
Income tax provision	13	3,145,710	3,045,480
Loans and bank facilities matured within a year	10	15,930,000	15,930,000
<b>Total current liabilities</b>		<b>37,831,095</b>	<b>31,104,748</b>
<b>Non-current liabilities</b>			
Provision of employees end of service indemnity		3,598,657	2,906,197
<b>Total non-current liabilities</b>		<b>3,598,657</b>	<b>2,906,197</b>
<b>Total liabilities</b>		<b>41,429,752</b>	<b>34,010,945</b>
<b>Shareholders' equity</b>			
Capital	1	30,000,000	25,000,000
Statutory reserve		13,897,311	13,897,311
Cumulative change in fair value		291,932	1,021,083
Retained earnings		32,297,249	34,305,207
<b>Total shareholders' equity</b>		<b>76,486,492</b>	<b>74,223,601</b>
<b>Total liabilities and shareholders' equity</b>		<b>117,916,244</b>	<b>108,234,546</b>

The accompanying notes on pages (7) to (20) are an integral part of these condensed consolidated interim financial information and should be read with them and with the review report.

**Chairman of Board of Directors**

**Financial Manager**

**AL-EQBAL INVESTMENT COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

	Note	For the three months ended on September 30,		For the nine months ended on September 30,	
		2016 (Reviewed not audited)	2015 (Reviewed not audited)	2016 (Reviewed not audited)	2015 (Reviewed not audited)
<i>Jordanian Dinar</i>					
Net sales		31,877,762	31,113,886	105,357,384	93,658,590
Cost of sales		(17,059,018)	(17,245,816)	(56,790,897)	(53,980,075)
<b>Gross profit</b>		<b>14,818,744</b>	<b>13,868,070</b>	<b>48,566,487</b>	<b>39,678,515</b>
Administrative expenses		(2,265,813)	(2,217,197)	(7,066,461)	(6,230,177)
Selling and distribution expenses		(4,698,583)	(2,677,278)	(11,603,688)	(7,438,219)
Gain from sale of shares in associate company		-	-	94,613	-
Impairment of investment in associate company		-	(151,883)	-	(151,883)
Dividends distributions of financial assets at fair value through other comprehensive income		-	325	33,045	227,586
<b>Operating income</b>		<b>7,854,348</b>	<b>8,822,037</b>	<b>30,023,996</b>	<b>26,085,822</b>
Net finance revenue		82,892	3,112	104,321	38,414
Other revenues (expenses)		237,464	(97,421)	381,779	334,358
Gain from sale of property, plant and equipment		-	17,847	-	47,847
<b>Profit for the period before contingent liability provision and income tax</b>		<b>8,174,704</b>	<b>8,745,575</b>	<b>30,510,096</b>	<b>26,506,441</b>
Contingent liability provision		(342,426)	-	(1,279,008)	-
<b>Profit for the period before income tax</b>		<b>7,832,278</b>	<b>8,745,575</b>	<b>29,231,088</b>	<b>26,506,441</b>
Income tax expense for the period	13	(572,050)	(565,155)	(1,977,122)	(1,673,115)
<b>Profit for the period</b>		<b>7,260,228</b>	<b>8,180,420</b>	<b>27,253,966</b>	<b>24,833,326</b>
<b>Other comprehensive income items:</b>					
<b>Items will never be reclassified to profit or loss:</b>					
Gains from sale of financial assets at fair value through other comprehensive income		-	161,141	738,076	162,191
Differences in fair value for financial assets through other comprehensive income		95,876	(25,316)	(729,151)	(127,447)
<b>Total comprehensive income for the period</b>		<b>7,356,104</b>	<b>8,316,245</b>	<b>27,262,891</b>	<b>24,868,070</b>
<b>Basic and diluted earnings per share from profit for the period (JD/Share)</b>				<b>0.91</b>	<b>0.83</b>

The companying notes on pages (7) to (20) are an integral part of these condensed consolidated interim financial Information and should be read with them and with the review report.

Chairman of Board of Directors

Financial Manager

AL-EQBAL INVESTMENT COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN – JORDAN

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

<i>Jordanian Dinar</i>	<u>Capital</u>	<u>Statutory reserve</u>	<u>Shares owned by subsidiary company</u>	<u>Cumulative change in fair value</u>	<u>Retained earnings</u>	<u>Total</u>
<b><u>Changes for the nine months ended September 30, 2016</u></b>						
<b><u>(Reviewed not audited)</u></b>						
Balance as at 1 January 2016	25,000,000	13,897,311	-	1,021,083	34,305,207	74,223,601
Profit for the period	-	-	-	-	27,253,966	27,253,966
Other comprehensive income	-	-	-	(729,151)	738,076	8,925
Increase in capital (Note 14)	5,000,000	-	-	-	(5,000,000)	-
Dividends distribution during the period (Note 11)	-	-	-	-	(25,000,000)	(25,000,000)
<b>Balance as of September 30, 2016</b>	<b><u>30,000,000</u></b>	<b><u>13,897,311</u></b>	<b><u>-</u></b>	<b><u>291,932</u></b>	<b><u>32,297,249</u></b>	<b><u>76,486,492</u></b>
<b><u>Changes for the nine months ended September 30, 2015</u></b>						
<b><u>(Reviewed not audited)</u></b>						
Balance as at 1 January 2015	25,000,000	13,897,311	(503)	1,089,745	27,581,906	67,568,459
Profit for the period	-	-	-	-	24,833,326	24,833,326
Other comprehensive income	-	-	-	(127,447)	162,191	34,744
Shares owned by a subsidiary	-	-	503	-	-	503
Dividends distribution during the period (Note 11)	-	-	-	-	(25,000,000)	(25,000,000)
<b>Balance as of September 30, 2015</b>	<b><u>25,000,000</u></b>	<b><u>13,897,311</u></b>	<b><u>-</u></b>	<b><u>962,298</u></b>	<b><u>27,577,423</u></b>	<b><u>67,437,032</u></b>

