



شركة الإقبال للاستثمار م.ع.م
Al - Eqbal Investment Co. (PLC)

للمرسلين

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

* بوسمة عمان
* الشركة
التيمر

11/9/17

التاريخ: 2017/11/20
الرقم: 450-33/9/3

السادة / هيئة الأوراق المالية - المحترمين ،
دائرة الإفصاح ،
ص.ب 8802 عمان 11121 الاردن
فاكس : 5686830

تحية طيبة وبعد ،،

اشارة الى كتابكم رقم 17/2705/1/12 تاريخ 2017/11/16 نرفق لكم المعلومات المالية المرحلية
الموحدة باللغة الإنجليزية لشركة الإقبال للاستثمار م.ع.م كما في 2017/9/30 .

وتفضلوا بقبول فائق الاحترام ،،

رئيس قسم المساهمين
يعقوب راشد

- نسخة الملف .



شركة الإقبال للاستثمار م.ع.م
11121 عمان 8802 ص.ب

هيئة الأوراق المالية الدائرة الادارية / الديوان
٢٠ تشرين الثاني ٢٠١٧
الرقم التسلسلي ٩٧٦٢٢
الجهة المختصة ١/١٢/١٧

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

**CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE NINE MONTHS
ENDED SEPTEMBER 30, 2017**

**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, 2017

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**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 of September 30, 2017 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 nine months period then ended and the notes to the 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 of September 30, 2017 is not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".



Emphasis of matters

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

- As mentioned in note (13) to the condensed consolidated interim financial information which describes that the Company's subsidiary (Al-Fakher for Trading Tobacco and Agencies) filed four lawsuits with the first instance court to object on the decision taken by the Income and Sales Tax department of Jordan for imposing tax for the years 2009, 2010 and 2011 with an amount of JOD 7,843,927 and Legal compensation with an amount of JOD 3,889,245 and for imposing a tax for the year 2012 with an amount of JOD 3,253,058 and legal compensation with an amount of JOD 2,602,446 and imposing tax for the year 2013 with the amount of JD 4,432,006 and Legal compensation with an amount of JD 3,508,048 and imposing tax for the year 2014 with the amount of JD 4,250,595 and legal compensation with an amount of JD 3,400,476 due to the fact that the Income and Sales Tax department of Jordan considers The Company in Ajman-(United Arab Emirates) as a subsidiary and not a branch. The Lawsuit is still pending in the tax first instance court. In the opinion of the Company's Management, tax consultant and legal consultant, the probability of winning the lawsuit is high and the recorded provisions are sufficient. The ultimate outcome of the lawsuit cannot be determined reliably. Accordingly, no additional provision has been recorded in the condensed consolidated interim financial information against any consequences that may arise on the Group.
- As mentioned in note (13) 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 JOD 288,000 in addition to penalty amounted to JOD 576,000. In the opinion of the Company's Management and legal consultant, 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.

Other Matters

- As mentioned in note (15) to the condensed consolidated interim financial information, Al-Fakher Trading Tobacco and Agencies (Subsidiary Company) purchased shares in Al-Eqbal Investment Company (Parent Company) with a total number of 6,400 share and amounted to JOD 167,334 as of 30 September 2017, which does not comply with Article 204 / C of the Jordanian Companies Law. Noting that Al-Fakher Trading Tobacco and Agencies Company has sold these shares to third party before the date of issuing these condensed consolidated interim financial information.
- These financial statements are translated copy to the English language of the original consolidated financial statements issued in the Arabic language.

Kawasmy and Partners
KPMG

Hatem Kawasmy
License no. (656)

