AAN Digital Services Holding Company

K.S.C. Public
and its subsidiaries
State of Kuwait
Interim condensed consolidated
financial information
for the three months
ended March 31, 2019
(Unaudited)

AAN Digital Services Holding Company

K.S.C. Public
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Interim condensed consolidated financial information
for the three months ended March 31, 2019
(Unaudited)

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Rödl
Middle East
Burgan- International Accountants
Ali Al-Hasawi & Co

The Board of Directors
AAN Digital Services Holding Company
K.S.C. Public
and its subsidiaries
State of Kuwait

Review report on the interim condensed consolidated financial information

Introduction
We have reviewed the accompanying interim condensed consolidated statement of financial position of AAN Digital Services Holding Company – K.S.C. Public -"the Parent Company" and its subsidiaries (together referred to as "The Group") which comprise the interim condensed consolidated statement of financial position as of March 31, 2019 and the related interim condensed consolidated statements of profit or loss, profit or loss and other comprehensive income, changes in equity and cash flows for the Three month period then ended. Management of "the parent company" is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard No (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of review
We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated 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 interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard No. 34, "Interim Financial Reporting".

Report on other legal and regulatory matters
Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the accounting books of the "Parent Company". We further report that, to the best of our knowledge and belief, no violations of the Companies Law No. 1 of year 2016 and its executive regulations, as amended, or law No. 7 of year 2010 in respect of the establishment of the Capital Market Authority and the organization of Securities activity, and its executive regulations or the Parent Company's memorandum and articles of association, as amended, that might have had a material effect on the business of the "Parent Company" or on its interim condensed consolidated financial position.

Abdul Husain M. AL-Rasheed
Licence No. 67 (A)
Rödl Middle East
Burgan International Accountants

May 14, 2019
State of Kuwait

AAN Digital Services Holding Company
K.S.C. Public
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of financial position as of March 31, 2019
(Unaudited)
"All amounts are in Kuwaiti Dinar"

Assets	Note	March 31, 2019	December 31, 2018 (audited)	March 31, 2018
Non-current assets				
Property and equipment		218,455	223,487	195,484
Intangible assets	4	14,000,921	14,098,467	13,952,511
Investment in joint venture		52,695	53,158	282,932
Investment at fair value through other comprehensive income	5	11,209,478	11,209,478	11,359,478
Loan to a related party	6	–	–	18,686,527
		25,481,549	25,584,590	44,476,932
Current assets				
Inventory		1,712,520	2,044,318	2,444,396
Accounts receivable and other debit balances	7	5,069,707	5,622,742	6,732,062
Due from related parties	8	367,364	368,916	1,092,970
Finance, joint ventures and mudaraba		911,209	911,209	911,209
Investment at fair value through statement of profit or loss		42	42	42
Cash and cash equivalents		454,086	587,353	1,352,267
		8,514,928	9,534,580	12,532,946
Total assets		33,996,477	35,119,170	57,009,878
Equity and liabilities				
Equity				
Share capital		87,234,161	87,234,161	87,234,161
Share premium		6,846,580	6,846,580	6,846,580
Treasury shares	9	(640,233)	(640,233)	(640,233)
Treasury shares reserve		260,411	260,411	260,411
Cumulative changes in fair value		(3,056,077)	(3,056,077)	(2,906,077)
Foreign currency translation reserve		615,769	753,115	1,233,853
Accumulated losses		(62,818,988)	(62,533,038)	(41,687,634)
Total equity		28,441,623	28,864,919	50,341,061
Non-current liabilities				
Provision for end of service indemnity		222,836	477,393	461,760
Current liabilities				
Accounts payable and other credit balances		5,118,654	5,564,865	6,012,574
Due to related parties	8	213,364	211,993	194,483
		5,332,018	5,776,858	6,207,057
Total equity and liabilities		33,996,477	35,119,170	57,009,878

Abdel-Mohsen Sharyan
Chairman

The accompanying notes form an integral part of the interim condensed consolidated financial information.