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**AL-EQBAL INVESTMENT COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
AMMAN – JORDAN**

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**

	<b>For the nine months ended September 30,</b>	
	<b>2016</b>	<b>2015</b>
	<b>(Reviewed not Audited)</b>	<b>(Reviewed not Audited)</b>
<i>Jordanian Dinar</i>		
<b>Cash flows from operating activities</b>		
Profit for the period before income tax	29,231,088	26,506,441
<b>Adjustments:</b>		
Contingent liability provision	1,279,008	-
Dividends distributions of financial assets at fair value through other comprehensive income	(33,045)	(227,586)
Gain from sale of shares in associate company	(94,613)	-
Provision of employees end of service indemnity	728,300	445,397
Depreciation	2,596,181	2,807,704
Key money amortization	338,085	180,938
Finance cost	405,861	403,244
Interest revenue	(510,182)	(441,658)
Gain from sale of property, plant and equipment	-	(47,847)
Impairment of investment in associate company	-	151,883
	<b>33,940,683</b>	<b>29,778,516</b>
<b>Change in:</b>		
Trade and other receivables	(13,900,623)	(1,117,196)
Cheques under collection	198,063	(176,648)
Inventory	(4,734,648)	(691,017)
Other debit balances	(1,984,348)	(2,094,928)
Accounts payable and deferred cheques	1,868,561	(2,004,839)
Other credit balances	3,652,071	1,861,089
Due to related party	(173,523)	171,532
<b>Cash flows from operating activities</b>	<b>18,866,236</b>	<b>25,726,509</b>
Income tax paid	(1,876,892)	(1,264,149)
End of service indemnity paid	(35,840)	(285,625)
<b>Net cash flows from operating activities</b>	<b>16,953,504</b>	<b>24,176,735</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,013,273)	(2,511,267)
Proceeds from sale of financial assets at fair value through other comprehensive income	1,673,729	426,410
Advance payments for Investments	(896,059)	-
Dividends distribution on financial assets at fair value through other comprehensive income	33,045	227,586
Gain from sale of shares in associate company	94,613	-
Proceeds from sale of property, plant and equipment	2,606	938,926
Revenue from bank deposits	510,182	441,658
<b>Net cash flows from (used in) investing activities</b>	<b>404,843</b>	<b>(476,687)</b>
<b>Cash flows from financing activities</b>		
Finance cost paid	(405,861)	(403,244)
Dividends paid	(25,000,000)	(24,733,848)
<b>Net cash flows used in financing activities</b>	<b>(25,405,861)</b>	<b>(25,137,092)</b>
Net change in cash on hand and at banks	(8,047,514)	(1,437,044)
Cash on hand and at banks at the beginning of the period	45,121,377	35,408,296
<b>Cash on hand and at banks at the end of the period</b>	<b>37,073,863</b>	<b>33,971,252</b>

The companying notes on pages (7) to (20) are an integral part of these condensed consolidated interim financial information and should be read with them and with the review report.



**AL-EQBAL INVESTMENT COMPANY  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**1) GENERAL**

Al-Eqbal PLC Investment Company (International Tobacco and Cigarettes PLC previously) was incorporated in accordance with Jordan Companies temporary Law no. (1) For the year 1989 as a Jordanian public shareholding company, and registered in the ministry of industry and trade of Jordan under no. (218) on June 1, 1992. The authorized paid up capital amounted 5 million (1 JD /share).

On 10/10/1993 the capital has raised through special offering by 100% of the capital to reach JD (10) million. On 5/5/1998 the capital has raised through distributing free shares by 20% of the capital to reach JD (12) million. On 16/4/2001 the company has merged with Eqbal for Financial Investments Company to be the capital JD 14,304,675. On 15/4/2002 the capital has raised through distributing free shares by 5% of the capital to reach JD (15) million. On 10/4/2005 the capital has raised through distributing free shares by 10% to reach JD 16,500,000. On 16/4/2006 the capital has raised through distributing free shares by 21% of capital to reach JD (20) million. On 25/2/2013 the capital has raised through distributing free shares by 25% of the capital to reach JD (25) million.

