APIC أيبك

Annual Report

2015

APIC أيبك

20 Years of Excellence

For nearly two decades, the Arab Palestinian Investment Company (APIC) has seen remarkable growth, successfully building its position in Palestine and beyond. APIC continues to exercise effective administrative and financial systems, as well as support ongoing investment in its human resources.

APIC's work mechanisms, based on accumulated experience and understanding of markets and economic realities, have consistently generated significant financial revenue and delivered substantial value for APIC, its subsidiaries, shareholders and the communities in which it operates.

Trade and Distribution

UNIPAL يونيبال

Medical Supplies and Services Company
شركة التوريدات والخدمات الطبية

Palestine Automobile Company
الشركة الفلسطينية للسيارات

bravo برافو

Manufacturing

سنيورة siniora

نابكو NAPCO
Aluminum of Palestine

Services

Sky
Advertising • Public Relations • Events

Other Investments

PPGC
شركة فلسطين لتوليد الطاقة م.ع.م.
Palestine Power Generating Company plc.

بنك فلسطين
BANK OF PALESTINE

الشركة الفلسطينية للكهرباء م.ع.م
PALESTINE ELECTRIC COMPANY PLC

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www.apic.ps

أيبك
APIC

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Arab Palestinian Investment Company - APIC

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www.napco.ps

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Palestine Automobile Company

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www.sky.ps

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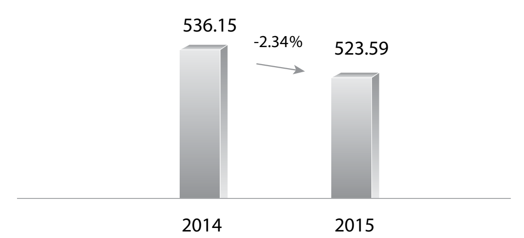
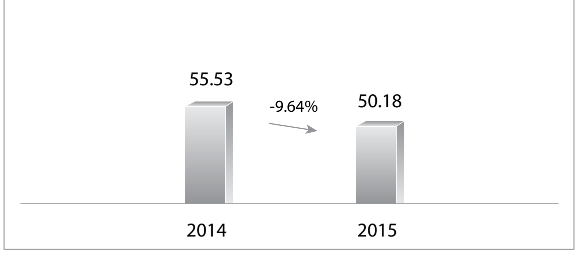
Financial Highlights 2015

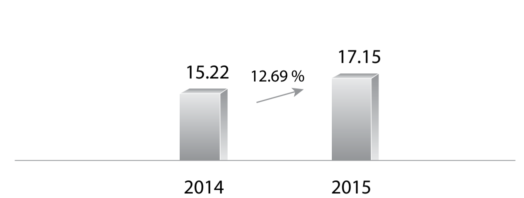
Revenues
(USD million)



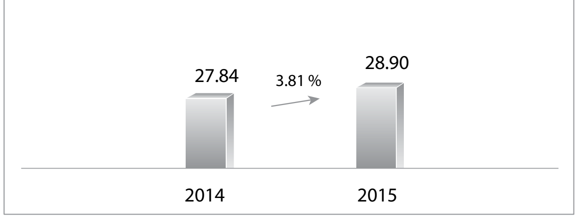
Expenses
(USD million)



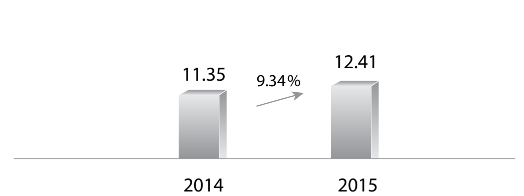
Operating Profit
(USD million)



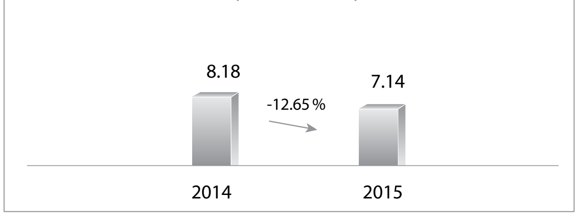
EBITDA
(USD million)



Net Profit After Tax
(USD million)



Net Profits Attributed to APIC Shareholders
(USD million)



Chairman's Statement

Dear Shareholders,

In 2015, APIC and its subsidiaries faced a host of political and economic challenges in Palestine and the region. Despite these challenges, APIC achieved total revenues of USD523.59 million. Net profit after tax reached USD12.41 million, an increase of 9.4% over 2014, of which net profit attributed to APIC's shareholders amounted to USD7.14 million.

The net profit attributed to APIC's shareholders is lower than that of 2014 due to the company's direct losses resulting from the liquidation of its subsidiary, UNIPAL Central and West Africa (UNIPAL-CWA). Liquidation was a decision that we took in June 2015 due to UNIPAL-CWA's continuous losses since its establishment in 2010, which reflected negatively on APIC's past consolidated results. As a result of this liquidation, APIC has endured a nonrecurring loss of USD2.2 million; however, this will prevent further loss in the coming years. We assure our valued shareholders that, in future, this decision will reflect positively on APIC's operations and consolidated results. We also confirm that APIC stands on solid ground and looks forward to achieving even better results for its shareholders.

This year, APIC distributed USD4.5 million as cash dividends to its shareholders, representing 7.5% of APIC's paid-up capital of USD60 million. By December 31, 2015, net equity attributed to APIC's shareholders amounted to USD81.6 million, an increase of 5.03% over 2014.

APIC's achievements in 2015 were numerous; the Palestine Exchange (PEX) upgraded the company's listing from the second to the first market effective as of April 12, 2015, a move that recognizes its financial and stock performance. Although, it is worth noting that our share continues to trade at below book value.

The year also witnessed several other significant achievements by many of APIC´s subsidiaries. Palestine Automobile Company (PAC) inaugurated new Alfa Romeo, Fiat and Fiat Professional showrooms in the Palestinian cities of Ramallah, Bethlehem and Jenin. PAC also invested in increasing the capacity of its service center in Al Bireh for all brands of vehicles from the Fiat Chrysler Automobiles Group. In addition, the company also unveiled the first phase of its state-of-the-art central service center in Ramallah for Hyundai vehicles.

In a bid to capture regional opportunities, National Aluminum and Profiles Company (NAPCO) established a fully-owned subsidiary in Jordan.

Siniora Food Industries completed a state-of-the-art factory for its new line of frozen meat products in Jordan to support the expansion of the company. It also significantly increased the production capacity of its cold cuts products. Additionally, the company has activated its new commercial branch in Dubai to market its products in the UAE and other Gulf markets.

As part of its continuous development efforts, Arab Palestinian Shopping Centers (Bravo) has been working tirelessly to launch its new Bravo supermarket in Nablus, set to open during the first half of 2016. The store will be the largest in Palestine and employ more than 100 people. It will include, in addition to the supermarket, commercial and entertainment sections, a coffee shop, a children's play area in addition to other services. The company has also relaunched its corporate brand BRAVO and executed an integrated rebranding exercise for all its branches.

Unipal General Trading Company continues to maintain its position as the leading distributor of multinational consumer brands in Palestine, and this year achieved a new sales record of USD356 million with 45% growth in profitability. Moreover, Unipal completed its expansion project of the specialized food storage section in its distribution center, increasing its capacity by 2,600 pallets, bringing the total capacity to 8,100 pallets.

APIC´s corporate social responsibility strategy in 2015 remained focused on medium- to long-term partnerships with various institutions working in the fields of education, culture, entrepreneurship, and youth development and children, as well as general humanitarian support.

While we always aspire for more and strive to achieve higher performance levels, the overall achievements of APIC are worthy of praise, and I am grateful to our 1360 employees who have worked tirelessly towards achieving the company's goals. I thank them and call upon them to continue on their resolute path to achieving the targets set for 2016.

Finally, and on behalf of my colleagues on the Board of Directors and myself, I convey my gratitude to you, our shareholders, for your trust and continued support of this company.