AAN Digital Services Holding Company

K.S.C. Public
and its subsidiaries
State of Kuwait

Interim condensed consolidated statement of profit or loss for the three months ended March 31, 2019
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	Note	Three months ended March 31, 2019	2018
Revenue of activity	10	**8,744,116**	17,227,409
Cost of activity		**(7,842,810)**	(16,160,873)
Gross profit of activity		**901,306**	1,066,536
General and administrative expenses		**(389,923)**	(376,603)
Marketing and selling expenses		**(790,352)**	(882,252)
Depreciation and amortization		**(29,429)**	(42,444)
Finance charges		**(26,522)**	(10,638)
Other income		**48,970**	5,804
Net loss for the period		**(285,950)**	(239,597)
Loss share/(Fils)	11	**(0.33)**	(0.28)

The accompanying notes form an integral part of the interim condensed consolidated financial information.

AAN Digital Services Holding Company

K.S.C. Public
and its subsidiaries
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Interim condensed consolidated profit or loss and other comprehensive income for the three months ended March 31, 2019
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	Three months ended March 31,	
	2019	2018
Net loss for the period	**(285,950)**	(239,597)
Other comprehensive loss		
Items that will be reclassified subsequently to the interim consolidated statement of profit or loss:		
Foreign currency translation differences	**(137,346)**	(172,083)
Other comprehensive loss for the period	**(137,346)**	(172,083)
Total comprehensive loss for the period	**(423,296)**	(411,680)

The accompanying notes form an integral part of the interim condensed consolidated financial information.

AAN Digital Services Holding Company

K.S.C. Public
and its subsidiaries
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Interim condensed consolidated Statement of changes in equity for the three months ended March 31, 2019

(Unaudited)

"All amounts are in Kuwaiti Dinar"

	Share capital	Share premium	Treasury shares	Treasury shares reserve	Cumulative changes in fair value	Foreign currency translation reserve	Accumulated losses	Total
Balance at January 1, 2018	87,234,161	6,846,580	(640,233)	260,411	(2,906,077)	1,405,936	(41,447,021)	50,753,757
Transition adjustment on adoption of IFRS 9 on January 1, 2018	-	-	-	-	-	-	(1,016)	(1,016)
Balance at January 1, 2018 "adjusted"	87,234,161	6,846,580	(640,233)	260,411	(2,906,077)	1,405,936	(41,448,037)	50,752,741
Net loss for the period	-	-	-	-	-	-	(239,597)	(239,597)
Other comprehensive loss for the period	-	-	-	-	-	(172,083)	-	(172,083)
Total comprehensive loss for the period	-	-	-	-	-	(172,083)	-	(411,680)
Balance at March 31, 2018	87,234,161	6,846,580	(640,233)	260,411	(2,906,077)	1,233,853	(41,687,634)	50,341,061
Balance at January 1, 2019	87,234,161	6,846,580	(640,233)	260,411	(3,056,077)	753,115	(62,533,038)	28,864,919
Net loss for the period	-	-	-	-	-	-	(285,950)	(285,950)
Other comprehensive loss for the period	-	-	-	-	-	(137,346)	-	(137,346)
Total comprehensive loss for the period	-	-	-	-	-	(137,346)	(285,950)	(423,296)
Balance at March 31, 2019	**87,234,161**	**6,846,580**	**(640,233)**	**260,411**	**(3,056,077)**	**615,769**	**(62,818,988)**	**28,441,623**

The accompanying notes form an integral part of the interim condensed consolidated financial information.

AAN Digital Services Holding Company

K.S.C. Public
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Interim condensed consolidated statement of cash flows for the three months ended March 31, 2019
(Unaudited)
"All amounts are in Kuwaiti Dinar"

