

FILE COPY

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE THREE MONTHS
ENDED MARCH 31, 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 THREE MONTHS ENDED MARCH 31, 2016

<i>Contents</i>	<i>Page</i>
Independent Auditor's Report on the Review of the Condensed Consolidated Interim Financial Information	1-2
Condensed Consolidated Interim Statement of Financial Position	3
Condensed Consolidated Interim Statement of profit or loss and other comprehensive income	4
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Information	7-19



Kawasmy & Partners CO.
Amman - Jordan
Shmeisani, Al-Shareef Abdul Hameed Sharaf Str. BLD # 28
Tel : +962 6 5650700, Fax : +962 6 5688598

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

**To Chairman and the Members of 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”) as at 31 March 2016 which comprise condensed consolidated interim statements of financial position and the related condensed consolidated interim statements of profit or loss and other comprehensive income, Changes in Shareholders' Equity and cash flows for the three 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 31 March 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 Note (14) 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.

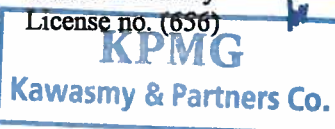
Other Matter

The financial year of the group ends at 31 December of each year, the accompanying condensed consolidated interim financial information were prepared for the purpose of the group's management and the Securities Exchange Commission use.

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)



Amman - Jordan
24 April 2016

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

<i>Jordanian Dinar</i>	Note	March 31, 2016 (Reviewed not audited)	December 31, 2015 (Audited)
Assets			
Current assets			
Cash on hand and at banks		30,322,988	45,121,377
Cheques under collection		143,260	198,063
Trade and other receivables		16,151,557	10,059,518
Inventory		16,481,912	19,375,304
Other debit balances		5,203,697	3,248,301
Total current assets		68,303,414	78,002,563
Non-current assets			
Financial assets at fair value through statement of other comprehensive income	7	2,556,595	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	19,146,038	19,501,016
Advance payment for Investments	9	1,759,536	938,663
Total non-current assets		30,724,039	30,231,983
Total assets		99,027,453	108,234,546
Liabilities and Shareholders' Equity			
Current liabilities			
Deferred cheques -Short Term		489,758	189,889
Accounts payable		6,077,550	5,827,397
Due to related party	12	-	173,523
Other credit balances		11,165,039	5,938,459
Income tax provision	13	3,005,131	3,045,480
Loans and Bank facilities Mature within a year	10	15,930,000	15,930,000
Total current liabilities		36,667,478	31,104,748
Non-current liabilities			
Provision of Employees end of service indemnity		3,145,005	2,906,197
Total non-current liabilities		3,145,005	2,906,197
Total liabilities		39,812,483	34,010,945
Shareholders' Equity			
Capital	1	25,000,000	25,000,000
Statutory reserve		13,897,311	13,897,311
Cumulative change in fair value		1,047,244	1,021,083
Retained earnings		19,270,415	34,305,207
Total Shareholders' Equity		59,214,970	74,223,601
Total Liabilities and Shareholders' Equity		99,027,453	108,234,546

The accompanying notes on pages (7) to (19) are an integral part of these condensed consolidated interim financial information.

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**

<i>In Jordanian Dinars</i>	<u>Note</u>	<u>For the three months ended March 31,</u>	
		<u>2016</u>	<u>2015</u>
		<u>(Reviewed not audited)</u>	<u>(Reviewed not audited)</u>
Net sales		36,453,312	31,588,677
Cost of sales		(19,902,032)	(18,832,885)
Gross profit		16,551,280	12,755,792
Administrative expenses		(2,447,686)	(2,003,793)
Selling and distribution expenses		(3,046,340)	(2,207,932)
Gain from sale of shares in associate company		94,613	-
Profit from operating activities		11,151,867	8,544,067
Net finance expenses		57,563	104,779
Other (expenses) income		(80,849)	441,661
Profit for the period before contingent liability provision and income tax		11,128,581	9,090,507
Contingent liability provision	14	(465,316)	-
Profit for the period before income tax		10,663,265	9,090,507
Income tax expense for the period	13	(698,057)	(567,871)
Profit for the period		9,965,208	8,522,636
Statement of other comprehensive income items:			
Items that will never be reclassified to statement of profit or loss			
Gain from sale of financial assets at fair value through other comprehensive income		-	1,050
Change in fair value for financial assets through of other comprehensive income		26,161	138,480
Total comprehensive income for the period		9,991,369	8,662,166
Basic and diluted earnings per share for the period (JD / share)		0.40	0.34

The accompanying notes on pages (7) to (19) are an integral part of these condensed consolidated interim financial information.