Kindest regards,
Tarek Omar Aggad

Board of Directors

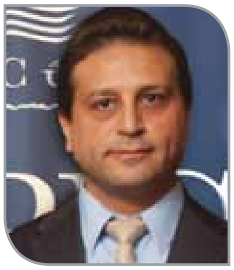
APIC's Board of Directors (As at December 31, 2015)

Mr. Tarek Omar Aggad

Chairman

Mr. Khaled Osaily

Vice Chairman



Dr. Durgham Maree

Member - Representing the Palestine Investment Fund

Mr. Imad Qamhiyeh

Member - Representing the Palestine Investment Fund

Mr. Munir Khoury

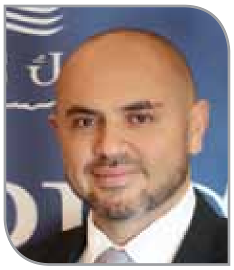
Member - Representing the Al-Saeed Company

Mr. Bassam Aburdene

Member - Representing the Al-Huda Holding Company

Mr. Fuad Kattan

Member



Mr. Tareq Abbas

Member

Dr. Mazen Hassounah

Member

Mr. Nashat Masri

Member

Total Revenues (USD Million)

About APIC

Milestones

Business Inauguration → Milestones → Growth

1994 - 1998	
1994	• Established and registered in BVI as a private investment holding company with capital of USD70 million
1995	• Acquired National Aluminum & Profiles Co., Palestine
1996	• Acquired Siniora Food Industries Co., Palestine and Jordan • Registered in Palestine as a foreign private shareholding company
1998	• Acquired Unipal General Trading Co., Palestine • Acquired Palestine Automobile Co., Palestine. • Acquired Medical Supplies and Services Co., Palestine

2000 - 2014	
2000	• Established Arab Palestinian Shopping Centers Co., Palestine • Acquired Sky Advertising, Public Relations and Event Management Co., Palestine
2013	• Transformed into a public shareholding company
2014	• Listed its shares on Palestine Exchange on March 2, 2014 • Established Arab Leasing Co., Palestine

Today
• Public shareholding listed and traded on Palestine Exchange (PEX: APIC)
• Paid-up capital USD60 million
• Total revenues in 2015 amounted to USD523.6 million
• 1360 employees in Palestine, Jordan, KSA, UAE

2020
 Billion
An annual growth of 13% in revenues between 2016 and 2020 will achieve USD1 billion

Establishment

The Arab Palestinian Investment Company (APIC) was founded by a number of Arab businessmen for the purpose of channeling funds and investments to Palestine, paving the country's way to greater development and creating new jobs in the country. The company was established and registered on September 20, 1994, in the British Virgin Islands (BVI registration number 128626). On May 8, 1996, APIC was registered with the Ministry of National Economy in Palestine as a foreign private shareholding company (registration number 563600634). APIC transformed into a foreign public shareholding company on December 23, 2013 (registration number 562801563). On March 2, 2014, APIC listed its shares on the Palestine Exchange (PEX: APIC).

The company's authorized capital is USD70 million divided into 70 million shares (USD1.00 per share), while its paid-up capital is USD60 million as of December 31, 2015.

Vision

To provide superior products and services of quality and value, leaving a positive and lasting impact on the market. As a result, consumers will reward our capital investments with market command, allowing our employees, our investors and the communities in which we work to prosper.

Mission

To achieve business and financial success by investing in market-leading companies, thereby elevating the community through resource, talent and economic development through:

- The provision of superior quality products and services.
- The employment of capable and experienced personnel, ensuring that they are equipped with opportunities for growth and improvement.
- The continuous application of efficient work systems to all aspects of the business cycle.
- The maintenance of a solid financial base that drives further growth.
- Partnering with key stakeholders in the region to effect real change in the Palestinian community.

Objectives and Activities

As an investment holding company, APIC investments are diverse, spanning across the manufacturing, trade, distribution and service sectors with a presence in Palestine, Jordan and Saudi Arabia, and UAE through its nine subsidiaries, which include National Aluminum and Profiles Company; Siniora Food Industries Company; Arab Palestinian Shopping Centers; Palestine Automobile Company; Medical Supplies and Services Company; Unipal General Trading Company; Sky Advertising, Public Relations and Event Management Company; Arab Leasing Company and the Arab Palestinian Storage and Cooling Company.

Subsidiaries of APIC offer a wide array of products and services through distribution rights agreements with multinational companies that include Philip Morris, Procter & Gamble, Kellogg's, Hyundai, Chrysler, Dodge, Jeep, Alfa Romeo, Fiat, Fiat Professional, XL Energy, Abbott, B. Braun, Eli Lilly, GlaxoSmithKline, Sanofi Aventis and Nivea, among many others.

APIC is also one of the main founders of the Palestine Electricity Holding Company, the Palestine Power Generating Company and has a strategic stake in Bank of Palestine.

Strategy and Corporate Culture

The One Billion-Dollar Strategy

With an unwavering vision for growth, APIC aims to achieve USD1 billion in gross revenues by the year 2020. Although ambitious, requiring an annual growth rate of 13% between 2016 and 2020, the USD1 billion target is a challenging organizational goal, one that APIC believes can be met. Not just a rhetorical objective, the one billion-dollar benchmark is a sustained strategy that will strengthen the company's fundamentals. As a parent company to a growing family of businesses, APIC intends to achieve this target by promoting synergy among its subsidiaries while establishing the essential conditions for the success of each company and the group as a whole.

Corporate Culture

Building an internal culture that motivates and rewards performance and integrity in a complex business environment demands high governance standards. APIC's commitment to a culture of integrity begins with an independent and experienced board of directors and a carefully selected management team with a mandate to continuously bring out the best in its employees. With team spirit, the company has developed value-driven policies and procedures to guide everyday interactions and uphold its vision. APIC's internal culture can be best described through the following four principles:

Values

APIC's cultural values rest on the belief that all employees are equally important, differing only in their level of responsibilities, efficiency and commitment. The company values and rewards those with leadership, self-motivation and innovation.

Structure

The foundation of APIC is built on its people, and to empower them is a strategic investment in the company. APIC believes that the motivation for promotion comes from within the individual and should be fostered by the company's practices and values. The company's decision-making structure is one that embraces consulting and sharing, enabling each individual to be fully engaged and acknowledged.

Incentives

While stable employee performances are valued, within APIC, forward thinkers are given additional incentives and are promoted based on their leadership characteristics and outstanding performances.

People

APIC's cumulative efficiency and knowledge lies within in its people. The company creates a vision by setting tangible goals, which are fulfilled through harmony and team unity in a suitable working environment.

APIC's corporate values are based upon team spirit and cooperation between different departments and subsidiaries, capitalizing and benefiting from the experiences of all team members. Those values are divided into five categories:

- The Power of People: Leadership and teamwork
- The Power of Innovation: Creativity, thinking and problem solving
- Customer Service: Facilitate and accelerate services
- Driving Growth
- Safety and Quality

Executive Management

During 2015, there were several changes to the executive management. Lina Al-Hadweh, internal control and systems development director, resigned; Murad Khatib, the internal financial auditor, now reports directly to the Board of Directors. Ahmad Judeh, who was previously the chief investment and finance officer, became the company's chief investment officer. Khaled Baradei was promoted to chief financial officer, while the position of the group's financial manager was eliminated. Executive Management as at December 31, 2015**:**

Mr. Tarek Omar Aggad
Chief Executive Officer

Mr. Ali Aggad
VP - Group Chief Operating Officer

Mr. Tareq Abbas
VP - Corporate Affairs

Mr. Nader Hawari
VP - Business Development

Mr. Ahmad Judeh
Chief Investment Officer

Mr. Khaled Baradei
Chief Financial Officer

Mr. Murad Khatib
Internal Financial Auditor

Mrs. Fida Musleh/Azar
Investor Relations and Corporate Communication Manager

Corporate Governance

APIC and its subsidiaries operate within systems of governance that regulate management and operations at all levels. Members of the board are elected by the company's general assembly every four years. The board exercises its mandate based on the company's constitutional articles, which encompass the organizational structure and stipulate the powers delegated to the management, including those of the CEO.