	Three months ended March 31	
	2019	2018
Cash flows from operating activities		
Net loss for the period	**(285,950)**	(239,597)
Adjustments:		
Depreciation and amortization	**29,429**	42,444
Gain of disposals of property and equipment	**(49,663)**	-
Provision for end of service indemnity	**5,953**	4,869
Finance charges	**26,522**	10,638
Operating loss before calculating the effect in working capital items	**(273,709)**	(181,646)
Inventory	**331,798**	292,436
Accounts receivable and other debit balances	**634,079**	(561,325)
Related parties	**-**	64,515
Accounts payable and other credit balances	**(446,210)**	1,343,479
Net cash generated from operations	**245,958**	957,459
End of service indemnity paid	**(256,488)**	(18,084)
Net cash (used in)/generated from operating activities	**(10,530)**	939,375
Cash flows from investing activities		
Property and equipment	**(5,155)**	-
Net cash used in investing activities	**(5,155)**	-
Cash flows from financing activities		
Finance charges paid	**(26,522)**	(10,638)
Net cash used in financing activities	**(26,522)**	(10,638)
Foreign currency translation reserve	**(91,060)**	(3,751)
Net (decrease)/increase in cash and cash equivalents	**(133,267)**	924,986
Cash and cash equivalents at the beginning of the period	**587,353**	427,281
Cash and cash equivalents at the end of the period	**454,086**	1,352,267

The accompanying notes form an integral part of the interim condensed consolidated financial information.

AAN Digital Services Holding Company

K.S.C. Public
and its subsidiaries
State of Kuwait

Notes to the interim condensed consolidated financial information for the three months ended March 31, 2019
(Unaudited)
"All amounts are in Kuwaiti Dinar unless stated otherwise"

1- Brief on "The Parent company"

AAN Digital Services Holding Company – K.S.C. Public – was incorporated on May 22, 1999 in accordance with the Commercial Companies' Law of year 1960 article No. 15, and its subsequent amendments. Several amendments took place on the commercial registry last one was on July 13, 2017, Where the commercial name of "the Parent company" was changed.

The objectives for which "the parent company" was incorporated are:

- Owning shares in Kuwaiti and Non-Kuwaiti shareholding companies and owning shares or quotas in Kuwaiti and Non-Kuwaiti limited liability companies or participating in establishing, managing and sponsoring both kinds of companies to others related to communication segment only.
- Lending companies in which it holds shares and guaranteeing them to others, providing that the holding company's ownership percentage in the share capital of the borrowing company must be at least 20%.
- Owning industrial property rights of patents or industrial trademarks, or industrial charges or any other rights relating thereto, and leasing to other companies for utilization inside or outside the State of Kuwait related to communication segment only.
- Holding movables and real estate's necessary to initiate its activity in accordance with the Law.
- Utilizing the surplus funds by investing them in investment and real estate portfolios managed by specialized companies and institutions.

The parent company has the right to participate and subscribe in any way, in other firms or institutions which operate in the same field or those which would assist in achieving its objectives in Kuwait or abroad and to establish, participate or purchase these firms or institutions or join them.

"The Parent company" operates its activities according to Islamic Sharia regulations.

The registered Head Office of "The Parent Company" is: Sharq-Complex /Mohamed Saleh Yousef El Bahbahani –floor (3) –Kuwait City.

The interim condensed consolidated financial information for the three months ended March 31, 2019 were authorized for issue from the Board of Directors on May 14, 2019.

2- Significant accounting policies

2/1) Basis of preparation

The accompanying interim condensed consolidated financial statements are prepared in accordance with IAS 34-"Interim Financial Reporting". These interim condensed consolidated financial statements should be read in conjunction with the financial statements of the Group for the year ended December 31, 2018.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards. In addition, results for three-month period ended March 31, 2019 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2019.

The preparation of the interim condensed consolidated financial statements 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 expenses. Actual results may differ from these estimates.

The significant judgments made by management in applying Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018.

The Group's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended 31 December 2018.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the adoption of newly effective and amended standards as set out below.

Newly effective standard and amendments and improvements to standards
The new International Financial Reporting Standard ("IFRS" or "standard") No. 16 and several other amendments and interpretations apply for the first time in 2019, but do not have an impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

The following new standard, interpretation and amendments to standards have been applied by the Group in preparation of these interim condensed financial statements. The amendments to the below standards did not have any material impact to the Group, but they may result in additional disclosures at the year end:

- IFRS 16 Leases
- IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
- Amendments to IFRS 9: Prepayment Features with Negative Compensation
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Amendments to IAS 28: Long-term interests in associates and joint ventures

- Annual Improvements 2015-2017 Cycle (issued in December 2017)
  - Amendments to IFRS 3 Business Combinations
  - Amendments to IFRS 11 Joint Arrangements
  - Amendments to IAS 12 Income Taxes
  - Amendments to IAS 23 Borrowing Costs

The adoption of the above did not result in any changes to previously reported net profit or equity of the Group.

