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

CONSLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

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

FOR THE YEAR ENDED DECEMBER 31, 2016

Contents | **Page**

KPMG

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Auditor's Report on Consolidated Financial Statements

To General Assembly
Al-Eqbal Investment Company
(Public Shareholding Company)
Amman – Jordan

Opinion

We have audited the consolidated financial statements of Al-Eqbal Investment Company and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, comprising significant accounting policies.

In our opinion, the accompanying consolidated financial statements, in all material aspects, give a true and fair view of the consolidated financial position of the Company as of December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Emphasis of matter

Without qualifying our opinion, we draw attention to the followings:

- As metioned in note (23) to the consolidated financial statements 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 tax first instance court. The Company's management, tax consultant and legal consultant opinion is that the probability of winning the lawsuit is high and the recorded provisions are adequate. The ultimate outcome of the lawsuit cannot reliably be determined and accordingly, no additional provision has been recorded in the consolidated financial statements against any consequences that may arise on the Group.

- As metioned in note (23) to the consolidated financial Statements 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 penalty amounted to 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 consolidated financial statements against any consequences that may arise on the Group.

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Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with International Ethics Standards Board of Accountant Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and not for the purpose of providing a separate opinion about these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our report.

1- **Income Tax**

Description of the key audit matter	How the matter was addressed in our audit
Income tax provision requires the management to make judgments and estimates in relation to income tax lawsuits and tax provisions. This matter is considered one of the key areas in our audit on the Group, taking into consideration that subsidiaries are located in different taxable areas.	Our audit procedures included to assessment of the Group's tax positions, its correspondence with the relevant tax authorities and with Group's legal and tax consultant and to analyze and challenge the assumptions used to determine tax provisions based on our knowledge and experience of the application of legislation by the relevant authorities and courts. Our assessment included consideration of the adequacy of the taken provisions by the Group to face the liabilities that may rise from income tax lawsuits. Based on the audit procedures performed, we noted that the Group's estimate of the amounts to be recognized as a tax liabilities to be appropriate and that the disclosures provide an adequate description of the current tax status of the Group.

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2- **Impairment in Goodwill**

Description of the key audit matter	How the matter was addressed in our audit
In 2006 Al-Eqbal Investment Company purchased Al Fakher Tobacco Factory with an amount of AED 40,053,590, which is equal to JOD 7,730,000. This purchase resulted goodwill in favor of the company with an amount of JOD 6,602,986, where it was recorded as goodwill in the financial statements. There were no changes in the book value of this goodwill until the date of the consolidated financial statements. The Group's management perform annual goodwill evaluation to determine whether there is any indication on impairment of goodwill. Evaluating goodwill includes many assumptions and estimates, which make it a Key Audit Matters.	We have evaluated the report that was submitted by an expert for the coming five years, where the expert used the discounted future cash flows using a growth rate which is consistent with the average growth rate for the last five years, and a discount rate which is consistent with borrowing interest rate. The study showed that there is no decline in goodwill value and therefore there is no indication of impairment on goodwill value as of December 31, 2016.

3- **Impairment in trade receivables**

Description of the key audit matter	How the matter was addressed in our audit
The Group has trade receivables with an amount of around 25 million as of December 31, 2016 comparing to approximately 10 million as of 31 December 2015, this increase resulted from increasing the ceilings granted to some customers in addition to new customers the Group started dealing with during 2016. The adequacy of the recorded provisions for those receivables depend on management estimates, which make it a Key Audit Matters.	Our audit procedures includes testing the Group's controls over the receivables collection processes; including accepting new customers, testing the receipt of cash subsequent to year end; and testing the adequacy of the Group's provisions against trade receivables by assessing the management's assumptions, taking into consideration the external available data on trade credit exposures and our own experience in bad debt in this sector.

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Other Information

Management is responsible for the other information. The other information does not include the consolidated financial statements and audit report on the consolidated financial statements any other information.

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

Through performing our audit on the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit. If, we conclude that there is a material misstatement in this other information, we are required to report that fact. Noting that, nothing has drawn out attention about matters that require reporting.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management considers is necessary to enable the preparation and presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the consolidated financial reporting preparation process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our audit report that includes our opinion on the consolidated financial statements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, we will modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements of the Group.