For the purpose of creating sustainable governance policies, APIC has a specialized Internal Control Department with complete operational systems. Written policies and procedures are created for all administrative, financial and operational departments across APIC subsidiaries. The policies and procedures of each subsidiary are submitted to the board for approval and application. Also, at each board meeting, the APIC internal control manager presents routine updates of the internal audit findings for all subsidiaries.

Independent internal auditing for APIC and its subsidiaries is undertaken by Ernst & Young.

Since its listing, APIC has been committed to the Palestine Exchange's listing, trading and disclosure regulations.

Legal Advisor

A. F. & R Shehadeh - Law Firm

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- head & shoulders
- PHILIP MORRIS
- Pampers
- ABBOTT DIAGNOSTICS
- HITACHI ALOKA
- HYUNDAI NEW THINKING. NEW POSSIBILITIES.
- Heinz
- Gillette
- kiddi
- janssen
- BRAUN
- Abbott
- Panadol
- Abbott Diabetes Care
- LACOSTE
- BLENDAX
- asdaa Burson-Marsteller
- BOSS HUGO BOSS
- ARIEL
- eppendorf
- Abbott Laboratories
- AMERICANA QUALITY
- Vilo
- SMART
- Lenor
- P&G
- FAIRY
- NIHON KOHDEN
- المراعي Almarai
- gsk GlaxoSmithKline
- NIVEA
- CORSODYL
- Rejoice
- GIVENCHY
- sansana
- B|BRAUN SHARING EXPERTISE
- PANTENE PRO-V
- Tide
- XL Energy Drink
- Alldays
- always
- SIMILAC
- Boehringer Ingelheim
- SANOFI
- labello
- Pringles
- WELLA
- Old Spice
- BONUX
- FIAT PROFESSIONAL
- TUMS Calcium Carbonate
- DURACELL
- Pharmaton
- Trisa
- CHRYSLER
- DODGE
- Jeep
- ALFA ROMEO
- RAM
- FIAT
- Kellogg's
- Lilly
- Oral-B
- MSD MERCK SHARP & DOHME
- MOPAR

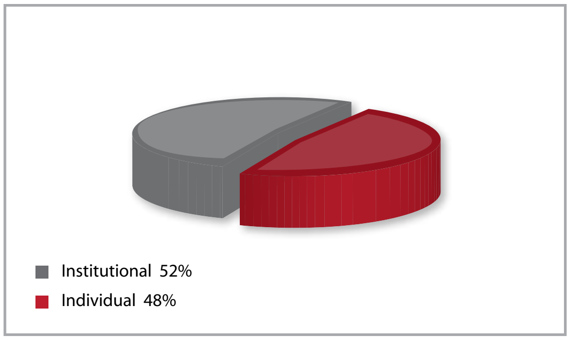
Shareholders

Shareholder Structure

By the end of 2015, APIC had 477 shareholders comprising both individuals and institutions of various nationalities. Shareholders holding more than 5% of the capital represented 53.39%, while remaining shareholders represented 46.61%.

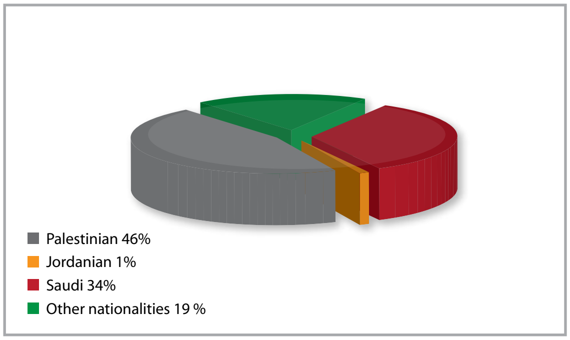
The following table shows shareholders who directly and indirectly own more than 5% of the company's capital:

Shareholder	Ownership % as at December 31, 2015
Tarek Omar Aggad and related parties	27.76%
Palestine Investment Fund	20.20%
Rasmala Palestine Equity Fund	5.43%



Distribution of ownership between individual and institutional shareholders at the end of 2015

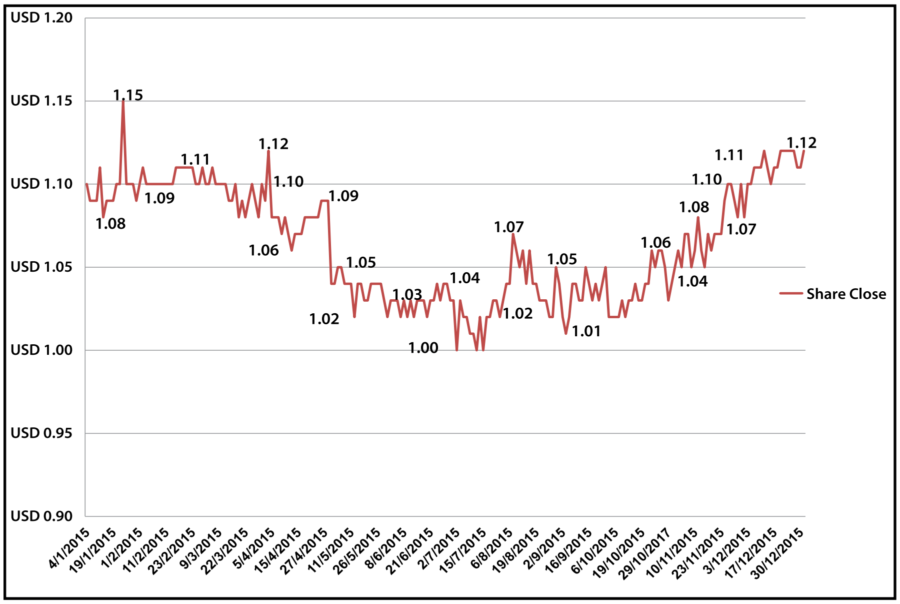
Distribution of shareholders' ownership by nationality at the end of 2015



Share Performance

APIC's share performance	2015	2014	% change
Trading volume	13,563,353	10,788,163	25.72%
Trading value (USD)	14,495,621	12,532,868	15.66%
Number of transactions	1,815	2,164	-16.13%
Number of trading days	214	182	17.58%
Share close on December 31 (USD)	1.12	1.07	4.67%
Number of shareholders	477	369	29.27%
Free float percentage as at December 31	46.35%	39.13%	18.45%
Market Capitalization as at December 31 (USD)	67,200,000	64,200,000	4.67%

Share Performance (4/1/2015- 31/12/2015)



- High: USD1.15
- Low: USD1.00
- Turnover ratio: 22.61%

Key Ratios (As at December 31, 2015)

Earning per Share (EPS)	0.12
P/E Ratio	9.41x
P/B Ratio	0.82

Communication with Shareholders

APIC maintains constant communication channels with its shareholders by distributing regular news and updates, periodical investor briefs, financial disclosures and annual reports. APIC communicates directly with its shareholders through its website, by emails and social media channels.

Furthermore, APIC launched a specialized Investor Relations section on its website (www.apic.ps) that provides shareholders and investors with all necessary information including:

- **APIC Share:** Share data and share performance (current and historical)
- **Financial Data:** Periodical financial statements and annual reports
- **Investor Brief:** Periodical publications that contain highlights on APIC's share and financial performance as well as other major business developments
- **General Assembly:** GA information, invitations, meeting minutes, as well as dividend distribution when approved
- **IR Contact Information**

Dividend Policy

There is no particular policy for dividend distribution at APIC. Dividend distribution is related to APIC's profitability. The following table shows dividend distribution in the previous two years:

Fiscal Year	General Assembly Resolution Date	Dividend Type	Cash (USD)	# Bonus Shares
2014	29/04/2015	Cash	4,500,000 (7.5% of paid-up capital)	
2013	29/04/2014	Bonus Shares		9,990,602 shares (19.98% of paid-up capital)

Board Remuneration

The board remuneration policy stipulates that each board member receives the amount of USD15,000 as an annual remuneration. Total board remuneration in 2015 amounted to USD150,000.