The general assembly decided on March 24, 2016 to increase its paid-up capital by 5,000,000 shares through distribution from retained earnings JD 5,000,000. The Company's paid-up capital become 30 million (1 JD/share). The Company completed the procedures in the Ministry of trade and industry during the second quarter of the year 2016.

**The company's main objectives inside and outside the kingdom include the following:**

- Owning commercial agencies.
- Trade intermediaries (except dealing with International stocks).
- Engaging in brokerage and trading tenders.
- Import and export.
- Guaranty of third parties obligations relevant to the interest of the company.
- Investment of the Company's funds surplus in the appropriate way.
- Ownership of movable and immovable funds, for achieving the company's objectives.
- Ownership of land and real estate for achieving the company's objectives.
- Contracting with any government, commission, authority, company, institution or individual interested in the goals and objectives of the company or any of them.
- Borrowing money from banks.

The condensed consolidated interim financial information were approved by the Board of Directors on 22 October 2016.

**2) BASIS OF PREPARATION OF CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**a) Statement of compliance**

- The condensed consolidated interim financial information have been prepared in accordance with IAS 34 "Interim Financial Reporting" which selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 December 2015.
- These condensed consolidated interim financial information should be read with the consolidated financial statements for the year ended December 31, 2015. As well as the financial performance for the condensed consolidated interim financial period ended September 30, 2016 does not necessarily give an indication for the expected financial performance for the year that will be ending on December 31, 2016. In addition, no appropriation has been made on the profit for the period to reserves, which will be appropriated in the annual consolidated financial statements at the end of the year 2016.
- These condensed consolidated interim financial statements do not include all the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards.

**AL-EQBAL INVESTMENT COMPANY  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**b) Basis of condensed consolidated interim financial information**

The condensed consolidated interim financial information comprise the consolidated financial information of Al Eqbal Investment Company (the parent company) and its subsidiaries, which are subject to its control. Subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial information of the subsidiaries are included in the consolidated financial information from the date on which controls commences until the date on which control ceases.

The consolidated financial statements for the Subsidiaries are prepared as the same financial year/period of the parent company by using the same policies applied by the parent company.

The company own the following subsidiaries as of September 30, 2016:

<u>Company Name</u>	<u>Capital</u>	<u>Percentage of ownership</u>	<u>Nature of operation</u>	<u>Country of operation</u>
		%		
Al Fakher for Trading Tobacco and Agencies*	6,000,000	100	Trading Tobacco	Jordan
Spectrum International for renewable energy	6,000,000	100	Renewable energy	Jordan
International Cigarettes and Tobacco Company (Under liquidation)	6,000,000	100	Trading Tobacco	Jordan
Pioneer Venture Company**	35,464	100	Trading	UAE

\*Al Fakher for Trading Tobacco and Agencies- Aqaba, owns a Branch of which related information is as follows:

<u>Company Name</u>	<u>Partner Contribution</u>	<u>Percentage of ownership</u>	<u>Nature of operation</u>	<u>Country of operation</u>
		%		
Al Fakher for Trading Tobacco and Agencies- Ajman (Al Fakher Tobacco Factory)	7,720,000	100	Trading Tobacco	UAE

\*\*Eqbal Investment Company has purchased a subsidiary during 2016 noting that it was owned previously by a related party.

The following table represents the financial position and financial performance of the subsidiaries as of September 30, 2016:

	<u>As of September 30, 2016 (Reviewed not audited)</u>			
	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Total Revenue</u>	<u>Comprehensive income (comprehensive loss) for the period</u>
<i>Jordanian Dinar</i>				
Al Fakher for Trading Tobacco and Agencies	110,059,154	(69,209,209)	105,309,954	28,849,945
Spectrum International for Renewable Energy	5,680,925	(739,310)	47,430	(382,379)
International Cigarettes and Tobacco Company (under liquidation)	4,251,958	-	-	(2,066)
Pioneer Venture Company	40,880	(128,981)	-	(123,565)

**AL-EQBAL INVESTMENT COMPANY  
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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

The Group accounts for business combinations of a subsidiary in the condensed consolidated interim statement of profit and loss and other comprehensive income starting from the date of the acquisition which is the date when control is transferred to the Group.

The parent company controls subsidiaries when it is exposed, or has rights, to variable returns from its involvement with these subsidiaries and has the ability to affect those returns through its power over these subsidiaries; Thus, the principle of control sets out the following three elements of control:

- 1- Power over the investee.
- 2- Exposure, or rights, to variable returns from its involvement with the investee; and
- 3- The ability to use power over the investee to affect the amount of the investor's returns.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which controls commences until the date on which control ceases.

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Any gain on bargain purchases is recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income immediately. Transactions costs are expensed as incurred in the condensed consolidated interim statement of profit or loss and other comprehensive income except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationship. Such amounts are generally recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as shareholders' equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Non-controlling interest are measured at their proportionate share of the acquirer's identifiable net assets at the acquisition date.

On the loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any profit or loss arising on the loss of control is recognized in the condensed consolidated interim statement of profit or loss and other comprehensive income.

Balances, transactions and unrealized profits and expenses resulted from transactions within the group are eliminated when preparing these condensed consolidated interim financial information.