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

In Jordanian Dinars

	<u>Capital</u>	<u>Statutory reserve</u>	<u>Cumulative change in Fair value</u>	<u>Retained Earnings</u>	<u>Total</u>
<u>Changes for the Three Months Ended March 31, 2016</u>					
<u>(Reviewed not audited)</u>					
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	-	-	-	9,965,208	9,965,208
Other comprehensive income for the period	-	-	26,161	-	26,161
Dividends during the period (Note 11)	-	-	-	(25,000,000)	(25,000,000)
Balance as of March 31, 2016	<u>25,000,000</u>	<u>13,897,311</u>	<u>1,047,244</u>	<u>19,270,415</u>	<u>59,214,970</u>
<u>Changes for the Three Months Ended March 31, 2015</u>					
<u>(Reviewed not audited)</u>					
Balance as at 1 January 2015	25,000,000	13,897,311	1,089,745	27,581,906	67,568,962
Profit for the period	-	-	-	8,522,636	8,522,636
Other comprehensive income for the period	-	-	138,480	1,050	139,530
Dividends during the period (Note 11)	-	-	-	(25,000,000)	(25,000,000)
Balance as of March 31, 2015	<u>25,000,000</u>	<u>13,897,311</u>	<u>1,228,225</u>	<u>11,105,592</u>	<u>51,231,128</u>

The companying notes on pages (7) to (19) are an integral part of these condensed consolidated interim financial information.

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

<i>In Jordanian Dinars</i>	For the three months ended March 31,	
	2016	2015
	(Reviewed not audited)	(Reviewed not audited)
Cash flows from operating activities		
Profit for the period	10,663,265	9,090,507
Adjustments:		
Contingent liability provision	465,316	-
Depreciation	882,676	897,285
Key-money amortization	(86,560)	(86,559)
Bank deposits revenue	(178,725)	(237,818)
Finance cost	121,162	133,039
End of service indemnity provision	245,345	142,414
	12,112,479	9,938,868
Changes in:		
Trade and other receivables	(6,092,039)	(1,440,675)
Cheques under collection	54,803	(109,015)
Due to related party	(173,523)	222,618
Inventory	2,893,392	1,452,403
Other debit balances	(1,868,836)	(3,439,314)
Accounts payables and deferred cheques	550,022	498,085
Other credit balances	4,761,264	2,883,077
	12,237,562	10,006,047
Income tax paid	(738,406)	(315,131)
End of service indemnity paid	(6,537)	(6,352)
Net cash flow from operating activities	11,492,619	9,684,564
Cash flows from investing activities		
Acquisition of property, plant and equipment	(527,698)	(586,496)
Dividends for investments	(820,873)	-
Proceeds from sale of financial assets at fair value through other comprehensive income	-	1,553
Net cash flow used in investing activities	(1,348,571)	(584,943)
Cash flows from financing activities		
Finance cost paid	(121,162)	(133,039)
Earned bank deposits revenue	178,725	237,818
Dividends	(25,000,000)	(25,000,000)
Net cash flow used in financing activities	(24,942,437)	(24,895,221)
Net changes in cash on hand and at banks during the period	(14,798,389)	(15,795,600)
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 period	30,322,988	19,612,696

The accompanying notes on pages (7) to (19) are an integral part of these condensed consolidated interim financial information.

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 (10) million JD. on 5/5/1998 the capital has raised through distributing free shares by 20% of the capital to reach (12) million JD. 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 JOD 5,000,000. The Company's paid-up capital become 30 million (1 JD/share). The Company did not complete the procedures in the Ministry of trade and industry.