New and amended standards not yet effective, but available for early adoption

The below new and amended IFRS that are available for early adoption for financial year ending December 31, 2019 are not effective until a later period, and they have not been applied in preparing these financial statements.

Adoption not expected to impact the Group's financial statements:

Effective date	Description
January 1, 2020	• Amendments to IFRS 3 • Amendments to References to the Conceptual Framework in IFRS Standards • Amendments to IAS 1 and IAS 8 on 'Definition of Material'
January 1, 2022	• IFRS 17 Insurance Contracts
Effective date to be determined	• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

2/2) Critical judgments and estimates

The preparation of interim condensed consolidated financial information 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 this interim condensed consolidated financial information, the significant judgments made by management in applying "the Group's" accounting policies and the key sources of estimation uncertainty were the same as those applied to the annual audited consolidated financial statements as at and for the year ended December 31, 2018.

3- Subsidiaries

The interim condensed consolidated financial information includes the interim condensed financial information of "the Parent company" and its subsidiaries as following:

		Ownership percentage	
	Country of incorporation	March 31, 2019	March 31, 2018
Qanawat Holding Company - B.S.C closed	Bahrain	%99	%99
On Touch for General Trading Company - W.L.L	Kuwait	%99	%99
Fawran Telecom Company -W.L.L	KSA.	%10	%10
Qanawat for General Trading and Contracting Company -W.L.L	Kuwait	%10	%10
Qanawat Connect Solutions Company -W.L.L	UAE.	%10	%10

The subsidiary Qanawat Holding Company –K.S.C-closed has the subsidiaries as follows:

		Ownership percentage	
	Country of incorporation	March 31, 2019	March 31, 2018
Fawran Telecom Company - W.L.L	KSA.	%90	%90
Qanawat for General Trading and contracting company- W.L.L	Kuwait	%90	%90
Qanawat Connect Solutions - W.L.L	UAE.	%90	%90

The interim condensed consolidated financial information for all subsidiaries has been consolidated based on the financial statements prepared by the management for the three months period ended March 31, 2019, total assets of these subsidiaries included in the interim condensed consolidated statement of financial position are KD 25,875,617 (December 31, 2018: KD 18,068,962, March 31, 2018: KD 27,896,711) and their net loss included in the interim condensed consolidated statement of profit or loss is KD 219,900 (December 31, 2018: KD 438,740, March 31, 2018: KD 164,346) .

4- Intangible assets

This item represents Keymoney with a net book value of KD 7,269 as of March 31, 2019 (KD 6,126 as of December 31, 2018 - KD 102,114 as of March 31, 2018) and a goodwill with amount of KD 13,993,652 as of March 31, 2019 (KD 14,092,341 as of December 31, 2018 - KD 13,850,397 as of March 31, 2018) resulted from the acquisition of a subsidiary - Qanawat Systems Company WLL - Kingdom of Saudi Arabia. The management annually conducts a test to determine whether there is an indication of goodwill impairment in goodwill value.

5- Investments at fair value through other comprehensive income

Investments at fair value through other comprehensive income are non-trading equity securities and in accordance with IFRS, management has made an irrevocable decision to recognize changes in their fair value through other comprehensive income as they are strategic investments. These investments have been assessed at the date of the interim condensed consolidated financial position based on an internal valuation in accordance with the valuation techniques adopted and disclosed in Note (14).

6- Loan to a related party

This item represents a loan granted to Hits Africa Company (Ltd)- Cayman Island (Previously: an associate company) amounted to USD 75,680,606 bearing an interest rate of 6% matured on March 31, 2017. This loan was granted to Hits Africa Company (Ltd) - Cayman Island (Previously: an associate company) in prior years as a joint venture contract and it hasn't been disclosed in the consolidated financial statements. Since these transactions were eliminated previously between "The Parent" company and its subsidiaries for the consolidation purpose.