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

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

- Determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore, the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper accounting records. Which are, in accordance in all material respects with the accompanying consolidated financial statements.

These financial statements are translated copy to the English language of the original consolidated financial statements issued in the Arabic language.

Kawasmy & Partners
KPMG

Hatem Kawasmy
License No, (656)

KPMG
Kawasmy & Partners Co.

Amman – Jordan
January 26, 2017

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As of December 31	
Jordanian Dinar	Note	2016	2015
Assets			
Current assets			
Cash on hand and at banks	5	49,729,435	45,121,377
Cheques under collection		28,360	198,063
Trade and other receivables	6	25,617,883	10,059,518
Inventory	7	19,477,577	19,375,304
Other debit balances	8	4,496,347	3,248,301
Total current assets		**99,349,602**	**78,002,563**
Non-current assets			
Financial assets at fair value through statement of other comprehensive income	9	914,633	2,530,434
Investment property	10	674,552	658,884
Intangible assets-Goodwill from acquisition of subsidiary	11	6,602,986	6,602,986
Property, plant and equipment	12	18,543,871	19,501,016
Advance payment for Investments	25	897,066	938,663
Total non-current assets		**27,633,108**	**30,231,983**
Total assets		**126,982,710**	**108,234,546**
Liabilities and Shareholders' Equity			
Current liabilities			
Deferred cheques -Short Term		358,410	189,889
Accounts payable		7,163,620	5,827,397
Due to related party	13	-	173,523
Other credit balances	14	7,406,230	5,938,459
Income tax provision	20	5,609,153	3,045,480
Loans and Bank facilities mature within a year	15	15,930,000	15,930,000
Total current liabilities		**36,467,413**	**31,104,748**
Non-current liabilities			
Provision of employees' end of service indemnity	22	3,880,311	2,906,197
Total non-current liabilities		**3,880,311**	**2,906,197**
Total liabilities		**40,347,724**	**34,010,945**
Shareholders' Equity			
Capital	1	30,000,000	25,000,000
Statutory reserve	26	13,897,311	13,897,311
Shares owned by subsidiary company		-	-
Cumulative change in fair value		340,934	1,021,083
Retained earnings		42,396,741	34,305,207
Total Shareholders' Equity		**86,634,986**	**74,223,601**
Total Liabilities and Shareholders' Equity		**126,982,710**	**108,234,546**

The accompanying notes from pages (10) to (40) are an integral part of these consolidated financial statements and should be read with them together with the Independent Auditor's report.

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the year end December 31,	
Jordanian Dinar	Note	2016	2015
Net sales		142,737,072	123,894,339
Cost of sales	16	(77,004,805)	(70,964,884)
Gross profit		**65,732,267**	**52,929,455**
Administrative expenses	17	(10,466,804)	(9,432,129)
Selling and distribution expenses	18	(14,119,278)	(9,161,840)
Impairment of Investment in associate company		-	(151,883)
Gain from investment in associate		94,613	-
Dividends from financial assets at fair value through other comprehensive income		33,045	227,586
Impairment of advance payments for investments	25	(950,000)	-
Operating income for the year		**40,323,843**	**34,411,189**
Finance Cost		(528,070)	(539,135)
Interest Revenue		769,622	684,142
Gain from sale of property, plant and equipment		14,182	49,718
Other income	24	1,259,446	311,188
Profit for the year before contingent liability provision, income tax and board of directors' remuneration		**41,839,023**	**34,917,102**
Contingent liabilities provision	23	-	(1,386,102)
Profit for the year before income tax and board of directors' remuneration		**41,839,023**	**33,531,000**
Income tax expense	20	(4,440,565)	(2,250,417)
Profit for the year before board of directors' remuneration		**37,398,458**	**31,280,583**
Board of directors' remuneration		(45,000)	(45,000)
Profit for the year		**37,353,458**	**31,235,583**
Other comprehensive income items:			
Items will never be reclassified to profit or loss statement			
Gain from sale of financial assets at fair value through other comprehensive income		738,076	487,718
Change in fair value for financial assets through other Comprehensive income		(680,149)	(68,662)
Total comprehensive income for the year		**37,411,385**	**31,654,639**
Basic and diluted earnings per share (JD/Share)	21	**1.245**	**1.041**