Amman - Jordan
29 October 2017

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

<i>Jordanian Dinar</i>	<i>Note</i>	As of September 30, 2017 (Reviewed not audited)	As of December 31, 2016 (Audited)
Assets			
Current assets			
Cash on hand and at banks		10,367,632	49,729,435
Cheques under collection		-	28,360
Trade and other receivables		58,535,787	25,617,883
Inventory		23,783,126	19,477,577
Other debit balances		4,083,931	4,496,347
Total current assets		96,770,476	99,349,602
Non-current assets			
Financial assets at fair value through statement of other comprehensive income	6	737,959	914,633
Investment property		674,552	674,552
Intangible assets-Goodwill from acquisition of subsidiary		6,602,986	6,602,986
Property, plant and equipment	7	20,282,673	18,543,871
Advance payments for Investments	8	67,017,759	897,066
Total non-current assets		95,315,929	27,633,108
Total assets		192,086,405	126,982,710
Liabilities and Shareholders' Equity			
Current liabilities			
Deferred cheques		183,240	358,410
Accounts payable		9,746,522	7,163,620
Other credit balances		12,515,491	7,406,230
Income tax provision	12	4,334,478	5,609,153
Loans and Bank facilities mature within a year	9-1	71,422,729	15,930,000
Total current liabilities		98,202,460	36,467,413
Non-current liabilities			
Loans and Bank facilities mature within more than a year	9-2	10,153,857	-
Provision of employees' end of service indemnity		4,053,132	3,880,311
Total non-current liabilities		14,206,989	3,880,311
Total liabilities		112,409,449	40,347,724
Shareholders' Equity			
Capital	1	30,000,000	30,000,000
Statutory reserve		13,897,311	13,897,311
Shares owned by subsidiary Company	15	(167,334)	-
Cumulative change in fair value		243,288	340,934
Retained earnings		35,703,691	42,396,741
Total Shareholders' Equity		79,676,956	86,634,986
Total Liabilities and Shareholders' Equity		192,086,405	126,982,710

The companying notes on pages (7) to (22) are an integral part of these condensed consolidated interim financial information and should be read with it and with the independent auditor's 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

	For the three months ended on		For the nine months ended on	
	September 30,		September 30,	
	2017	2016	2017	2016
	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)
<i>Jordanian Dinar</i>				
Net sales	45,552,451	31,877,762	122,343,586	105,357,384
Cost of sales	(27,292,604)	(17,059,018)	(69,270,485)	(56,790,897)
Gross profit	18,259,847	14,818,744	53,073,101	48,566,487
Administrative expenses	(3,332,285)	(2,265,813)	(8,913,451)	(7,066,461)
Selling and distribution expenses	(3,628,273)	(4,698,583)	(13,112,209)	(11,603,688)
Gain from sale of shares in associate Company	-	-	-	94,613
Dividends distributions of financial assets at fair value through other comprehensive income	-	-	30,811	33,045
Management and Logistics fees	7,529,074	-	7,529,074	-
Operating income	18,828,363	7,854,348	38,607,326	30,023,996
Net finance (cost) income	(1,156,001)	82,892	(1,236,839)	104,321
Other (expenses) revenues	(435,609)	237,464	(125,188)	381,779
Gain from sale of property, plant and equipment	9,376	-	2,084	-
Profit for the period before contingent liability provision and income tax	17,246,129	8,174,704	37,247,383	30,510,096
Contingent liability provision	-	(342,426)	-	(1,279,008)
Profit for the period before income tax	17,246,129	7,832,278	37,247,383	29,231,088
Income tax expense for the period	(1,906,046)	(572,050)	(4,005,848)	(1,977,122)
Profit for the period	15,340,083	7,260,228	33,241,535	27,253,966
Other comprehensive income items:				
Items will never be reclassified to profit or loss:				
Gains from sale of financial assets at fair value through other comprehensive income	-	-	109,205	738,076
Differences in fair value for financial assets through other comprehensive income	(8,062)	95,876	(141,436)	(729,151)
Total comprehensive income for the period	15,332,021	7,356,104	33,209,304	27,262,891
Basic and diluted earnings per share from profit for the period (JD/Share)			1.11	0.91

The accompanying notes on pages (7) to (22) are an integral part of these condensed consolidated interim financial Information and should be read with it and with the independent auditor's 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>	Capital	Statutory reserve	Shares owned by subsidiary Company	Cumulative change in fair value	Retained earnings	Total
Changes for the nine months ended September 30, 2017 (Reviewed not audited)						
Balance as at 1 January 2017	30,000,000	13,897,311	-	340,934	42,396,741	86,634,986
Profit for the period	-	-	-	-	33,241,535	33,241,535
Other comprehensive income	-	-	-	(141,436)	109,205	(32,231)
Transfers from fair value reserve	-	-	-	43,790	(43,790)	-
Dividends distribution during the period (Note 10)	-	-	-	-	(40,000,000)	(40,000,000)
Shares owned by a subsidiary company (Note 15)	-	-	(167,334)	-	-	(167,334)
Balance as of September 30, 2017	30,000,000	13,897,311	(167,334)	243,288	35,703,691	79,676,956
Changes for the nine months ended September 30, 2016 (Reviewed not audited)						
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 16)	5,000,000	-	-	-	(5,000,000)	-
Dividends distribution during the period (Note 10)	-	-	-	-	(25,000,000)	(25,000,000)
Balance as of September 30, 2016	30,000,000	13,897,311	-	291,932	32,297,249	76,486,492