Executive Management Remuneration

Executive management's total benefits in 2015 amounted to USD1,325,954 as per the following:

- Salaries: USD867,080
- Bonuses: USD458,874

APIC Investments

Competitive Position

It is hard to determine the overall competitive position of APIC given the diversity of its investments and operations in the various sectors and multiple markets in which it operates. However, the quality of its products and services both locally and regionally through its subsidiaries have led to APIC's strong competitive position and leading market share.

Subsidiaries

Company	Ownership % (As at December 31, 2015)	Country of Registration	Country of Operations	Main Activities and Operations
Manufacturing Sector				
National Aluminum and Profiles Company PLC	70.61%	Palestine	Palestine, Jordan	Manufacturing of aluminum and profiles
Siniora Food Industries Company PLC	61.18%	Jordan	Jordan, Palestine, Saudi Arabia, UAE	Manufacturing of cold cuts and canned meat
Trade and Distribution Sector				
Arab Palestinian Shopping Centers Company PLC	86%	Palestine	Palestine	Shopping
Palestine Automobile Company PSC	100%	Palestine	Palestine	Distribution of cars
Medical Supplies and Services Company PSC	50%	Palestine	Palestine	Distribution of medical supplies and services
Unipal General Trading Company PSC	83.69%	Palestine	Palestine	Distribution of consumer products
Services Sector				
Sky Advertising, Public Relations and Event Management PSC	100%	Palestine	Palestine	Advertising, public relations and event management
Arab Leasing Company	100%	Palestine	Palestine	Leasing of vehicles and equipment
Arab Palestinian Storage and Cooling Company PSC	64.58%*	Palestine	Palestine	Storage and cooling

* This percentage represents APIC's direct ownership of 31.1% in addition to its indirect ownership of 33.48% through its subsidiary UNIPAL

Other Investments (As at December 31, 2015)

Company Name	Security Type	Number of Shares	Ownership %
Palestine Electricity Holding Company*	Shares	1,827,275	9.09%
Bank of Palestine Ltd.	Shares	3,384,827	1.93%
Palestine Power Generating Company	Shares	400,000	4%

*Unipal owns the same number of shares in Palestine Electricity Holding Company

Future Objectives

APIC aims to sustain the performance, success and competitive position it has acquired over two decades of operation. In addition, APIC seeks to reinforce its expansion and development policy by targeting new markets and sectors, as well as upgrading the products and services of its subsidiaries. APIC consistently pursues steady annual growth in line with its billion-dollar vision, while maintaining focus on its core values and principles.

Achievements in 2015


HYUNDAI


نحنُ لَمْ نَحلُمْ بأكثرَ مِن ... !
حياةٍ كالحياة.


SANTAFE


Sky


خدمة الزبائن
customer service

Manufacturing Sector

National Aluminum and Profiles Company (NAPCO)

Founded in 1991, and acquired by APIC in 1995, NAPCO is the first and only aluminum profiles manufacturer in Palestine. Located in the West Bank city of Nablus and originally launched to serve the basic needs of Palestinian residents, NAPCO's state-of-the-art 28,000-square-meter plant has an annual production capacity of over 6,000 tons of high quality products that comply with international standards and specifications. NAPCO's innovative and enduring product solutions are exported to neighboring countries, and the company's profile systems serve numerous architectural and industrial branches. The company is accredited by both the Palestine Standards Institution and Lloyd's Register Quality Assurance Limited. NAPCO is a public shareholding company and was listed on the Palestine Exchange in November 2011 (PEX: NAPCO).

NAPCO faced numerous challenges in 2015 due in large part to the sharp decrease in the position of aluminum on the international bourse, which reflected negatively on the company's profit margin and compelled NAPCO to accommodate prevailing aluminum prices, which were less than the cost of its inventory. Nevertheless, NAPCO realized a modest net profit of USD103,000 and was able to increase its sales volume by 8% over the previous year.

In line with its strategy to expand the scope of its target markets, the company established a subsidiary in Jordan, which commenced operations during the second quarter of 2015 with the ambitious aim of capturing a share of the Jordanian market. The move is particularly significant as Jordan represents a gateway for expansion into the region.

On the technical level, the company has completed the development and modernization of its smelting line, which is now fully compliant with international environmental requirements and codes. Improvements and upgrades have also been completed on the extrusion line through the installation of a furnace for molds, which is in line with the latest technologies in the industry, and will positively contribute to the line's output goals and efficiencies.

In 2016, we look forward to the completion of a number of new projects that are expected to contribute considerably to the import of high quality raw materials at reduced costs, which is expected to enhance the company's position in the market.

Anan Anabtawi
General Manager

Manufacturing Sector

Siniora Food Industries (Siniora)

Siniora Food Industries Company is a market leader in the manufacture and sale of branded Siniora Al-Quds and Unium processed meat. The company was founded in Jerusalem, Palestine in 1920, established its factory in Jordan in 1992 and was acquired by APIC in Palestine and Jordan in 1996. The company produces cold cuts and canned luncheon meat from two state-of-the-art processing plants built with the latest technology, one located in East Jerusalem, Palestine, and the second located in King Abdullah II Industrial Estate in Jordan. In 2015, Siniora Jordan established a factory for its new line of Frozen meet. Siniora Food Industries has been awarded ISO 9001 and ISO 22000 certifications for quality and food control safety, in addition to the Palestinian Standard Certificate in Palestine, and Siniora factories in Jordan and Palestine have been maintaining the international certifications for Occupational Health and Safety Management Systems OHSAS 18001:2007 and Environmental Management Systems ISO14001:2004 since 2014. The company markets its products through mass merchandisers, grocery stores, high-frequency stores and department stores in Jordan, Palestine, Saudi Arabia and in 12 countries in the Middle East. Siniora also has a distribution center in Saudi Arabia, United Arab Emirates and a dedicated export department covering the Gulf and the Levant. Siniora is a public shareholding company listed on the Amman Stock Exchange since January 2012 (ASE:SNRA).

The year 2015 was one full of challenges and successes at all levels for Siniora. Despite volatile economic conditions in the region, the company achieved sales of JD41.850 million, an amount that is in line with last year´s sales levels, despite the loss of most export markets in neighboring countries due to the regional political situation.

In 2015, Siniora realized overall net profits of JD4.904 million compared to 2014´s JD5.448 million. Notably, last year´s sales and profit record included one-time World Food Program tenders to Gaza worth USD2 million, which bolstered the sales and profit. Shareholder equity increased by 13% in 2015, amounting to JD28.717 million compared to JD25.312 million in 2014.

At a regional level, the company achieved total export net sales of more than JD10.090 million, representing 24% of Siniora´s net sales outside of the Jordanian and Palestinian markets, through its trading companies in Saudi Arabia and the United Arab Emirates. The growth achieved by Siniora in Gulf markets was able to compensate for losses in the Iraqi, Syrian, Yemeni and Libyan markets.

In 2016, Siniora is set to maintain its position as one of the leading and fastest growing companies in the regional food industry. We look forward to the launch of new frozen products within the Jordanian and Gulf markets. Siniora will also seek to expand its regional presence, with a focus on the Gulf markets and in cooperation with Dubai-based Gulf Trading Company, by developing and strengthening our export base in existing and new target markets.

Siniora Food Industries continued to support the local community's economic and social development through its participation in a wide variety of corporate social responsibility activities and events.

Siniora, as always, recognizes the value of its employees and constantly seeks to advance their technical and managerial qualifications through focused training workshops. This year's strong results were accomplished thanks to the hard work and committed team spirit of our employees. Through their perseverance and dedication, Siniora was able to produce high quality products that increased consumer demand and contributed to the company's strong sales growth. Thanks to the efforts, perseverance and hard work of its team, the company has secured the leading position within the Jordanian and Palestinian markets. We are confident that the exceptional efforts of our employees will move the company steadily forward, bringing further progress and prosperity in the coming year.