**c) Use of judgments and estimates**

- These condensed consolidated interim financial information have been prepared in accordance with IAS (34) "interim financial reporting" which requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.
- In preparing these condensed consolidated interim financial information, significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the year ended 31 December 2015.

**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**3) SIGNIFICANT ACCOUNTING POLICIES**

The Group has adopted early International Financial Reporting Standard IFRS 9 “Financial Instruments” to be applied on the financial statement that ends on the first of January 2011 based on the instructions of security exchange commission .This standard is mandatory well be applied internationally on January 1, 2018.

The accounting policies applied by the company in these condensed consolidated interim financial information for the nine months ended September 30, 2016 are the same as those applied by the Company in its consolidated financial statements for the year ended December 31, 2015. Except the International Financial Reporting Standards are effective for annual years beginning after 1 January 2016, as follow:

- IFRS 14 Regulatory Deferral Accounts.
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations.
- Amendments to IAS 16 and IAS 38: Clarification of acceptable methods of depreciation and amortization.
- Amendments to IAS 16 and 41: Bearer plants.
- Amendments to IAS 27: Equity method in separate financial statements.
- Yearly improvements on IFRS for the periods 2012-2014.
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities Applying the consolidation exception.
- Amendments to IAS 1.

**International Financial Reporting Standards which are not applicable yet and available for early application:**

- International Financial Reporting Standards (15): Revenue from contracts with customers (effective on January 1, 2018).
- International Financial Reporting Standards (9): Financial Instruments (effective on January 1, 2018)
- International Financial Reporting Standards (16): Leases (effective on January 1, 2019).

The application of these new standards does not materially effect on the condensed interim financial information and related notes.

**4) FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT**

- Generally, the group’s objectives, policies and processes for managing financial risk are the same as those disclosed in its consolidated financial statements as of and for the year ended December 31, 2015.
- There have been no changes in the group’s approach to capital management during the current financial interim period neither the group is subject to externally imposed capital requirements.
- Fair value hierarchy for the financial assets in equity instruments has been disclosed in Note 18.

**5) SEASONALITY OF OPERATIONS**

The considerations of measurement and recognition applied in the condensed consolidated interim financial information for the nine months ended September 30, 2016 have been consistently applied as the group did not have transactions effected by seasonality events.

**6) SEGMENT REPORTING**

An operating segment is a group of components of the group affected by risks and returns that distinguish it from others and engages in producing products or services known as operating segments or engages in producing products or services within special economic environments known as geographical segment.

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**A- Operating Segment**

The group operates its activities in major operating segments, which represents the followings:

- Tobacco manufacturing and trading.
- Investments
- Energy.

**B- Geographical Segment**

The group operates its activities inside and outside of the Hashemite Kingdom of Jordan.

<i>In Jordanian Dinar</i>	<u>Tobacco</u>	<u>Energy</u>	<u>Investments</u>	<u>Total</u>
<b><u>For the nine months ended September 30, 2016</u></b>				
<b><u>(Reviewed not audited)</u></b>				
Segment revenue - net	48,559,767	6,720	-	48,566,487
<b>Gross segment revenue for the period</b>	<b>48,559,767</b>	<b>6,720</b>	<b>-</b>	<b>48,566,487</b>
Administrative expenses	(5,421,765)	(442,918)	(1,201,778)	(7,066,461)
Selling and distribution expenses	(11,603,688)	-	-	(11,603,688)
Other income (expense)	382,030	(181)	(70)	381,779
Net finance revenue	146,447	(40,277)	(1,849)	104,321
Dividends distributions of financial assets at fair value through statement of other comprehensive income	-	33,045	-	33,045
Contingent liability provision	(1,279,008)	-	-	(1,279,008)
Gain from sale of shares in associate company	-	93,525	1,088	94,613
<b>Segment profit (loss) for the period before income tax</b>	<b>30,783,783</b>	<b>(350,086)</b>	<b>(1,202,609)</b>	<b>29,231,088</b>
Gross segment assets	110,108,952	5,072,598	2,734,694	117,916,244
Gross segment liabilities	38,959,538	426,831	2,043,383	41,429,752
Capital expenditure	967,551	23,722	22,000	1,013,273
<i>In Jordanian Dinar</i>	<u>Tobacco</u>	<u>Investments</u>	<u>energy</u>	<u>Total</u>
<b><u>For the nine months ended September 30, 2015</u></b>				
<b><u>(Reviewed not audited)</u></b>				
Segment revenue - net	39,566,396	112,119	-	39,678,515
<b>Gross segment revenue for the period</b>	<b>39,566,396</b>	<b>112,119</b>	<b>-</b>	<b>39,678,515</b>
Administrative expenses	(5,083,310)	(237,053)	(909,814)	(6,230,177)
Selling and distribution expenses	(7,438,219)	-	-	(7,438,219)
Other income (expense)	332,815	1,913	(370)	334,358
Net finance revenue	38,414	-	-	38,414
Impairment of investment in associate company	-	(146,550)	(5,333)	(151,883)
Dividends distributions of financial assets at fair value through statement of other comprehensive income	325	227,261	-	227,586
Gain from sale of property, plant and equipment	11,220	-	36,627	47,847
<b>Segment profit (loss) for the period before income tax</b>	<b>27,427,641</b>	<b>(42,310)</b>	<b>(878,890)</b>	<b>26,506,441</b>
Gross segment assets	93,805,617	5,221,285	1,324,409	100,351,311
Gross segment liabilities	30,636,890	297,096	1,980,293	32,914,279
Capital expenditure	1,951,552	555,269	4,446	2,511,267