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Jordanian Dinar	Capital	Statutory Reserve	Shares owned by subsidiary company	Cumulative change in fair value	Retained Earnings *	Total
Balance as at January 1, 2016	25,000,000	13,897,311	-	1,021,083	34,305,207	74,223,601
Profit for the year	-	-	-	-	37,353,458	37,353,458
Other comprehensive income	-	-	-	(680,149)	738,076	57,927
Dividends during the year-Note (19)	-	-	-	-	(25,000,000)	(25,000,000)
Capital increase	5,000,000	-	-	-	(5,000,000)	-
Balance as of December 31, 2016	**30,000,000**	**13,897,311**	**-**	**340,934**	**42,396,741**	**86,634,986**
Balance as at January 1, 2015	25,000,000	13,897,311	(503)	1,089,745	27,581,906	67,568,459
Profit for the year	-	-	-	-	31,235,583	31,235,583
Other comprehensive income	-	-	-	(68,662)	487,718	419,056
Shares owned by a subsidiary	-	-	503	-	-	503
Dividends during the year-Note (19)	-	-	-	-	(25,000,000)	(25,000,000)
Balance as of December 31, 2015	**25,000,000**	**13,897,311**	**-**	**1,021,083**	**34,305,207**	**74,223,601**

*According to the Jordanian Securities Commission (JSC) instructions the negative value of the cumulative change in fair value in the retained earnings is prohibited from distribution to shareholders.

The accompanying notes from pages (10) to (40) are an integral part of these consolidated financial statements and should be read with them together with the Independent Auditors report.

AL-EQBAL INVESTMNET COMPANY
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN
CONSOLIDATED STATEMENT OF CASH FLOWS

Jordanian Dinar	Note	For the year end December 31, 2016	2015
Cash flows from operating activities			
Profit for the year before Income tax		41,794,023	33,486,000
Adjustments:			
Contingent liabilities provision	23	-	1,386,102
Impairment of account receivable	6	48,415	-
Key-money amortization	8	471,688	346,238
Depreciation	12	3,480,877	3,727,837
Gain from sale of property, plant and equipment		(14,182)	(49,718)
Impairment of Investment in associate		-	151,883
Provision for employees' end of service indemnity	22	998,107	1,030,626
Dividends from financial assets at fair value through other comprehensive income		(33,045)	(227,586)
Finance costs		528,070	539,135
Impairment of advance payments for investments		950,000	-
		48,223,953	**40,390,517**
Change in:			
Trade and other receivables		(15,606,780)	2,635,065
Cheques under collection		169,703	(167,268)
Inventory		(102,273)	(2,598,270)
Other debit balances		(1,719,734)	(462,904)
Accounts payable		1,336,223	(1,151,585)
Due to related party		(173,523)	141,751
Deferred cheques		168,521	(166,745)
Other credit balances		1,435,083	1,541,206
Cash flows from operating activities		**33,731,173**	**40,161,767**
Income tax paid	20	(1,876,892)	(1,264,148)
Employees' end of service of indemnity paid	22	(23,993)	(304,286)
Net Cash flows from operating activities		**31,830,288**	**38,593,333**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		23,851	1,099,286
Advance payment for investment		(908,403)	(938,663)
Acquisition of property, plant and equipment	12	(2,533,401)	(3,429,572)
Dividends from financial assets at fair value through other comprehensive income		33,045	227,586
Investment property		(15,668)	(58,124)
Proceeds from sale of financial assets at fair value through other comprehensive income		1,673,728	1,262,370
Net cash flows used in investing activities		**(1,726,848)**	**(1,837,117)**
Cash flows from financing activities			
Finance costs paid		(528,070)	(539,135)
Loans and bank facilities mature within a year		-	(1,770,000)
Dividends paid	19	(24,967,312)	(24,734,000)
Net cash flows used in financing activities		**(25,495,382)**	**(27,043,135)**
Net increase in cash on hand and at banks		4,608,058	9,713,081
Cash on hand and at banks at the beginning of the year		45,121,377	35,408,296
Cash on hand and at banks at the end of the year	**5**	**49,729,435**	**45,121,377**

The accompanying notes from pages (10) to (40) are an integral part of these consolidated financial statements and should be read with them together with the independent Auditor's report.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1) GENERAL

Al-Eqbal PLC Investment Company (International Tobacco and Cigarettes PLC previously) was established 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 stock).
- Engaging in brokerage and trading tenders.
- Import and export to serve the company's business.
- 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 needed money from banks.