Majdi Sharif
CEO

Trade and Distribution Sector

Arab Palestinian Shopping Centers Company (Bravo)

The Arab Palestinian Shopping Centers Company offers the first and largest modern shopping and entertainment destinations in Palestine, Bravo Supermarkets. The company has become the nationwide leader in the retail industry, with five Bravo supermarkets in three major West Bank cities, three of which are in Ramallah and Al-Bireh, one in Nablus and one in Hebron. The main Bravo Shopping Center in Al-Bireh encompasses various restaurants, a children's indoor play area (Jungle Land) as well as retail shops. The sixth store, set to open in the spring of 2016 in Nablus, will be the largest supermarket in Palestine. Bravo is a public shareholding company and is listed on the Palestine Exchange (PEX: BRAVO).

The Arab Palestinian Shopping Centers Company continues to offer the largest modern shopping and entertainment destinations in Palestine. In 2015, the company strengthened its lead by building the largest Bravo branch in Palestine with total investment of about USD8 million, set to open in the spring of 2016 and employing over 100 staff. In addition to the Bravo supermarket, the branch will offer a wide variety of commercial and entertainment options including a coffee shop, a children's play area, among other services. In 2015, the company also relaunched its corporate brand BRAVO and executed an integrated rebranding exercise for all its branches.

The company faced various challenges in 2015 caused by increased competition in the retail sector and changes in consumer behavior brought on by the extraordinary political and economic turbulence Palestine experienced due to Israeli actions. These challenges combined with the decline in NIS exchange rate led to a drop in total sales of 11.33% in 2015 compared to the previous year (from USD30 million in 2014 to USD26.6 million in 2015). Nevertheless, all other business metrics improved in 2015 compared to the previous year. Total gross margins grew to 18.2% in 2015 versus 17.3% in 2014; total overheads dropped by 4% in 2015 versus 2014; while stock variance decreased to 0.39% in 2015 versus 0.52% the year before. The operating cash cycle also improved in 2015 to be -12 days versus -1 day in 2014.

Overall, 2015 was the year of building the company and preparing it to embark on its success journey. As a result, our strategy for 2016 remains solid. We will maximize sales by increasing the number of new stores and expanding our presence to become a nationwide chain. The opening of our largest Bravo branch yet is a crucial starting point for the achievement of profitability and will serve as the expansion model that the company will follow to pave the way forward and achieve success in the coming year.

Ali Aggad
Chairman

Trade and Distribution Sector

Palestine Automobile Company (PAC)

Founded in 1996 as a private shareholding company, and acquired by APIC in 1998, Palestine Automobile Company (PAC) is the sole distributor for the Hyundai Motor Company's entire line-up of passenger cars, trucks and vans, in addition to Fiat Chrysler Automobiles vehicles, which include the Fiat, Fiat Professional, Alfa Romeo, Chrysler, Jeep, Dodge and Ram brands. PAC's guiding principle is to provide its customers with top-notch services, achieved through its large state-of-the-art service and parts facilities, staffing them with qualified engineers and technicians in order to guarantee customer satisfaction and increased sales. PAC owns and operates four sales showrooms, three service centers and three spare parts warehouses in major Palestinian cities along with its network of authorized dealers across Palestine.

Despite the difficult circumstances Palestine experienced during 2015, Palestine Automobile Company (PAC) continued to grow its vehicles business and after-sales services in the West Bank and Gaza Strip.

In October 2015, along with its partners, PAC inaugurated its new Fiat, Fiat Professional and Alfa Romeo sales showrooms in Ramallah, Bethlehem and Jenin. Furthermore, PAC upgraded its central service center in Al-Bireh. These achievements were key milestones for the company, allowing PAC to target and focus on the sizeable light commercial vehicle segment in Palestine, especially with its Fiat Professional offerings.

Also this year, PAC unveiled the first phase of its new Hyundai headquarters building in Ramallah, which includes a state-of-the-art service center, a spare parts department and a body/paint workshop. This new center will be a pillar for the successful future of Hyundai in Palestine and offers customers the ideal conditions to service their vehicles. In 2016, the second phase of the project is scheduled for completion, and in what promises to be an exciting year for Hyundai in Palestine, the company's latest models will be launched, including the Tucson, Elantra, i20 and the all-new Santa Fe.

PAC's Chrysler arm continued to perform well, with its Jeep brand holding its number one position in the large SUV segment in Palestine. This year also saw PAC introducing its new lease-to-own program in conjunction with its sister company, Arab Leasing Company, a new private shareholding APIC subsidiary. This program targets a wider group of customers, opens up new sales channels and is expected to contribute to growing revenue.

A strong belief in community alliances has always been an integral part of PAC's business ethos. Accordingly, the company continues to support Injaz Palestine in its developmental and social efforts centered on Palestinian youths.

In 2016, PAC will continue to strive towards sustaining its leading position in Palestine as a provider of superior quality cars and first-rate after-sale services.

Ayman Sonnoqrot
General Manager

Trade and Distribution Sector

Medical Supplies and Services Company (MSS)

Founded in 1994 as a private shareholding company, and acquired by APIC in 1998, Medical Supplies and Services Company (MSS) has consistently maintained its position as one of the top companies in its field. The most diversified healthcare product supplier in Palestine, it distributes pharmaceuticals, medical and laboratory equipment, surgical and disposable items, and fast-moving consumer goods (FMCG) to pharmacies, private hospitals, non-governmental organizations, the Ministry of Health, and retail outlets. MSS is the sole distributor and service provider for major multinationals including GlaxoSmithKline, Sanofi-Aventis, Merck Sharp & Dohme, Abbott International, Eli Lilly, Beiersdorf (Nivea), Janssen, Abbott Diabetes Care, Hitachi Aloka, Nihon Kohden, B. Braun, Boehringer Ingelheim's Pharmaton, Abbott Diagnostics, and Trisa.

Medical Supplies and Services Company
شـركـة الـتـوريـدات والخـدمـات الطبيـة

MSS has consistently held the leading healthcare position in Palestine thanks to its talented people, exceptional systems and trusted brands. In 2015, we focused our corporate strategy on further building our systems and concentrated on delivering superior services to our customers. Despite ongoing economic challenges, political unrest and market weakness, MSS posted favorable sales and net profit growth for 2015. Sales were up by 5% for the year and net income climbed by 18%. This record result was fueled largely by another year-on-year increase in operating profit as well as our strong financial results.

MSS is a solid company that will continue to grow and unlock its full potential as it remains focused on growth and operational excellence at all levels. Therefore, in 2016, we will continue to expand our pharmaceutical, diagnostics, medical equipment and FMCG divisions to further strengthen our competitive performance. We will also continue to prioritize investment in product superiority and in our management systems to maintain our position as the long-term market leaders of top-quality healthcare products in Palestine.

My special thanks go to every one of our employees for their continued commitment and loyalty to our organization.

Samer Kreitem
General Manager

Trade and Distribution Sector

Unipal General Trading Company (Unipal)

Founded in 1994 as a private shareholding company and acquired by APIC in 1998, Unipal General Trading Company (Unipal) is by far the leading fast-moving consumer goods (FMCG) distributor in Palestine. The company possesses and services sole distribution rights for major multinationals such as Philip Morris International, Procter & Gamble, Kellogg's, Heinz, XL Energy Drink, Siniora, Americana and other well-known products. The company's highly efficient distribution system delivers leading quality products that fulfill the Palestinian consumer's needs. Unipal is able to effectively drive its product portfolio to a leading market position in a short time span due to its extensive distribution network of over 6,000 retail outlets throughout Palestine.

Once again, a steady market focus and adherence to a proven operational strategy have steered Unipal through a successful year. The company takes great pride in its passion and drive for success and continues to build momentum as a market leader in the fast moving consumer goods (FMCG) sector. In 2015, the company continued to achieve new sales records and profitability despite many economic and market challenges.

With its strong brands, extensive retail network and highly reliable customer services, Unipal has maintained its position as the most trusted FMCG distributor in Palestine. The company has consistently developed its profitable growth platforms through the continuous acquisition of distribution rights for international brands, cost-cutting measures and increased efficiency across all aspects of the organization, adding yet more strategic and competitive value to its growth plans.