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**7) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF OTHER COMPREHENSIVE INCOME**

<i>Jordanian Dinar</i>	<u>September 30, 2016 (Reviewed not audited)</u>	<u>December 31, 2015 (Audited)</u>
Quoted market prices*	564,605	2,229,409
Non quoted market prices**	301,025	301,025
	<u>865,630</u>	<u>2,530,434</u>

\* This item represents the fair value of the financial assets for the group's portion in Jordan bank.

\*\* This item represent the fair value of the financial assets for the group's portion in North manufacturing Company -Jenin-. The company performed test over the fair value for this item using Net asset value of the last available audited financial statements, the company's management believes that this is the most convenient way to measure the fair value of the investment due to the lack of updated information on the market value of this investment.

The group has 15,000 restricted shares for the membership of Trust International Transport Company.

**8) PROPERTY, PLANT AND EQUIPMENT**

The additions over property, plant and equipment during the period ended September 30, 2016: JD 1,013,273 (December 31, 2015: JD 3,429,572).

The depreciation expense on property, plant and equipment during the period ended September 30, 2016: JD 2,596,181 (September 30, 2015: JD 2,807,704).

**9) ADVANCES PAYMENTS FOR INVESTMENTS**

The amount represents entering Spectrum International for Renewable Energy in a joint project agreement as the following:

- Joint project with Altawakol Company and Getsamp Asetym Solar to develop solar power plant with capacity of 24 MW.
- Joint project with Getsamp Asetym Solar to develop solar power plant with capacity of 58 MW.

- This joint venture is still under formation and registration.

**10) LOANS AND BANK FACILITIES**

Alfakher Tobacco for Trading and Agencies Company – subsidiary company got a credit facilities in the year 2013 from Bank of Jordan amounted USD 25,000,000 (JD 17,700,000) which represent a reducing loan, that will be settled in one payment on January 4, 2014 with a LIBOR of +2%. The loan payment due date has been extended till January 4, 2015.

In December 28, 2014 the maturity date of the loan was extended to be paid in a full amount at December 31, 2015 with a LIBOR 3 months + 2.5% with a limit 3% with the following conditions and insurances:

- The guarantee of Al- Eqbal Investment Company.
- Reduce the early repayment commission to become zero

In December 31, 2015 the company paid 10% of the loan amount and extended the maturity date of the remaining amount of JD 15,930,000 till December 31, 2016 with LIBOR 3 months + 2.5% with a limit of 3%.

The purpose from these facilities is to pay dividends distributions to the shareholders.

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**11) DIVIDENDS DISTRIBUTIONS**

The following table describes the declared and paid dividends by the group during the period:

<i>In Jordanian Dinar</i>	<b>September 30, 2016 (Reviewed not audited)</b>	<b>September 30, 2015 (Reviewed not audited)</b>
Cash dividends	25,000,000	25,000,000
	<b>25,000,000</b>	<b>25,000,000</b>

The General Assembly decided in its meeting held on February 25, 2016 to distribute JD 25,000,000 to the shareholders for the year 2015.

The General Assembly decided in its meeting held on March 4, 2015 to distribute JD 25,000,000 to the shareholders for the year 2014.

**12) DUE TO RELATED PARTY**

<i>In Jordanian Dinar</i>	<b>Nature of transactions</b>	<b>Nature of relationship</b>	<b>September 30, 2016 (Reviewed not audited)</b>	<b>December 31, 2015 (Audited)</b>
<b><u>Due to related party</u></b>				
Due to related party	Financing	Associate Company	-	173,523
			-	<b>173,523</b>

**Key management remuneration**

Salaries and remunerations short term paid to the Company higher executive management amounted for the nine months ended September 30, 2016: JD 246,662 (September 30, 2015: JD 221,620).

- As shown in note (10) the group took a loan from Jordan Bank, which is considered a related party.
- As shown in note (2-B), the group invested in Pioneer Venture Company which was previously owned by a related party.

**13) INCOME TAX EXPENSE FOR THE PERIOD**

Income tax expense is recognized based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Company's effective tax rate in respect of its operations for the nine months ended September 30, 2016 was 6.8% against 6.3% for the nine months ended September 30, 2015.

The tax rate based on prevailing local law is 20% for Al Eqbal Company and Al Fakher Company Amman and 5% for Al Fakher Company - Aqaba.