The consolidated financial statements were approved by the Board of Directors on January 25, 2017 and is subject to the General Assembly's approval.

2) BASIS OF PREPARATION CONSOLIDATED FINACIAL STATEMENTS

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with international financial reporting standards.

(b) Basis of consolidated financial statements

The consolidated financial statements comprise of the consolidated financial statements of Al-Eqbal investment Company (the "Parent Company") and its subsidiaries, which 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 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Thus, the principle of control sets out the following three elements of control:

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

The Parent Company should reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three above mentioned elements.

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 statement of profit or loss and other comprehensive income. Extra transactions costs are expensed as incurred, 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 consolidated 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 was classified as equity. As a result, any transactions are treated through equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in consolidated 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 loss of control, the parent-subsidiary relationship ceases to exist. The parent no longer controls the subsidiary's individual assets and liabilities and other elements of owners' equity related to the subsidiary and eliminated from the consolidated financial statements.

Gain or loss associated with the loss of control attributable to the former controlling interest are recognized in the consolidated 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 consolidated financial statement.

- The company owns the following subsidiaries as of December 31, 2016:

Company Name	Capital	Ownership Percentage	Nature of operation	Country of operation
		%		
Al Fakher for Tobacco Trading and Agencies*	6,000,000	100	Tobacco	Jordan
Spectrum International for Renewable Energy	6,000,000	100	Renewable energy	Jordan
International Cigarettes and Tobacco Company	6,000,000	100	Tobacco	Jordan
Pioneer Venture Group Company	35,464	100	Trading	UAE

*Al Fakher for Tobacco Trading and Agencies, owns a subsidiary of which related information is as follows:

Company Name	Capital	Ownership Percentage	Nature of operation	Country of Operation
		%		
Al Fakher Holding for Tobacco Trading and Agencies **	35,450	100	Investments	Cayman Islands

**Al Fakher Holding for Tobacco Trading and Agencies, owns a subsidiary of which related information is as follows:

Company Name	Capital	Ownership Percentage	Nature of operation	Country of Operation
		%		
Al Fakher Tobacco F.Z.E ***	35,705	100	Investments	UAE
Al Fakher International	7,100	100	Tobacco	Cayman Islands

During the last quarter of 2016, the Group's management restructured the Group as follow:

1- The Group has transferred the investment in Al Fakher Tobacco Factory – UAE from Al Fakher for Tobacco trading and Agencies to Al Fakher Tobacco F.Z.E.

2- The Group has established Al Fakher Holding for Tobacco Trading and Agencies in Cayman Islands fully owned by Al Fakher for Tobacco Trading and Agencies – Jordan.

3- The Group has established Al Fakher Tobacco F.Z.E in UAE fully owned by Al Fakher Holding for Tobacco Trading and Agencies - Cayman Islands.

*** Al Fakher Tobacco F.Z.E (UAE) owns a subsidiary of which related information is as follow:

Company Name	Partner Contribution	Ownership Percentage	Nature of operation	Country of Operation
		%		
Al Fakher Tobacco Factory	7,720,000	100	Tobacco	UAE

- Al Fakher Tobacco Factory owns a company in Ajman industrial area (Al Fakher for Tobacco Trading and Agencies LLC). Where the financial and administrative control is to Al Fakher Tobacco Factory under the approval and pledge from the other partner.

- The following table represents the financial position and financial performance of the subsidiaries as of December 31, 2016:

	As of December 31, 2016			
Jordanian Dinar	Total Assets	Total Liabilities	Total Revenue	Total comprehensive income (loss) for the year
Al Fakher for Tobacco Trading and Agencies – Consolidated	120,091,643	38,338,418	140,668,291	43,802,071
Spectrum International for Renewable Energy	5,179,531	705,837	2,068,781	(1,176,186)
International cigarettes and Tobacco Company	4,249,070	-	-	(4,953)
Pioneer Venture Group Company	30,456	128,980	-	(133,988)

(c) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the financial assets at the fair value through profit or loss measured at fair value, financial assets and liabilities measured at amortized cost.