This year, Unipal completed its expansion project of the food storage section in its distribution center, expanding the capacity of the distribution center by 2,600 pallets, bringing the total capacity to 8,100 pallets. The distribution center is equipped with state-of-the-art storage systems and advanced warehouse management solutions. In 2015, Unipal also upgraded the Enterprise Resource Planning (ERP) system as well as implemented the Business Intelligence Solution and advanced mobile sales automation system to optimize business expansion outcomes.

The company's efforts in building capacity and investing in human resources emanates from its core values and beliefs in the professional progress and personal enrichment of its employees, who are the backbone of the company. Unipal's commitment to its vision, employees and consumers has propelled the company to its current leadership position, ensuring it remains resilient and well-positioned for the future.

Unipal thanks its customers, partners and employees for their unwavering confidence and support in 2015, and looks forward to sharing in the successes of 2016.

Imad Khoury

CEO

Services Sector

Sky Advertising, Public Relations and Event Management Company (Sky)

Founded in 1996 as a private shareholding company, and acquired by APIC in 2000, Sky is recognized as a pioneer in advertising, public relations and event management in Palestine, offering a full range of customized promotional services designed to maximize client profiles in competitive markets.

Aiming to enhance the role of clients in the market, the company employs staff specialized in various essential creative areas that encompass graphic design and printing, public relations, event management, promotion, media, outdoor advertising and digital communications.

The economic situation in Palestine in 2015 remained as challenging as in previous years due to the oppressive measures that Israeli authorities continue to practice against Palestine´s national economy.

Sky, like other local companies, faced many challenges in 2015; nevertheless, the company's overall performance was good, which was the result of its hard work and its vision in expanding and diversifying its services. Sky´s financial performance for 2015 was strong; profits grew by 63% compared to 2014.

Over the course of 2015, the company focused on lowering costs in parallel with developing its services. It revised its network of advertising billboards in Palestinian governorates, concentrating on vital locations and removing panels from non-viable sites. Additionally, the LED billboards project initiated in 2014 was expanded, now allowing for the control of the screens remotely.

Furthermore, Sky is currently exploring multiple expansion opportunities and keeping abreast of the latest developments in the advertising industry. It is also worth noting that during 2015, the company developed its services and projects in line with company goals and executed an exceptional set of media and advertising campaigns for the largest Palestinian companies and institutions.

Finally, regardless of the challenges that the future may bring, the company, with its exceptional dedication and staff, will continue to work towards expanding and diversifying its offerings, focusing on further accomplishments and success. This will, in turn, earn the satisfaction and trust of its clients and partners, ensuring that Sky remains the leader in the world of advertising and public relations in Palestine.

Nader Maree

General Manager

Corporate Social Responsibility … Efficient Role and Lasting Commitment

At APIC, corporate social responsibility (CSR) is a company-wide strategic priority, radiating from our belief in the importance of building trust, value and respect among our customers, business partners, employees and the community at large. To this end, APIC and its subsidiaries interact with the communities in which they operate through active participation with educational and cultural institutions, charities and public events.

APIC's CSR strategy focuses on medium- to long-term partnerships with key institutions in the fields of education, culture, youth and children, as well as entrepreneurship and philanthropy. To that end, in 2015, APIC signed memorandums of understanding with a number of institutions to provide strategic support totalling USD500,000 for the year.

Key partnerships in 2015 included:

Education and Youth Empowerment

- **King's Academy:** APIC continued to support distinguished students from Palestine to study at King´s Academy in Jordan by facilitating two constant scholarship funds. This program was established in 2014.
- **Injaz Palestine:** APIC continues supporting Injaz Palestine, which was established in 2007, through providing donations and volunteers from APIC's employees.
- **Stock Simulation Program - Palestine Exchange:** Since 2014, APIC has been the exclusive sponsor of this program, which is directed at university students in Palestine. The program leverages the practical skills of students, and enhances their financial competence in stock trading in an environment that simulates trading at PEX.
- **Mahmoud Abbas Foundation:** In 2015, APIC established a four-year scholarship fund for Palestinian students in Lebanon via the foundation.
- **APIC's Scholarship for the Children of its Employees:** Each year, APIC awards a full four-year scholarship at a Jordanian or Palestinian university to the highest scoring Tawjihi student among the children of its employees.
- **Other Scholarships:** In 2015, APIC presented educational sponsorships via global communities.

Philanthropy and Humanitarian Support

- **SOS Children's Villages Palestine:** APIC has supported SOS Children's Villages Palestine for many years, helping the institution to enable and fulfill its humanitarian mission of providing stable, secure and loving care as well as quality education for children who have lost parental and community care. This year, APIC has pledged to sponsor the Villages´ "Education for a Better Future" program for three years. APIC also pledged to sponsor one family of eight children in SOS Children's Villages for three years as well.
- **Charitable Institutions:** In 2015, APIC supported several institutions including:
  - Arab Orphan Association
  - King Hussein Cancer Foundation
  - Dar Alehsan for Orphan Rehabilitation
  - Palestinian Children Relief Fund
  - Al-Rahim Association - Friends of Down Syndrome
  - Charitable Association for Development and Care (Sadeq)

Youth and Entrepreneurship

- **APIC's CEO Annual Award**: APIC actively promotes CSR by providing its communities with healthy career opportunities and its employees with a dynamic, safe and challenging work environment. As part of its corporate incentive program, APIC's CEO Award is presented annually to exceptional employees from each of its subsidiaries who demonstrate creativity and innovation.
- APIC continues to support various **youth and sport centers** in Palestine. It also supports entrepreneurship throughout Palestine in general and within Gaza specifically. APIC is an active patron of the Gaza Sky Geeks Accelerator program.

Culture and Art

- **El-Funoun Palestinian Popular Dance Troupe**: In 2015, APIC signed a three-year memorandum of understanding to support the troupe in its mission to maintain Palestinian folklore and cultural identity.
- **National Conservatory of Music**: In 2015, APIC supported the National Conservatory of Music in its efforts to develop talented musicians.

Other Support

APIC also supports organizations that increase the global understanding of the socio-economic, political and cultural characteristics of Palestine. To this end, APIC was the exclusive sponsor of the **Palestine's Exporter Week 2015**. APIC also provided its support to the activities of the **Institute for Middle East Understanding**.

King's Academy is a not-for-profit, coeducational boarding and day school (grades 7 to 12) in Jordan that provides a comprehensive curriculum based on the American Advanced Placement program and the College Board's QUEST framework for teaching and learning. The dynamic curriculum includes an integrated co-curricular program of athletics, activities and community service, and boarding students live in a nurturing residential environment that allows them to flourish personally and intellectually. King's students currently number 557 and hail from Jordan and 36 other countries.

INJAZ Palestine is an organization dedicated to giving young people the knowledge and skills they need to own their economic success, plan for their future and make smart academic and economic choices. INJAZ programs are delivered by corporate and community volunteers who provide relevant, hands-on experiences that give students from high school knowledge and skills in financial literacy, work readiness and entrepreneurship. INJAZ's vision is to inspire and prepare a generation of Arab youth to use their natural talents, inspiration, passion and determination to become the business leaders and entrepreneurs of tomorrow who empower their community.

Palestine Exchange (PEX) launched the Stock Simulation program in 2008, as part its investor education program. It targets students from economic and financial faculties in Palestinian universities, and offers students a first-hand experience in trading securities in a virtual environment that simulates the real trading environment at PEX with same rules and regulations. Participants have the opportunity to practice virtual trading, investment activities and portfolio management. The program started with three universities in 2008, and today, 11 universities participate across Palestine. So far, more than 1,500 students have partaken and benefited from this experience.

Mahmoud Abbas Foundation is non-profit organization founded in Palestine in 2011, in response to the dire situation Palestinians face in refugee camps in the Diaspora, especially in Lebanon. The foundation's Student's Program provides scholarships to Palestinian students, with scholarship amounts directly deposited in the universities' accounts. By the end of 2015, 2000 students benefitted from the program, 800 of whom graduated. Another of the foundation's programs is the Family Interdependence Program, which aims to build bridges and create communication channels between the donating and receiving families. More than 674 families have benefitted from this program since 2015.