This loan is secured upon a transfer of rights agreement between Hits Africa Company (Ltd)- Cayman Islands (Previously: an associate company) and one of its subsidiaries and mortgaged shares of Hits Africa Company (Ltd)- Cayman Islands (Previously: an associate company) in one of its subsidiaries and the relevant rights in favor of AAN digital holding company previously (Hits Telecom).

Due to the discontinuity of Hits Africa Company's business (Ltd)- Cayman Islands (Previously: an associate company) and being put under liquidation until knowing whether it will be liquidated or decided to resume the company's business in the future and for hedge purpose the provision for doubtful debts amounting to KD 3,500,000 was made by "the Group" during the previous year to meet any amounts uncollectible from this loan. See that there is a possibility the company's management and its external lawyer see that there is a good possibility of collection of the loan in the future.

On adoption of IFRS 9, the Group has estimated its ECL under IFRS 9 and recognized the full amount of the loan to a related party KD 18,686,527, and the credit balance of the foreign currency translation reserve relating to the loan with an amount of KD 761,777. These amounts have been adjusted in the opening balance of accumulated losses in the previous year.

7- Accounts receivable and other debit balances

	March 31, 2019	December 31, 2018 (audited)	March 31, 2018
Trade receivables	**1,376,053**	1,189,676	854,371
Provision for doubtful debts	**(408,782)**	(419,826)	(336,302)
	967,271	769,850	518,069
Accrued income	**-**	-	1,150,043
Accrued commissions	**1,576,724**	2,249,571	3,295,453
Letters of guarantees	**1,713,164**	1,521,531	1,108,829
Prepaid expenses	**411,999**	397,317	3,207
Advance payments	**297,607**	379,747	356,476
Staff receivable	**2,568**	200,671	168,237
Refundable deposits	**90,119**	98,123	108,563
Other	**10,255**	5,932	23,185
	5,069,707	5,622,742	6,732,062

8- Transactions with related parties

Related parties comprise of associates, major shareholders, directors and key management personnel of the Group's entities controlled, jointly controlled or exercise significant influence on such parties. The Group's management decides on terms and conditions of these transactions. The amounts and balances due from/to related parties are interests free and have no fixed maturity.

The balances and transactions with related parties included in the interim condensed consolidated financial information are as follows:

Interim condensed consolidated Statement of financial position	March 31, 2019	December 31, 2018 (audited)	March 31, 2018
Finance, joint ventures and mudaraba	**911,209**	911,209	911,209
Due from related parties	**367,364**	368,916	1,092,970
Due to related parties	**213,364**	211,993	194,483
Loan to a related party	**-**	-	18,686,527

All transactions with related parties are subject to the approval of the General Assembly of Shareholders.

Interim condensed Consolidated statement of profit or loss
The interim condensed consolidated statement of profit or loss does not include transactions with related parties.

9- Treasury shares

	March 31, 2019	December 31, 2018 (audited)	March 31, 2018
Shares number	**7,319,654**	7,319,654	7,319,654
Contribution Ratio (%)	**%0.839**	%0.839	%0.839
Market value	**109,795**	128,094	146,393
Cost value	**640,233**	640,233	640,233

The Parent Company is required to maintain its reserves and share premium to the cost of treasury shares purchased and not to be distributable throughout the period of its acquisition by the Parent Company in accordance with the instructions of the relevant regulatory authorities.

10- Revenue of activity

The decrease in revenues during the financial period is due the non-entry of the subsidiaries in the kingdom of Saudia Arabia in the point system approved by Mobily during the three month ended 31 March 2019 compared to previous period which lead to decrease in sales of the Group in general.