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

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

	For the nine months ended September 30,	
	2017	2016
	(Reviewed not Audited)	(Reviewed not Audited)
<i>Jordanian Dinar</i>		
Cash flows from operating activities		
Profit for the period before income tax	37,247,383	29,231,088
Adjustments:		
Contingent liability provision	-	1,279,008
Dividends distributions of financial assets at fair value through other comprehensive income	(30,811)	(33,045)
Gain from sale of shares in associate company	-	(94,613)
Provision of employees end of service indemnity	723,229	728,300
Depreciation	2,156,002	2,596,181
Key money amortization	282,296	338,085
Finance cost	1,524,867	405,861
Interest revenue	(288,028)	(510,182)
Gain from sale of property, plant and equipment	(2,084)	-
	41,612,854	33,940,683
Change in:		
Trade and other receivables	(32,917,904)	(13,900,623)
Cheques under collection	28,360	198,063
Inventory	(4,305,549)	(4,734,648)
Other debit balances	130,120	(1,984,348)
Accounts payable and deferred cheques	2,407,732	1,868,561
Other credit balances	5,109,261	3,652,071
Due to related party	-	(173,523)
Cash flows from operating activities	12,064,874	18,866,236
Income tax paid	(5,280,523)	(1,876,892)
End of service indemnity paid	(550,408)	(35,840)
Net cash flows from operating activities	6,233,943	16,953,504
Cash flows from investing activities		
Acquisition of property, plant and equipment	(3,929,465)	(1,013,273)
Proceeds from sale of property, plant and equipment	36,745	2,606
Gain from sale of shares in associate Company	-	94,613
Advance payments for Investments	(66,120,693)	(896,059)
Dividends distribution on financial assets at fair value through other comprehensive income	30,811	33,045
Proceeds from sale of financial assets at fair value through other comprehensive income	144,443	1,673,729
Revenue from bank deposits	288,028	510,182
Net cash flows (used in) from investing activities	(69,550,131)	404,843
Cash flows from financing activities		
Finance costs paid	(1,524,867)	(405,861)
Dividends distribution	(40,000,000)	(25,000,000)
Loans and bank facilities	65,646,586	-
Shares owned by subsidiary Company	(167,334)	-
Net cash flows from (used in) financing activities	23,954,385	(25,405,861)
Net change in cash on hand and at banks	(39,361,803)	(8,047,514)
Cash on hand and at banks at the beginning of the period	49,729,435	45,121,377
Cash on hand and at banks at the end of the period	10,367,632	37,073,863

The companying notes on pages (7) to (22) are an integral part of these condensed consolidated interim financial information and should be read with it and with the independent auditor's report.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

1) GENERAL

Al-Eqbal Investment Company-PLC (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 is amounted to JOD 5 millions (1 JOD /share).

On October 10, 1993 the capital has raised through special offering by 100% of the capital to reach JOD 10 millions. On May 5, 1998 the capital has raised through distributing free shares by 20% of the capital to reach JOD 12 million. On April 16, 2001 the Company has merged with Eqbal for Financial Investments Company to be the capital JOD 14,304,675. On April 15, 2002 the capital has raised through distributing free shares by 5% of the capital to reach JOD 15 million. On April 10, 2005 the capital has been raised through distributing free shares by 10% to reach JOD 16,500,000. On April 16, 2006 the capital has been raised through distributing free shares by 21% of capital to reach JOD 20 millions. On February 25, 2013 the capital has raised through distributing free shares by 25% of the capital to reach JOD 25 millions.

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 for the paid-up capital to become 30 millions (1 JOD/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 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 29 October 2017.

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 of and for the year ended December 31, 2016.
- These condensed consolidated interim financial information should be read with the consolidated financial statements for the year ended December 31, 2016. As well as the financial performance for the condensed consolidated interim financial period ended September 30, 2017 does not necessarily give an indication for the expected financial performance for the year that will be ending on December 31, 2017. 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 2017.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

- These condensed consolidated interim financial information do not include all the information required for full annual consolidated financial statements prepared in accordance with International Financial Reporting Standards.

b) Basis of consolidating 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 condensed interim financial information of the subsidiaries are included in the condensed consolidated interim 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 Ventures Group	74,064	100	Trading	UAE

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

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

**Al-Fakher Holding for Tobacco Trading and Agencies (Cayman Islands) owns a subsidiary of which related information is as follows:

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

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

<u>Company Name</u>	<u>Partner Contribution</u>	<u>Ownership Percentage</u>	<u>Nature of operation</u>	<u>Country of Operation</u>
		%		
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 of Al-Fakher Tobacco Factory is under the approval and pledge from the other owner / partner.