SOS Children's Villages International works in over 134 countries worldwide. It provides loving homes and families to children without parents and supports families in difficult living conditions through services in care, education and health. SOS Children's Villages Palestine was established in 1966, the first of its kind in the Middle East. It has two villages, in Bethlehem and Rafah, which provide loving homes to children without parental care. In addition, the Family Strengthening Program, which empowers families and strengthens their capacity to care for their children, works with vulnerable families in the southern West Bank and the Gaza Strip.

El-Funoun Palestinian Popular Dance Troupe is an independent, non-profit organization that is entirely volunteer-based. El-Funoun was established in 1979 by a number of talented and committed artists. Since then, the troupe has been recognized as the leading Palestinian dance group with an impressive track record of over 1500 performances locally and internationally, 15 productions and tens of dance pieces. El- Funoun has won several awards from local and international festivals. El-Funoun presents Palestinian folklore and contemporary culture through elaborated choreographed forms that embody El-Funoun's own unique vision of Palestinian dance, and is widely recognized as the cultural entity that has played the most significant role in reviving and reinvigorating Palestinian dance and music folklore.

Financial Performance 2015

Summary of Financial Performance

The year 2015 witnessed the exclusion of the operational performance of Unipal Central and West Africa (Unipal CWA), which affected the group's total revenues that appeared lower by 2.34%, than that of the previous year. However, APIC's group showed slight growth in revenues in 2015, compared to the previous year, when revenues of Unipal CWA are excluded from 2014.

The group's expenses showed a decrease of 11.9% from the previous year due to the absence of Unipal CWA overheads from the consolidated results, in addition to the impact of the exchange rate of the shekel against the US dollar. Furthermore, and due to the implementation of a strategy to control company costs, APIC saw a further reduction in the expenditures of the group throughout 2015.

Despite the increase of credit facilities and loans from banks compared with 2014, interest and financing costs were lower from the previous year due to the fact that APIC managed to secure preferential rates from financing entities.

Therefore, the group's net profit witnessed an increase of 9.4% over the previous year, with profits after tax amounting to USD12.408 million (including minority rights).

APIC has finalized all matters related to the settlement and liquidation of its investments in Africa, which has impacted the net profit attributed to the company’s shareholders, amounting to USD7.144 million, a reduction of 12.6% year on year.

APIC's Financial Position

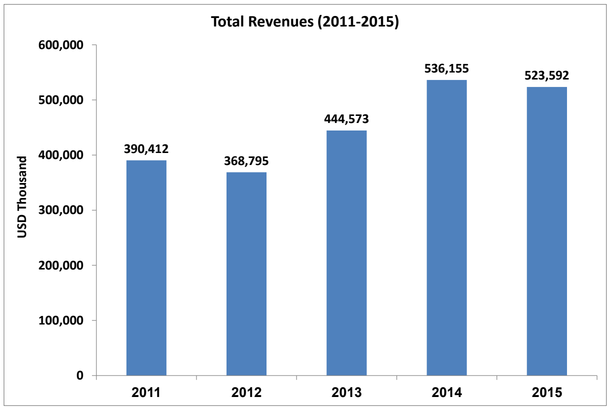
Total assets at the end of 2015 amounted to USD278.54 million, an increase of 11% over 2014, of which current assets amounted to USD161.83 million, with an increase of 8.3% over 2014.

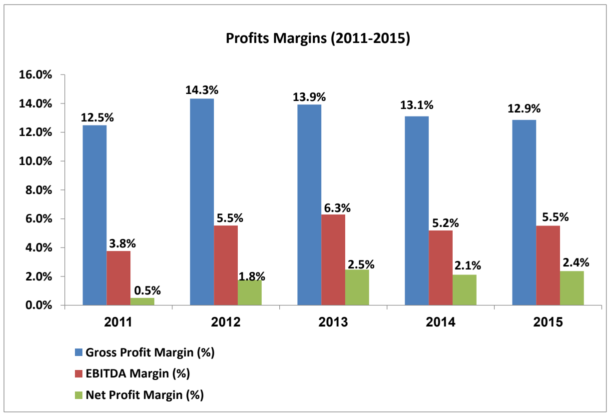
APIC’s working capital amounted to USD52.37 million at the end of 2015, compared to USD45.7 million in 2014.

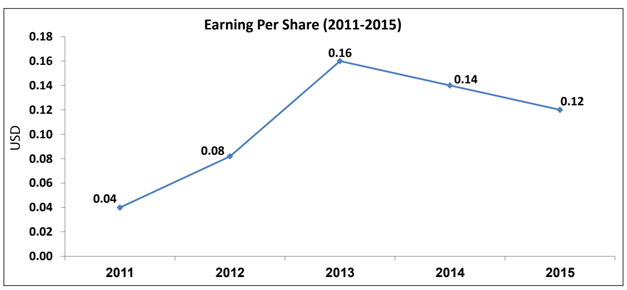
Bank borrowing rose by 32.5% compared to 2014, with much of the increase attributed to long-term borrowing with a view to expansion, with the financing used for Siniora’s new frozen meat factory and the latest branch of Bravo in Nablus.

In 2015, cash dividends totaling USD4.5 million were distributed to shareholders against realized group's net profits of USD12.41 million, of which USD7.14 million of profits are attributed to APIC's shareholders. Hence, the total shareholder equity, including minority rights, amounted to USD111.38 million, an increase of 7.5% over 2014. While shareholder equity, excluding minority rights, amounted to USD81.6 million, an increase of 5% over 2014.

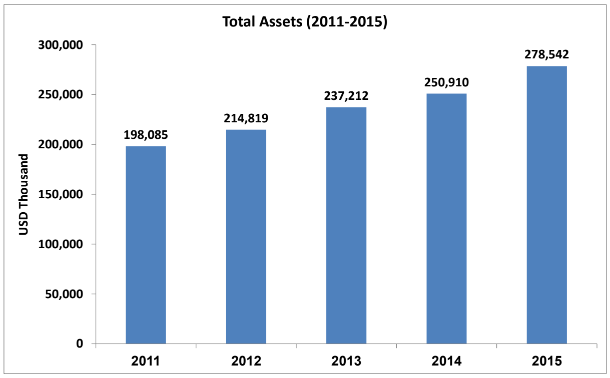
The following charts demonstrate the development of revenues, various profit margins and ratios as well as earning per share achieved between 2011 and 2015:

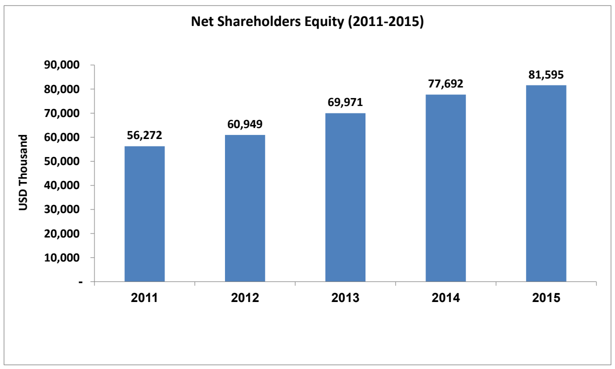




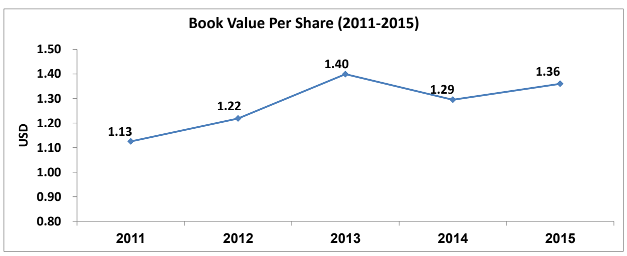


The charts below demonstrate total assets and net shareholder equity from 2011 – 2015:





The following chart demonstrates the company's book value per share from 2011 – 2015:



Discrepancy Between Initial Disclosure And Final Audited Results

In February 2016, APIC disclosed its consolidated financial statements for 2015 before audit. No major discrepancies were found after the completion of auditing; the following amendments and classifications were made to the financial statements:

Income Statement

- Revenues were 3.4% lower than the preliminary results after eliminating intercompany commercial transactions within the group's subsidiaries that involve sales and its related expenses.
- Net profits, including minority rights, were less by USD5,900 than the preliminary results. This was largely due to the settlement of deferred tax assets and other tax provisions.