The movement on income tax provision during the year was as follows:

<i>Jordanian Dinar</i>	<b>September 30, 2016 (Reviewed not audited)</b>	<b>December 31, 2015 (Audited)</b>
Balance at the beginning of the year	3,045,480	2,059,211
Allowance for the period / year	1,977,122	2,250,417
Income tax paid for the period / year	(1,876,892)	(1,264,148)
<b>Balance at the end of the period / year</b>	<b>3,145,710</b>	<b>3,045,480</b>

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**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION**

**Group tax position**

**A. Parent company – Al Eqbal for Investment PLC**

The income tax was settled until 2011. The income and sales tax department audited the financial year 2012 where the company has objected on the final decision of the income and sales tax department at court. In the tax consultant opinion was misplaced and will be separated for the company.

The tax return for the years 2013 and 2014 was accepted by the department without any amendment.

The tax return for the year 2015 was submitted within the legal period and the department hasn't audited the company's accounts till the date of the condensed consolidated interim financial information.

In the tax consultant opinion, the company doesn't need to account any provision for the income tax liability for the results of the business for the fact that the business results are a loss.

**B. Subsidiary – AL Fakher for Trading Tobacco LLC**

**Al Fakher – Amman**

The Income Tax was settled until 2008. The income tax department audited the financial years 2009, 2010 and 2011 and issued its final decision, which was objected to the court of the tax, the tax consultant opinion, the decisions of the Tax Department is misplaced and will be dismissed in favor of the company.

The tax return for the year 2013 was accepted within the unaudited sample.

The tax return was submitted for the financial year 2012, 2013, 2014 and 2015 within the legal period of submission, the department did not audit the company's accounts and did not issue its final decisions till the date of the preparation of the condensed consolidated interim financial statements except for the financial year 2013 which have been accepted by the department without any amendment.

In the tax consultant opinion the company should take a provision by an amount of JD 336,964 for the income tax liability for the nine months ended September 30, 2016.

**C. Al Fakher – Aqaba private**

The Income Tax was settled until 2011. The tax return was submitted for the years 2012, 2013, 2014 and 2015 within the legal period of submission, the department did not audit the company's accounts and didn't issue its final decisions till the date of the preparation of the condensed consolidated interim financial statements.

In the tax consultant opinion the company should take a provision by an amount of JD 1,598,940 for the income tax liability for the nine months ended September 30, 2016 for the business results in Aqaba and Ajman equal 5% of the taxable income.

**D. Subsidiary – Spectrum International for Renewable Energy**

The tax return was submitted for the financial year 2012, 2013, 2014 and 2015 within the legal period for submission of statements, the department did not audit the company's accounts and issue final decisions until the date of the preparation of the condensed consolidated interim financial information except for the income tax settlement for the year 2011 was accepted by the tax department without any amendments.

In the tax consultant opinion the company should take a provision by an amount of JD 41,218 for the income tax liability for the nine months ended September 30, 2016.



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**14) INCREASE IN CAPITAL**

The general assembly decided on the extra ordinary meeting held on March 24, 2016 to increase the paid up capital by JD 5,000,000 to reach JD 30,000,000 by distributing free shares of 5,000,000 from retained earnings, and the approval issued from Securities Commissions on May 3, 2016.

**15) CONTINGENT LIABILITIES**

The contingent liabilities at the date of these condensed consolidated interim financial information are as follows:

<i>Jordanian Dinar</i>	<b>September 30, 2016 (Reviewed not audited)</b>	<b>December 31, 2015 (Audited)</b>
Bank guarantees	3,006,843	198,826
	<b>3,006,843</b>	<b>198,826</b>

Against cash margins represented as follows:

<i>Jordanian Dinar</i>	<b>September 30, 2016 (Reviewed not audited)</b>	<b>December 31, 2015 (Audited)</b>
Bank guarantees	222,881	198,826
	<b>222,881</b>	<b>198,826</b>

- There is a pending lawsuit filed against the Company by other parties to claim compensation for damages caused by illegitimate competition. As of today, the registered case number is 622/2002. The courthouse ruled that the Group is liable to pay the full amount of JD (833,000) including all attorney fees, expenses, and interest. A request to appeal the decision was issued by the Group; the Court of Appeal's response to such an action was to reject the appeal. As a result, the Group has appealed this decision to the Court of Cassation. The lawsuit has transmitted to the court of Appeal, a decision has issued based on the Experience Report, accordingly. The case was rejected by the court. The plaintiff has raised his appealing list and the company has replied what is included in the appealing list. The lawsuit is still pending till sending the file to the court of Cassation and distribute it on the governing body.

Therefore, the Company took a provision of JD 480,150 in order to meet all liabilities resulting from this lawsuit. The Group's management and legal counsel have expressed their opinions stating that the possibility of winning the case is extremely high. Especially that the evidence provided for the lawsuit from the company has a larger legal value than the evidence provided from the plaintiff. In addition to what has resulted in the court of Cassation and what has mentioned in the last Experience report which indicated that there is no similarity.

- The Company filed a lawsuit with the First Instance Court to object to the decisions passed on by the Income Tax Department for imposing taxes and fees to support a fund for education and training during the year 2012 amount of JD 111,756 in addition to a legal compensation amount of JD 46,123. Noting that the Company has paid JD (48,840) as income tax for that year according to what has been revealed in the tax declaration, the lawsuit is still in the stage of making accounting experience.