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

- The following table represents the financial position and financial performance of the subsidiaries as of September 30, 2017:

<i>In Jordanian Dinar</i>	As of September 30, 2017			
	<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Total Revenue</u>	<u>Profit (loss) for the period</u>
Al-Fakher for Trading Tobacco and Agencies - Consolidated	184,426,010	137,203,469	114,523,666	35,223,475
Spectrum International for Renewable Energy	7,000,953	2,984,023	7,819,920	(424,534)
International Cigarettes and Tobacco Company (under liquidation)	4,247,570	-	-	(1,500)
Pioneer Ventures Group	31,325	244,890	-	(153,640)

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.

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

- 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 December 31, 2016.

d) The excess of current liabilities over current assets

The Group's current liabilities exceeded its current assets by JOD 1,431,984 as of 30 September 2017. Management of the group create available financial resources when needed and through the group's operation, based on that, the management foresees no issues in meeting the current liabilities when these liabilities due at least for the next twelve months.

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 January 1, 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 in these condensed consolidated interim financial information are the same used in the Company's financial statements for the year ended December 31, 2016 in except for to the international financial reporting standards which became effective since the years starts on January 1, 2017 which are as follows:

- International Accounting Standard No. (7): Disclosure Initiative
- International Accounting Standard No. (12): Recognition of Deferred Tax Assets for Unrealized Losses.
- Annual Improvements to International Financial Reporting Standards 2014–2016 cycle

The application of these amended standards did not have a significant effect on the condensed consolidated interim financial information.

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, 2016.
- 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) 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.

**AL-EQBAL INVESTMENT COMPANY
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AMMAN – JORDAN**

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>Jordanian Dinar</i>	<u>Tobacco</u>	<u>Energy</u>	<u>Investment</u>	<u>Total</u>
<u>For the nine months ended September 30, 2017</u> <u>(Reviewed not audited)</u>				
Segment revenue – net	52,940,561	132,540	-	53,073,101
Gross segment revenue for the period	<u>52,940,561</u>	<u>132,540</u>	<u>-</u>	<u>53,073,101</u>
Administrative expenses	(7,209,645)	(553,067)	(1,150,739)	(8,913,451)
Selling and distribution expenses	(13,112,209)	-	-	(13,112,209)
Dividends from financial assets at fair value through other comprehensive income	-	30,811	-	30,811
Net finance cost	(795,887)	(35,785)	(405,167)	(1,236,839)
Management and Logistics fees	7,529,074	-	-	7,529,074
Other (expenses) revenues	(126,155)	967	-	(125,188)
Gain from sale of property, plant and equipment	2,084	-	-	2,084
Segment profit (loss) for the period before tax	<u>39,227,823</u>	<u>(424,534)</u>	<u>(1,555,906)</u>	<u>37,247,383</u>
Gross segment assets	184,382,450	6,392,626	1,311,329	192,086,405
Gross segment liabilities	82,898,079	2,593,754	26,917,616	112,409,449
Capital expenditure	3,914,734	9,551	5,180	3,929,465
<i>Jordanian Dinar</i>	<u>Tobacco</u>	<u>Energy</u>	<u>Investment</u>	<u>Total</u>
<u>For the nine months ended September 30, 2016</u> <u>(Reviewed not audited)</u>				
Segment revenue – net	48,559,767	6,720	-	48,566,487
Net segment revenue for the period	<u>48,559,767</u>	<u>6,720</u>	<u>-</u>	<u>48,566,487</u>
Administrative expenses	(5,421,765)	(442,918)	(1,201,778)	(7,066,461)
Selling and distribution expenses	(11,603,688)	-	-	(11,603,688)
Other revenues (expenses)	382,030	(181)	(70)	381,779
Net finance income (expenses)	146,447	(40,277)	(1,849)	104,321
Dividends from financial assets at fair value through other comprehensive income	-	33,045	-	33,045
Contingent liability provision	(1,279,008)	-	-	(1,279,008)
Gains from sale of shares in associate company	-	93,525	1,088	94,613
Segment profit (loss) for the period before tax	<u>30,783,783</u>	<u>(350,086)</u>	<u>(1,202,609)</u>	<u>29,231,088</u>
<u>For the period ended September 30, 2016</u>				
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

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

<i>In Jordanian Dinar</i>	September 30, 2017 (Reviewed, not Audited)	December 31, 2016 (Audited)
Quoted market prices*	436,934	613,608
Non quoted market prices**	301,025	301,025
	737,959	914,633

* This item represents the fair value of listed financial assets for the Group's share in Bank of Jordan according to the market value as of September 30, 2017 and December 31, 2016.