11- Loss per share/(Fils)

Loss per share is computed by dividing the net loss for the period attributable to shareholders of the parent company by the weighted average number of ordinary shares outstanding during the period as follow:

	Three months ended March 31	
	2019	2018
Net loss for the period	**(285,950)**	(239,597)
Weighted average number of shares outstanding during the period		
Weighted average of the treasury shares	**872,341,610**	872,341,610
Weighted average number of shares, less treasury shares	(7,319,654)	(7,319,654)
Loss per share/(fils)	**865,021,956**	865,021,956

12- Shareholders' General Assembly

The Annual General Assembly of the Shareholders of "the Parent company" for the financial year ended December 31, 2018 was not held yet. The consolidated financial statements for the year ended December 31, 2018 have not been approved yet. The interim consolidated financial information for the three months ended March 31, 2019 does not include any amendments that may be required if the Annual General Assembly of Shareholders does not approve the consolidated financial statements for the year ended December 31, 2018.

13- Segment information

"The Group" monitors the operating results of its segments separately for the purpose of making decisions about resource allocations performance assessment.

Operating segment
"The Group" primarily operates on one area of the business activity represented in communication field, accordingly information reported to the group's decision makers for the purpose of resource allocation and performance assessment is more specifically focused on the types of communication activities.

Geographic information
"The Group" operates in various geographic regions: and the following table shows the distribution of the Group's income and non-current assets by region.

	Three months ended March 31, 2019		Three months ended March 31, 2018	
Region	**Revenues**	**Non-current assets**	Revenues	Non-current assets
State of Kuwait	**2,109,838**	**11,344,653**	1,996,785	30,018,138
Outside Kuwait				
Kingdom of Saudi Arabia	**6,502,559**	**14,124,771**	14,789,033	14,289,309
UAE	**131,719**	**12,125**	441,591	19,485
Bahrain	-	-	-	150,000
	8,744,116	**25,481,549**	17,227,409	44,476,932

14- Financial instruments

Categories of financial instruments
The Group's financial assets and liabilities are classified in the interim condensed consolidated statement of financial position as follows:

Financial assets	**March 31, 2019**	December 31, 2018 (audited)	March 31, 2018
Investments at fair value through other comprehensive income	**11,209,478**	11,209,478	11,359,478
Investment in joint venture	**52,695**	53,158	282,932
Accounts receivable and other debit balances	**5,069,707**	5,622,742	6,732,062
Due from related parties	**367,364**	368,916	1,092,970
Loan to a related party	-	-	18,686,527
Financing, joint ventures and mudaraba	911,209	911,209	911,209
Cash and cash equivalents	454,086	587,353	1,352,267
	18,064,539	18,752,856	40,417,445

Financial liabilities	**March 31, 2019**	December 31, 2018 (audited)	March 31, 2018
Accounts payable and other credit balances	**5,118,654**	5,564,865	6,012,574
Due to related parties	**213,364**	211,993	194,483
	5,332,018	5,776,858	6,207,057

Fair value of financial instruments

The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The Group has used the assumptions and accepted methods in the assessment of fair values of financial instruments. The fair values of the Group's financial assets and financial liabilities are determined as follows:

- The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.
- The fair values of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on future discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. Fair value of the non-derivative financial instruments is not materially different from its respective carrying value.

The fair value of financial instruments carried at amortized cost is not materially different from their carrying values

The following table presents financial assets and financial liabilities measured at fair value in the interim condensed consolidated statement of financial position in accordance with the fair value hierarchy. This hierarchy group's financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair value of the financial assets and financial liabilities.

The fair value hierarchy has the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant inputs to the fair value measurement.

March 31, 2019:	**Level 3**	**Total**
Investment at fair value through other comprehensive income		
Unquoted securities	**11,209,478**	**11,209,478**
Total	**11,209,478**	**11,209,478**

December 31, 2018 (audited):	Level 3	Total
Investments at fair value through other comprehensive income		
Financial investments un-quoted shares	11,209,478	11,209,478
	11,209,478	11,209,478

March 31, 2018:	Level 3	Total
Investment at fair value through other comprehensive income		
Unquoted securities	11,359,478	11,359,478
Total	11,359,478	11,359,478

During the period there was no transfer between the levels.

15- Lawsuits

"The Group" has some potential lawsuits represented in cases pending at various levels judicial with other parties and according to the legal department of the Group , the potential results of these lawsuits could not be determined until the date of interim condensed consolidated statement of financial position as of March 31, 2019. Therefore "the Group's" management believes that there is no need to make a provision for these amounts until determining the outcome of these claims and issues.