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 16 April 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 March 31, 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.

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.

<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>Capital</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 owned Pioneer Company with the following details:

<u>Company Name</u>	<u>Capital</u>	<u>Percentage of ownership</u> %	<u>Nature of operation</u>	<u>Country of operation</u>
Pioneer Venture Company	35,464	100	Trading	UAE

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

<i>In Jordanian Dinar</i>	As of March 31, 2016			
	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Total Revenue</u>	<u>Profit (loss) for the year</u>
Al Fakher for Trading Tobacco and Agencies	86,859,649	(64,346,222)	36,437,162	10,513,429
Spectrum International for Renewable Energy	7,188,596	(1,912,563)	16,150	(74,121)
International Cigarettes and Tobacco Company (under liquidation)	4,253,530	-	-	(494)
Pioneer Company	91,072	(145,408)	-	(89,801)

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 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 surplus or deficit 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 company has adopted early International Financial Reporting Standard IFRS 9 “Financial Instruments” to be applied on the financial statement that begins 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 three months ended March 31, 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 (effective from 2016)
- Amendments to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations (effective from 2016)
- Amendments to IAS 16 and 41: Bearer plants (effective from 2016)
- Amendments to IAS 27: Equity method in separate financial statements (effective from 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities Applying the consolidation exception. (effective from 2016)
- Amendments to IAS 1 (effective from 2016)

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

4) FINANCIAL RISK MANAGEMENT AND CAPITAL MANAGEMENT

- Generally, the group’s objectives, policies and processes for managing risk are the same as those disclosed in its 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 16.

5) SEASONALITY OF OPERATIONS

The considerations of measurement and recognition applied in the condensed consolidated interim financial information for the three months ended March 31, 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 economic environments known as geographical segment.

A- Operating Segment

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

- Tobacco manufacturing and trading.
- Investments
- Energy.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

B- Geographical Segment

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

<i>In Jordanian Dinar</i>	Tobacco manufacturing and trading	Energy	Investment	Total
<u>For the three months ended March 31, 2016</u>				
<u>(Reviewed not audited)</u>				
Segment net revenue	16,547,577	3,703	-	16,551,280
Gross segment revenue for the period	16,547,577	3,703	-	16,551,280
Administrative expenses	(1,801,832)	(171,348)	(474,506)	(2,447,686)
Selling and distribution expenses	(3,046,340)	-	-	(3,046,340)
Other expense	(80,849)	-	-	(80,849)
Net finance (expenses) income	57,752	-	(189)	57,563
Contingent liability provision	(465,316)	-	-	(465,316)
Gain on sale of shares in associate company	-	93,525	1,088	94,613
Segment profit (loss) for the period before tax	11,210,992	(74,120)	(473,607)	10,663,265
<u>For the three months ended March 31, 2016</u>				
Gross segment assets	87,004,778	6,580,269	5,442,406	99,027,453
Gross segment liabilities	34,056,237	196,217	5,560,029	39,812,483
Capital expenditure	518,264	9,434	-	527,698
<i>In Jordanian Dinar</i>	Tobacco manufacturing and trading	Energy	Investments	Total
<u>For the three months ended March 31, 2015</u>				
<u>(Reviewed not audited)</u>				
Segment net revenue	12,743,585	12,207	-	12,755,792
Gross segment revenue for the period	12,743,585	12,207	-	12,755,792
Administrative expenses	(1,571,915)	(60,991)	(370,887)	(2,003,793)
Selling and distribution expenses	(2,207,932)	-	-	(2,207,932)
Other income	441,661	-	-	441,661
Net finance expenses	104,881	-	(102)	104,779
Segment profit (loss) for the period before tax	9,510,280	(48,784)	(370,989)	9,090,507
<u>For the three months ended March 31, 2015</u>				
Gross segment assets	77,353,842	4,914,650	5,006,825	87,275,317
Gross segment liabilities	30,488,917	341,616	5,213,656	36,044,189
Capital expenditure	582,751	3,000	745	586,496

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

<i>In Jordanian Dinar</i>	March 31, 2016 (Reviewed not audited)	December 31, (Audited) 2015
Quoted market prices	2,255,570	2,229,409
Non quoted market prices	301,025	301,025
	2,556,595	2,530,434

8) PROPERTY, PLANT AND EQUIPMENT

The additions over property, plant and equipment during the period ended March 31, 2016: JD 527,698 (December 31, 2015: JD 3,429,572).