**This item represents the fair value of unlisted financial assets for the Group's share in North Industrial Company (Palestine), the Group has determined the fair value of this item using Net Assets Method for the last audited financial statements available.

7) PROPERTY, PLANT AND EQUIPMENT

The additions on property, plant and equipment during the period ended September 30, 2017: JOD 3,929,465 (December 31, 2016: JOD 2,533,401).

The depreciation expense on property, plant and equipment during the period ended September 30, 2017: JOD 2,156,002 (September 30, 2016: JOD 2,596,181).

8) ADVANCE PAYMENTS FOR INVESTMENTS

The details of the advance payments for investments are as follow:

- The Group's management has paid an amount of JOD 64,348,533 as an advanced payment for investing in distribution activities of Al-Fakher products. The owner of the distribution activity was unable to complete the transfer of ownership of the shares in the companies targeted for the distribution activity to the group and to enable it to own, manage and control the distribution activity. Moreover, the group does not have any existing rights or variable interests to direct or control the distribution activity until the date of transfer of ownership, management and control of the distribution activity.

The Group does not have any existing rights to enable it to direct or control distribution activity until the date of transfer of ownership, management and control over the distribution activity.

The owner of the distribution activity will be charged costs related to the Management and Logistics services for completing the transfer procedures.

The value of the services that were charged to the owner of the distribution activity amounted to JD 7,529,074 for the period ended 30 September 2017.

- The Group's management has paid an amount of JOD 1,751,236 during 2017 as advance payment to establish a new investment in Turkey, where the legal procedures have not yet been completed.
- Entrance of Spectrum International for Renewable Energy in a joint projects agreement with an amount of 1,867,990. Where the joint ventures are still in the pre-incorporation phase and have not yet been completed.

The company has booked an impairment provision for the year of 2016 with an amount of JOD 950,000 to face the foreign currency differences.

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9) LOANS AND BANK FACILITIES

9-1 Loans and Bank facilities mature within a year

<u>Bank's name</u>	<u>Facility type</u>	<u>Maturity date</u>	<u>As of September 30, 2017 (Reviewed not audited)</u>	<u>As of December 31, 2016 (Audited)</u>
<i>In Jordanian Dinar</i>				
Bank of Jordan	Overdraft	-	310,670	-
Bank of Jordan *	Loan	December 31, 2017	15,930,000	-
	Letter of Credit			
Bank of Jordan **	Finance	December 31, 2017	1,800,155	-
Bank of Jordan ***	Loan	December 31, 2017	22,036	-
Bank of Jordan ****	Loan	December 31, 2017	25,000,000	-
Cairo Amman Bank *****	Loan	December 31, 2017	28,359,868	-
			71,422,729	-

9-2 Loans matures within more than a year

<u>Bank's name</u>	<u>Facility type</u>	<u>Maturity date</u>	<u>As of September 30, 2017 (Reviewed not audited)</u>	<u>As of December 31, 2016 (Audited)</u>
<i>In Jordanian Dinar</i>				
Bank of Jordan ***	Loan	October 13, 2026	241,857	-
Housing Bank *****	Loan	April 1, 2024	9,912,000	-
			10,153,857	-

* Al-Fakher for Trading Tobacco and Agencies Company – subsidiary company obtained a credit facilities during the year 2013 from Bank of Jordan amounted USD 25,000,000, (JOD 17,700,000) which represents a reducing loan that will be settled in one installment on January 4, 2014 with a variable LIBOR of +2%. The loan installment was 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 10% of the loan amount was paid and extended the maturity date of the remaining amount of JOD 15,930,000 till December 31, 2016 with LIBOR 3 months + 2.5% with a limit of 3%.
- In December 8, 2016 the maturity date of the remaining amount of 15,930,000 was extended to be paid in one installment on December 31, 2017 with LIBOR 3 months + 2.5% with a limit of 3% under the same above mentioned conditions and insurances.

The purpose from these facilities is to distribute dividends.

** Spectrum Company received a loan from the Bank of Jordan at a value of JD 2,990,000 at an interest rate of 8% and a commission of zero which is used to finance the letters of credit and projects so that it will be repaid in a single installment on 31 December 2017 or if the project receivables are received whichever is earlier.