Based on the company's management and tax consultant the probability of winning the legal case is high depends that the objection committee didn't deduct the yearly donations, the BOD rewards and the full amount of retained earnings as it didn't take into account the necessity of subtracting the interest expense and currency differences from the interest revenue.

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- The Company filed a lawsuit with the First Instance Court to object to the decisions passed on by an employee passed on the Tax Department for imposing sales tax on the company amounted to JD 288,000 in addition to Legal Fees JD 576,000 and fees of JD 200 after reaudit and modifying the tax return for the period December 2011 and January 2012 claiming that the tax amount resulted from selling land and building which related to Phillip Morris and the lawsuit still pending till sending the file First Instant Court.

Based on the company's management and tax consultant the probability of winning the legal case is high depends that there are legal judgments does not consider the goodwill a commodity or service which is subject to sales tax, in addition there are some formalities performed by tax department contained high certainty of invalidity.

- The Group's subsidiary (Al-Fakher for Trading Tobacco and Agencies Company) filed a lawsuit with the First Instance Court to object on the decisions passed on by the Income Tax Department for imposing income taxes for the years of 2009, 2010 and 2011 with an amount of JD 7,843,927 and Legal compensation amount of JD 3,889,245, the case is still pending in the tax first instance court. Note that the Company calculated the provisions in the same way that it was reconciled for the years 2006, 2007 and 2008, and this provision required by law in the Aqaba Special Economic Zone, in addition the Company taking extra provision in Amman by 1%.

Based on the Company's management and tax consultant the probability of winning the legal case is high because the profit is from the branch and not from the investment, and the company will not have any further liability more than what already paid to the income and sales tax department in Aqaba and the provision taken in Amman.

The company booked an additional contingent liability provision to face any contingent tax and legal liabilities that may arise during the coming period.

**16) Earnings per share**

<i>Jordanian Dinar</i>	<b>For the Nine Months ended September 30,</b>	
	<b>2016 (Reviewed not audited)</b>	<b>2015 (Reviewed not audited)</b>
Profit for the period for the shareholders (JD)	27,253,966	24,833,326
Weighted average for number of shares (Share)	30,000,000	30,000,000
<b>Earnings per share for the period</b>	<b>0.91</b>	<b>0.83</b>

The earning per share calculated by dividing the profit for the period on the current number of shares which is equal to 30 Million shares as of September 30, 2016.

The weighted average for number of shares has been adjusted for the comparative year due to that the company has increased its capital through capitalized free 5 Million shares from the retained earnings according to IAS (33).

**17) FINANCIAL RISK MANAGEMENT**

**- Credit risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's cash on hand and at banks, Cheques under collection, trade and other receivables and other debit balances.

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The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the condensed consolidated interim financial information date was as follows:

	<b>Carrying value as at</b>	
	<b>September 30, 2016 (Reviewed not audited)</b>	<b>December 31, 2015 (Audited)</b>
<i>Jordanian Dinar</i>		
Cash at banks	36,593,519	42,993,290
Cheques under collection	-	198,063
Trade and other receivables	23,960,141	10,059,518
Other debit balances	3,272,529	1,712,807
	<b>63,826,189</b>	<b>54,963,678</b>

**- Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal, stressed and necessary conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Group maintains line of credit from its bank for sudden cash requirements.

The followings are the contracted maturities of financial liabilities, including estimated interest payments:

<b><u>September 30, 2016 (Reviewed not audited)</u></b>	<b><u>Carrying Amount</u></b>	<b><u>Contractual Cash Flows</u></b>	<b><u>less than a year</u></b>	<b><u>More than a year</u></b>
<i>Jordanian Dinar</i>				
Deferred cheques – short term	213,699	(213,699)	(213,699)	-
Accounts payable	7,672,148	(7,672,148)	(7,672,148)	-
Other credit balances	10,869,538	(10,869,538)	(10,869,538)	-
Income tax provision	3,145,710	(3,145,710)	(3,145,710)	-
Loan and bank facilities matured within a year	15,930,000	(15,930,000)	(15,930,000)	-
Employees end of service indemnity provision	3,598,657	(3,598,657)	-	(3,598,657)
	<b>41,429,752</b>	<b>(41,429,752)</b>	<b>(37,831,095)</b>	<b>(3,598,657)</b>
<b><u>December 31, 2015 (Audited)</u></b>	<b><u>Carrying Amount</u></b>	<b><u>Contractual Cash Flows</u></b>	<b><u>less than a year</u></b>	<b><u>More than a year</u></b>
<i>Jordanian Dinar</i>				
Deferred cheques – short term	189,889	(189,889)	(189,889)	-
Accounts payable	5,827,397	(5,827,397)	(5,827,397)	-
Due to related party	173,523	(173,523)	(173,523)	-
Other credit balances	5,938,459	(5,938,459)	(5,938,459)	-
Income tax provision	3,045,480	(3,045,480)	(3,045,480)	-
Loan and bank facilities matured within a year	15,930,000	(15,930,000)	(15,930,000)	-
Employees end of service indemnity provision	2,906,197	(2,906,197)	-	(2,906,197)
	<b>34,010,945</b>	<b>(34,010,945)</b>	<b>(31,104,748)</b>	<b>(2,906,197)</b>

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- **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the group's profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- **Currency Risk**

Most of the group's financial assets and liabilities are in Jordanian Dinar, UAE Dirhams and US Dollar. An increase (decrease) of the JD against the AED at 30 September would have increased (decreased) profit or loss by the amounts shown below and it's considered that exchange rate of JD against USD stays constant. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date.