The depreciation expense on property, plant and equipment during the period ended March 31, 2016: JD 882,676 (March 31, 2015: JD 897,285).

9) ADVANCES TO INVESTMENTS

The amount represents entering Tyef 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 25,000,000 USD, (17,700,000 JOD) 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 investement 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 15,930,000 JD till December 31, 2016 with LIBOR 3 months + 2.5% with a limit of 3%.

The purpose from these facilities is to distribute dividends.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

11) DIVIDENDS

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

<i>In Jordanian Dinar</i>	March 31, 2016 (Reviewed not audited)	March 31, 2015 (Reviewed not audited)
Cash dividends	25,000,000	25,000,000
	25,000,000	25,000,000

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>	Nature of transactions	Nature of relationship	March 31, 2016 (Reviewed not audited)	December 31, 2015 (Audited)
<u>Due to related party</u>				
Due to related party	Financing	Associate Company	-	173,523
			-	173,523

Key management remuneration

Salaries and remunerations short term paid to the Company higher executive management amounted for the three months ended (March 31, 2016: 111,825) (March 31, 2015: JD 103,209).

- As shown in note (10) the group took a loan from Bank of Jordan where the remaining amount of the loan equals to 15,930,000 JD, which is considered due to related party.
- As shown in note (2-B), the group invested in Pioneer Venture Company which is 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 three months ended March 31, 2016 was 6.5% against 6.2% for the three months ended March 31, 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>	March 31, 2016 (Reviewed not audited)	December 31, 2015 (Reviewed)
Balance at the beginning of the year	3,045,480	2,059,211
Allowance for the period / year	698,057	2,250,417
Income tax paid for the period / year	(738,406)	(1,264,148)
Balance at the end of the period / year	3,005,131	3,045,480

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 2014 except for the financial year 2012 which was to the court and the claim in the tax consultant opinion was misplaced and will be separated for the company.

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 Department audited the accounts of the company until 2008 and issued its final decision. for the financial years 2009, 2010 and 2011 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 and 2014 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.

In the tax consultant opinion the company took a provision by an amount of 116,329 for the income tax liability for the three months ended March 31, 2016.

c- Al Fakher – Aqaba private

The Income Tax Department audited the accounts of the company until 2011.

The tax return was submitted for the years 2012, 2013 and 2014 within the legal period, 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 amount of 581,728 for the income tax liability for the three months ended March 31, 2016 for the business results in Aqaba and Ajman equal 5% of the taxable income.

d- Subsidiary – Spectrum International for Renewable Energy

The Income Tax Department audited the accounts of the company until 2011.

The tax return was submitted for the financial year 2012 and 2013 and 2014 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.

Based on the opinion of a tax consultant, it does not need to take any provision to meet the income tax liability for the lack of taxable income, the fact that the results are losses.

14) CONTINGENT LIABILITIES

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

<i>In Jordanian Dinar</i>	March 31, 2016 (Reviewed not audited)	December 31, 2015 (audited)
Bank guarantees	246,306	198,826
	246,306	198,826

Against cash margins represented as follows:

<i>In Jordanian Dinar</i>	March 31, 2016 (Reviewed not audited)	December 31, 2015 (audited)
Bank guarantees	245,406	198,826
	245,406	198,826

- 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 111,756 JD in addition to a legal compensation amount of 46,123 JD. Noting that the Company has paid JOD (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.

- 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 7,843,927 and Legal compensation amount of 3,889,245 JD, the case is still pending in the tax first instance court. Note that the Company calculating 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

15) Earning per share

<i>Jordanian Dinar</i>	For the three months ended March 31	
	2016 (Reviewed not audited)	2015 (Reviewed not audited)
Profit for the period for the shareholders (JD)	9,965,208	8,522,636
Weighted average for number of shares (Share)	25,000,000	25,000,000
Earning per share for the period	0.40	0.34

16) 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.