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*** Spectrum Company has signed an agreement to grant a loan from Bank of Jordan within the program of advances of the Central Bank for the industrial sectors. The loan is disbursed according to the invoices submitted by the company for the disbursement and any completed works and with a percentage of 100% of the value of invoices and works with a maximum value of JOD 571,200. The loan is subject to 4.25% and commission of zero and repaid on equal monthly premium inclusive of interest and shall commence payment of 108 equal monthly payments including interest, the first installment after 6 months from the date of execution until full repayment.

****Al-Eqbal Investment Company obtained credit facilities from Bank of Jordan with an amount of JOD 25 million with interest of 6.75% and zero commission for the purpose of financing the working capital, were the loan will be settled in one installment after SIX MONTHS from the execution date, and the interest to be monthly paid from the date of execution until the full settlement.

***** Al-Fakher Tobacco Holding (UAE) obtained credit facilities from Cairo Amman Bank with an amount of USD 40 million (JOD 28,359,868) where the loan matures in one installment on December 31, 2017 with interest of 1 month LABOR + 2.5% margin per annum, provided that it is less than 5.5% per annum calculated based on the daily balance of the loan and added on the monthly balance of the loan, paid on maturity date the purpose of expanding the Group's activity. The credit facilities guaranteed by Al-Eqbal Investment Company.

*****Al-Fakher for Trading Tobacco and Agencies Company obtained credit facilities from the Housing Bank with an amount of USD 14 million for the purpose of distributing dividends, where the loan is paid over maximum seven years including one year of grace period and installments are paid monthly per annum, by the end of the seventh year, the remaining balance of the loan will be paid in one installment with interest of 1 month LABOR + 2.125% margin per annum and minimum of 3.125% guaranteed by Al-Eqbal Investment Company.

10) DIVIDENDS

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

<i>In Jordanian Dinar</i>	September 30, 2017 (Reviewed not audited)	September 30, 2016 (Reviewed not audited)
Cash dividends	40,000,000	25,000,000
	<u>40,000,000</u>	<u>25,000,000</u>

The General Assembly decided in its meeting held on March 6, 2017 to distribute JOD 40,000,000 to the shareholders for the year 2016.

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

11) Related parties transactions

11-1) Key management remuneration

Salaries and remunerations short term paid to the Company higher executive management amounted for the nine months ended September 30, 2017: JOD 246,105 (September 30, 2016: JOD 184,336).

- As shown in note (9) the Group obtained credit facilities from Bank of Jordan which is considered due to related party.

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12) INCOME TAX PROVISION

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 Group's effective tax rate in respect of its operations for the nine months ended September 30, 2017 was 10.7% against 6.7% for the nine months ended September 30, 2016.

The tax rate based on prevailing local law is 20% for Al Eqbal Investment Company and Al-Fakher for Trading Tobacco and Agencies Company while it reached 10% from investment profit in Al-Fakher Tobacco Factory (UAE). The tax return for the year 2016 was submitted and was not audited by the tax authority and no decision was issued on it.

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

<i>Jordanian Dinar</i>	September 30, 2017 (Reviewed not audited)	December 31, 2016 (Audited)
Balance at the beginning of the period / year	5,609,153	3,045,480
Allowance for the period / year	4,005,848	4,440,565
Income tax paid for the period / year	(5,280,523)	(1,876,892)
Balance at the end of the period / year	4,334,478	5,609,153

Group tax position

a- Parent company – Al Eqbal for Investment PLC

The income tax was settled until 2015 except for 2012. The company has objected on the final decision of the income and sales tax department at court. In the tax consultant's opinion the demand misplaced and will be separated for the company.

The tax return was submitted for the financial year 2016 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 information.

Based on the tax consultant opinion, the company does not need to account any provisions for the income tax liability for the business results for the period ended September 30, 2017.

**b- Subsidiary – AL-Fakher for Trading Tobacco and Agencies LLC
Al-Fakher – Amman**

The Income Tax was settled until the financial year 2008. The Income Tax Department audited the accounts of the company and issued its final decision for the financial years from 2009 till 2014 which was objected to the court of the tax, in the Company's management and tax consultant's opinion, the decisions of the Tax Department is misplaced and will be dismissed in favor of the company.

The tax return was submitted for the financial year 2015 and 2016 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 information.

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Based on the tax consultant opinion the company should take a provision by an amount of JOD 4,005,848 for the income tax liability as a provision of 10% of net profit of Al-Fakher Tobacco Factory (UAE).

Al-Fakher – Aqaba private

The Income Tax was settled until 2012. The tax return was submitted for the years 2013, 2014, 2015 and 2016 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 information.