- **Interest rate risk**

At the reporting date of the condensed consolidated interim financial information the interest rate profile of the Group's interest-bearing financial instruments was as follows:

<i>Jordanian Dinar</i>	<b>Carrying value</b>	
	<b>September 30, 2016</b>	<b>December 31, 2015</b>
<b>Variable rate instrument</b>		
Financial Liabilities	(15,930,000)	(15,930,000)

An increase in the interest average rate by 1% will lead to increase in finance expense with an amount of JD 119,475 for the nine months ended September 30, 2016. A decrease in the interest average rate by 1% will lead to decrease in finance expense with an amount of JD 119,475 for the nine months ended September 30, 2016.

- **Other market price risk**

Equity price risk arises from financial assets at fair value through profit or loss held for meeting partially the unfunded portion of the Group's obligations as well as investments at fair value through other comprehensive income. Management of the Group monitors the mix of debt and equity securities in its investment portfolio based on market indices. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors.

- **Equity price risk**

A change of 5% in fair value of the securities at the interim financial date would have increased (decreased) equity and profit or loss by the amount of JD 43,282. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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18) **Fair Value levels**

**Fair Value Hierarchy**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.

**Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**A. Financial assets and liabilities that are measured at fair value on a recurring basis:**

<i>Jordanian Dinar</i>	September 30, 2016			
	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3 *
Cash on hand and at banks	37,073,863	37,073,863	-	-
Financial assets at fair value through statement of other comprehensive income	865,630	564,605	-	301,025
		December 31, 2015		
<i>Jordanian Dinar</i>	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3 *
Cash on hand and at banks	45,121,377	45,121,377	-	-
Financial assets at fair value through statement of other comprehensive income	2,530,434	2,229,409	-	301,025

\* This item represents the cost of financial assets through other comprehensive income that is not listed in financial markets for the company's portion in North manufacturing Company -Jenin-. The company performed test over the fair value for this item using Net asset value of the last available audited financial statements, the company's management believes that this is the most convenient way to measure the fair value of the investment due to the lack of updated information on the market value of this investment.

Management believes that the carrying amount of these financial assets approximate their fair value.

There were no transfers between level 1 and level 2 during the period ended on September 30, 2016.

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**B. Financial assets and liabilities that are not measured at fair value:**

	Carrying Amount	Fair Value		
		Level 1	Level 2	Level 3
<i>Jordanian Dinar</i>				
<b><u>September 30, 2016 (Reviewed not audited)</u></b>				
<b><u>Financial assets:</u></b>				
Trade and other receivables	23,960,141	-	23,960,141	-
Other debit balances	4,894,564	-	4,894,564	-
<b><u>Financial Liabilities</u></b>				
Deferred cheques – short term	(213,699)	-	(213,699)	-
Accounts payable	(7,672,148)	-	(7,672,148)	-
Other credit balances	(10,869,538)	-	(10,869,538)	-
Loans and Bank facilities matured within a year	(15,930,000)	-	(15,930,000)	-
Income tax provision	(3,145,710)	-	(3,145,710)	-
<b><u>December 31, 2015 (Audited)</u></b>				
<b><u>Financial assets:</u></b>				
Cheques under collection	198,063	-	198,063	-
Trade and other receivables	10,059,518	-	10,059,518	-
Other debit balances	3,248,301	-	3,248,301	-
<b><u>Financial Liabilities</u></b>				
Deferred cheques – short term	(189,889)	-	(189,889)	-
Accounts payable	(5,827,397)	-	(5,827,397)	-
Due to related party	(173,523)	-	(173,523)	-
Loans and bank facilities matured within a year	(15,930,000)	-	(15,930,000)	-
Other credit balances	(5,938,459)	-	(5,938,459)	-
Income tax provision	(3,045,480)	-	(3,045,480)	-

For the items mentioned above, the level 2 of fair value for the financial assets and liabilities are determined based on agreed pricing model to reflect the credit limit for the parties who deal with the company in addition to the interest rates.

Management believes that the carrying amount of these financial assets approximate their fair value due to their short term maturities.

There were no transfers between level 1 and level 2 during the period ended 30 September 2016.

**19) Comparative figures**

The comparative figures represents the Consolidated Statement of Financial Position as of December 31, 2015, in addition to the condensed consolidated interim Statement of Profit or Loss and other comprehensive income and Condensed Consolidated Interim Statement of Changes in Shareholders' Equity and the Condensed Consolidated Interim Statement of Cash Flow for the period ended September 30, 2015.