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:

<i>In Jordanian Dinar</i>	Carrying value as at	
	March 31, 2016	December 31, 2015
Cash at banks	30,288,016	42,993,290
Cheques under collection	143,260	198,063
Trade and other receivables	16,151,557	10,059,518
Other debit balances	3,656,487	1,860,248
	50,239,320	55,111,119

- **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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

March 31, 2016	Carrying Amount	Contractual Cash Flows	less than a year	More than a year
<i>Jordanian Dinar</i>				
Deferred cheques	489,758	(489,758)	(489,758)	-
Accounts payable	6,077,550	(6,077,550)	(6,077,550)	-
Other credit balances	11,165,039	(11,165,039)	(11,165,039)	-
Income tax provision	3,005,131	(3,005,131)	(3,005,131)	-
Loan and bank facilities	15,930,000	(15,930,000)	(15,930,000)	-
Provision for end of service indemnity	3,145,005	(3,145,005)	-	(3,145,005)
	39,812,483	(39,812,483)	(36,667,478)	(3,145,005)

December 31, 2015	Carrying Amount	Contractual Cash Flows	less than a year	More than a year
<i>Jordanian Dinar</i>				
Deferred cheques	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)	-
Loan and bank facilities mature within a year	15,930,000	(15,930,000)	(15,930,000)	-
Income tax provision	3,045,480	(3,045,480)	(3,045,480)	-
Provision for end of service indemnity	2,906,197	(2,906,197)	-	(2,906,197)
	34,010,945	(34,010,945)	(31,104,748)	(2,906,197)

- **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 and UAE Dirhams.

An increase (decrease) of the JD against the AED at 31 March 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

- **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>In Jordanian Dinar</i>	Carrying value	
	March 31, 2016	December 31, 2015
Variable rate instrument		
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 39,825 for the three months ended March 31, 2016. A decrease in the interest average rate by 1% will lead to decrease in finance expense with an amount of JD 39,825 for the three months ended March 31, 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 127,830 JD. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

17) **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 financial assets.

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). This category includes instrument evaluated based on:

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.

- **Financial Instruments measured at fair value:**

The Company does not measure financial instruments at fair value except for financial assets at fair value through other comprehensive income.

- **Financial Instruments not measured at fair value:**

This instruments measured at amortized cost and its fair value doesn't materially differ of it's amortized cost.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

<i>In Jordanian dinar</i>	Book value Fair value	Fair Value		
		Level (1)	Level (2)	Level (3)*
<u>March 31, 2016</u>				
Cash on hand and at banks	30,322,988	30,322,988	-	-
Cheques under collection	143,260	-	-	-
Trade and other receivables	16,151,557	-	-	-
Financial assets at fair values through statement of other comprehensive income	2,556,595	2,255,570	-	301,025
Deferred Cheques	(489,758)	-	-	-
Accounts payables	(6,077,550)	-	-	-
Loans and bank facilities	(15,930,000)	-	-	-
<u>December 31, 2015</u>				
Cash on hand and at banks	45,121,377	45,121,377	-	-
Cheques under collection	198,063	-	-	-
Trade and other receivables	10,059,518	-	-	-
Financial assets at fair values through statement of other comprehensive income	2,530,434	2,229,409	-	301,025
Deferred Cheques	(189,889)	-	-	-
Accounts payables	(5,827,397)	-	-	-
Due to related party	(173,523)	-	-	-
Loans and bank facilities	(15,930,000)	-	-	-

* This item represents the fair value of financial assets at fair value through statement of other comprehensive income that is not disclosed in the financial markets related to the shares of the group in North Industrial Company – Jenin, the group determined the fair value of this item using the net asset value method of the latest audited financial statements available, the management believes that this is the most appropriate method to measure fair value of the investment since no updated market value information is available regarding this investment.

For the previous items, the fair value for assets and liabilities at level 2 and 3 has been determined according to known prices modules that reflect the credit risk for the parties that they deal with.

18) 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 March 31, 2015.