Based on the tax consultant opinion, the company does not need to account any provisions for the income tax liability for the business results.

c- Subsidiary – Spectrum International for Renewable Energy

The Income Tax was settled until the financial year 2014. The tax return was submitted for the financial years 2015 and 2016 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 tax consultant opinion, the company does not need to account any provisions for the income tax liability for the business results.

13) CONTINGENT LIABILITIES

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

<i>In Jordanian Dinar</i>	September 30, 2017 (Reviewed not audited)	December 31, 2016 (Audited)
Bank guarantees	3,044,922	2,504,422
	3,044,922	2,504,422

Against cash margins represented as follows:

<i>In Jordanian Dinar</i>	September 30, 2017 (Reviewed not audited)	December 31, 2016 (Audited)
Bank guarantees	289,588	181,096
	289,588	181,096

- 2- The Company filed a lawsuit with the First Instance Court to object to the decisions passed on by the Income Tax Department for imposing income tax on the year 2012 with an amount of JOD 111,756 in addition to a legal compensation amount of JOD 46,123, and the lawsuit is still at the accounting experience procedures stage.

Based on the Group's management legal and tax consultant, it is probable to win the case due to the fact that the objection committee did not deduct the yearly donations, the Board of Directors rewards and the full amount of accumulated losses, also, it did not take into account the necessity of subtracting the interest expense and currency differences from the interest revenue.

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- 3- The Company filed a lawsuit with the First Instance Court to object to the decisions passed on by the Income Tax Department for imposing sales tax on the company amounted to JOD 288,000 in addition to Legal Fees JOD 576,000 and fees resulted from selling lands and buildings which are related to Phillip Morris and the lawsuit still pending at the tax first instance court in the stage of performing accounting assessment.

Based on the tax consultant and Group's management the probability of winning the legal case and cancelling the claims is high.

- 4- 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 JOD 7,843,927 and Legal compensation amount of JOD 3,889,245 and JOD 111,372 for Education support fund the case is still pending in the tax first instance court in the stage performing expert assessment.

Based on the Group's management its legal and tax consultant's opinion, 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 private zone on addition to tax rate differences.

- 5- During the first quarter, 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 year 2012 with an amount of JOD 3,253,058 and Legal compensation amount of JOD 2,602,446, the case is still pending in the tax first instance court to make a conclusion on the required evidences by the company.

Based on the Group's management and tax consultant's opinion, 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 has been paid to the income and sales tax department in Aqaba private zone in addition to tax rate differences.

- 6- 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 on the company for the amount of JOD 4,432,006 for the year of 2013 and legal compensation amount of JOD 3,508,048 the case is still pending in the tax first instance court in the stage performing expert assessment.

Based on the Group's management its legal and tax consultant's opinion, the probability of winning the legal case is high because the profit is from the branch and not from the investment.

- 7- 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 on the company for the amount of JOD 4,250,595 for the year of 2014 and legal compensation amount of JOD 3,400,476 the case is still pending in the tax first instance court in the stage performing expert assessment.

Based on the Group's management its legal and tax consultant's opinion, the probability of winning the legal case is high because the profit is from the branch and not from the investment.

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14) Earning per share

<i>Jordanian Dinar</i>	For the nine months ended September 30,	
	2017 (Reviewed not audited)	2016 (Reviewed not audited)
Profit for the period for the shareholders (JOD)	33,241,535	27,253,966
Weighted average for number of shares (Share)	30,000,000	30,000,000
Earning per share for the period	<u>1.11</u>	<u>0.91</u>

15) SHARES OWNED BY SUBSIDIARY COMPANY

Al-Fakher Trading Tobacco and Agencies (Subsidiary Company) purchased shares in Al-Eqbal Investment Company (Parent Company) with a total number of 6,400 share and amounted to JOD 167,334 as of 30 September 2017. Noting that Al-Fakher Trading Tobacco and Agencies Company has sold these shares to third party before the date of issuing these condensed consolidated interim financial information.

16) 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.

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.

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 were as follows:

<i>In Jordanian Dinar</i>	Carrying value as at	
	September 30, 2017	December 31, 2016
Cash at banks	10,253,661	47,911,215
Cheques under collection	-	28,360
Trade and other receivables	58,535,787	25,617,883
Other debit balances	4,083,931	2,777,133
	<u>72,873,379</u>	<u>76,334,591</u>

- 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.

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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:

<u>September 30, 2017</u> <i>Jordanian Dinar</i>	<u>Carrying Amount</u>	<u>Contractual Cash Flows</u>	<u>less than a year</u>	<u>More than a year</u>
Deferred cheques	183,240	(183,240)	(183,240)	-
Accounts payable	9,746,522	(9,746,522)	(9,746,522)	-
Other credit balances	12,515,491	(12,515,491)	(12,515,491)	-
Income tax provision	4,334,478	(4,334,478)	(4,334,478)	-
Loans and Bank facilities	81,576,586	(81,576,586)	(71,422,729)	(10,153,857)
Provision of employees' end of service indemnity	4,053,132	(4,053,132)	-	(4,053,132)
	<u>112,409,449</u>	<u>(112,409,449)</u>	<u>(98,202,460)</u>	<u>(14,206,989)</u>
<u>December 31, 2016</u> <i>Jordanian Dinar</i>	<u>Carrying Amount</u>	<u>Contractual Cash Flows</u>	<u>less than a year</u>	<u>More than a year</u>
Deferred cheques	358,410	(358,410)	(358,410)	-
Accounts payable	7,163,620	(7,163,620)	(7,163,620)	-
Other credit balances	7,406,230	(7,406,230)	(7,406,230)	-
Income tax provision	5,609,153	(5,609,153)	(5,609,153)	-
Loans and Bank facilities	15,930,000	(15,930,000)	(15,930,000)	-
Provision of employees' end of service indemnity	3,880,311	(3,880,311)	-	(3,880,311)
	<u>40,347,724</u>	<u>(40,347,724)</u>	<u>(36,467,413)</u>	<u>(3,880,311)</u>

- **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 JOD against the AED of September 30 would have increased (decreased) profit or loss by the amounts shown below and it's considered that exchange rate of JOD 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.

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- 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	
	September 30, 2017	December 31, 2016
Fixed rate instruments		
Financial Assets	1,514,271	28,168,412
Variable rate instruments		
Financial Liabilities	(81,576,586)	(15,930,000)

An increase in the interest average rate by 1% will lead to increase in finance expense with an amount of JOD 611,824 for the nine months ended September 30, 2017. A decrease in the interest average rate by 1% will lead to decrease in finance expense with an amount of JOD 611,824 for the nine months ended September 30, 2017.

- 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 consolidated interim financial information date would have increased (decreased) equity and profit or loss by the amount of JOD 36,898. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

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 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.

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- Financial Instruments measured at fair value:

		<u>Fair value</u>		
<i>In Jordanian dinar</i>	<u>Book value</u>	<u>Level (1)</u>	<u>Level (2)</u>	<u>Level (3)*</u>
<u>September 30, 2017</u>				
Cash on hand and at banks	10,367,632	10,367,632	-	-
Financial assets at fair values through statement of other comprehensive income	737,959	436,934	-	301,025
<u>December 31, 2016</u>				
Cash on hand and at banks	49,729,435	49,729,435	-	-
Financial assets at fair values through statement of other comprehensive income	914,633	613,608	-	301,025

The Group's management believes that the fair value of financial assets and liabilities are not materially different from its book value in the condensed consolidated interim statements of financial position.

- * 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 – Palestine, 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.

There were no transfers between level 1 and level 2 during the year ended September 30, 2017 and December 31, 2016.

Financial Instruments not measured at fair value:

		<u>Fair value</u>		
<i>In Jordanian dinar</i>	<u>Book value</u>	<u>Level (1)</u>	<u>Level (2)</u>	<u>Level (3)</u>
<u>September 30, 2017</u>				
Trade and other receivables	58,535,787	-	58,535,787	-
Deferred Cheques	(183,240)	-	(183,240)	-
Accounts payables	(9,746,522)	-	(9,746,522)	-
Loans and Bank facilities	(81,576,586)	-	(81,576,586)	-
	Book value			
<i>In Jordanian dinar</i>	Fair value	Level (1)	Level (2)	Level (3)
<u>December 31, 2016</u>				
Cheques under collection	28,360	-	28,360	-
Trade and other receivables	25,617,883	-	25,617,883	-
Deferred Cheques	(358,410)	-	(358,410)	-
Accounts payables	(7,163,620)	-	(7,163,620)	-
Loans and Bank facilities	(15,930,000)	-	(15,930,000)	-

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

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

The Group's management believes that the book value of financial assets and liabilities displayed in the consolidated interim financial information and financial statements are not materially different from its fair value due to the maturities of these bonds on the short term or interest rate reprising during the year.

There were no transfers between level 1 and level 2 during the year ended September 30, 2017 and December 31, 2016.

19) Comparative figures

The comparative figures represents the consolidated statement of financial position as of December 31, 2016 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, 2016.