Balance Sheet

- Some items were reclassified in the balance sheet as per the classifications prepared by the auditors.

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
DECEMBER 31, 2015

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Independent Auditor's Report

AM/ 30667

To the Shareholders of
Arab Palestinian Investment Company (Holding Company)
British Virgin Islands

Introduction

We have audited the accompanying consolidated financial statements of Arab Palestinian Investment Company (Holding Company), which comprises of the consolidated statement of financial position as of December 31, 2015, and the consolidated statements of income, comprehensive income, changes in owners' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

Deloitte.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Arab Palestinian Investment Company (Holding Company) as of December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Explanatory Paragraph

The accompanying financial statements are a translation of the statutory financial statements which are in the Arabic language to which reference is to be made.

Deloitte & Touche

Amman – Jordan
March 27, 2016

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
Public Accountants
Amman - Jordan

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	December 31, 2015 USD	December 31, 2014 USD
Current Assets:			
Cash on hand and at banks	6	18,851,385	13,765,342
Accounts receivable and checks under collection - net	7	65,222,189	64,381,810
Inventory - net	8	61,586,581	54,085,884
Due from related parties	36	931,836	128,592
Financial assets available for trading	9	168,217	173,755
Other debit balances	10	15,071,360	16,882,415
Total Current Assets		161,831,568	149,417,798
Long-term checks under collection	11	817,310	2,485,242
Deferred tax assets	31	1,503,028	1,594,075
Financial assets available for sale	12	16,795,239	11,696,787
Investment in lands	13	776,239	776,239
Intangible assets - net	14	8,334,551	7,908,192
Property, Plant and Equipment:			
Property, Plant and Equipment at cost		126,121,307	123,308,558
Less: Accumulated depreciation		56,350,934	51,467,921
Net Book Value of Property, Plant and Equipment	15	69,770,373	71,840,637
Projects under construction	16	18,714,156	5,191,009
TOTAL ASSETS		278,542,464	250,909,979

LIABILITIES	Note	December 31, 2015 USD	December 31, 2014 USD
Current Liabilities:			
Due to banks	23	32,969,459	29,010,179
Accounts payable		27,762,705	29,942,367
Short-term notes payable	17	31,280	193,264
Due to related parties	36	6,083	112,835
Postdated cheques	21	6,625,200	7,495,116
Short-term loans installments	19	26,342,945	17,356,962
Other credit balances	20	12,984,663	16,491,757
Tax provision	31	2,733,591	3,099,520
Total Current Liabilities		109,455,926	103,702,000
Provision for end-of-service indemnity	24	8,436,992	7,774,451
Long-term bonds	18	20,000,000	20,000,000
Long-term loans installments	19	29,269,327	15,790,437
Total Liabilities		167,162,245	147,266,888
OWNERS' EQUITY			
Authorized capital (70,000,000 shares, $1 par value per share)		70,000,000	70,000,000
Shareholders' Equity:			
Paid-up capital	1(b)	60,000,000	60,000,000
Retained earnings		16,046,951	13,402,785
Cumulative change in fair value		2,877,978	1,227,705
Revaluation of Property, Plant and Equipment reserve	25	3,561,814	3,561,814
Differences in foreign currency translation		(7,844)	-
Difference in purchase of non-controlling interest		(883,756)	(500,398)
Total Shareholders' Equity		81,595,143	77,691,906
Non - controlling interest	22	29,785,076	25,951,185
Total Owners' Equity		111,380,219	103,643,091
TOTAL LIABILITIES AND OWNERS' EQUITY		278,542,464	250,909,979

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
CONSOLIDATED STATEMENT OF INCOME

	Note	For the Year Ended December 31, 2015	2014
		USD	USD
Net sales		516,941,578	526,679,410
Less: Cost of sales		452,929,574	460,319,181
Sales Gross Profit	26	**64,012,004**	**66,360,229**
Service revenue		6,650,715	9,475,313
Less: Service cost		3,330,216	5,081,570
Net Service revenue		**3,320,499**	**4,393,743**
Less: General and administrative expenses	27	30,023,520	34,386,149
Selling and distribution expenses	28	14,829,975	15,785,615
Profit from Operations		22,479,008	20,582,208
Unrealized Gain from financial assets available for trading		-	4,322
Gain from financial assets available for sale	29	382,338	241,328
Borrowing interest and expenses		(5,326,804)	(5,360,924)
Loss from sale of associate		(12,330)	-
Other (expenses) - net	30	(1,482,314)	(722,843)
Profit for the Year before Income Tax		**16,039,898**	**14,744,091**
Income tax expense - the Company and the subsidiary companies	31	(3,631,666)	(3,397,109)
Profit for the Year		**12,408,232**	**11,346,982**
Attributable to:			
Company's shareholders		7,144,166	8,178,653
Non-controlling interest	22	5,264,066	3,168,329
		12,408,232	**11,346,982**
Earnings per share for the Company's Shareholders / Basic and Diluted	38	-/119	-/136

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31,	
	2015	**2014**
	USD	**USD**
Profit for the year	12,408,232	11,346,982
Other Comprehensive Income Items:		
Comprehensive Income items which are transferable to Consolidated Statement of Income:		
Change in fair value - financial assets available for sale	1,650,273	(460,456)
Differences in foreign currency translation	(7,844)	-
Total Comprehensive Income	**14,050,661**	**10,886,526**
Total Comprehensive Income Attributable to:		
Company's shareholders	8,786,595	7,718,197
Non-controlling interest	5,264,066	3,168,329
	14,050,661	**10,886,526**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Note	Paid -up Capital	Retained Earnings	Cumulative Change in Fair Value	Revaluation of Property, Plant and Equipment Reserve	Difference in Purchase of Non-Controlling Interest **	Difference in Foreign Currency Translation	Total Shareholders' Equity	Non - Controlling Interest	Total Owners' Equity
Year 2015		USD	USD	USD	USD	USD	USD	USD	USD	USD
Balance - beginning of the year 2015		60,000,000	13,402,785	1,227,705	3,561,814	(500,398)	-	77,691,906	25,951,185	103,643,091
Change in fair value		-	-	1,650,273	-	-	-	1,650,273	-	1,650,273
Differences in currency translation		-	-	-	-	-	(7,844)	(7,844)	-	(7,844)
Profit for the year		-	7,144,166	-	-	-	-	7,144,166	5,264,066	12,408,232
Total comprehensive income		-	7,144,166	1,650,273	-	-	(7,844)	8,786,595	5,264,066	14,050,661
Dividends ***		-	(4,500,000)	-	-	-	-	(4,500,000)	-	(4,500,000)
Purchase of subsidiaries shares difference effect during the year		-	-	-	-	(383,358)	-	(383,358)	-	(383,358)
Net change in non-controlling interest *		-	-	-	-	-	-	-	(1,430,175)	(1,430,175)
Balance - End of the Year 2015		60,000,000	16,046,951	2,877,978	3,561,814	(883,756)	(7,844)	81,595,143	29,785,076	111,380,219
Year 2014										
Balance - beginning of the year 2014		50,009,398	15,214,734	1,688,161	3,558,918	(500,398)	-	69,970,813	23,302,019	93,272,832
Change in fair value		-	-	(460,456)	-	-	-	(460,456)	-	(460,456)
Profit for the year		-	8,178,653	-	-	-	-	8,178,653	3,168,329	11,346,982
Total comprehensive income		-	8,178,653	(460,456)	-	-	-	7,718,197	3,168,329	10,886,526
Additional paid up capital	1/b	9,990,602	(9,990,602)	-	-	-	-	-	-	-
Net change in non-controlling interest *		-	-	-	2,896	-	-	2,896	(519,163)	(516,267)
Balance - End of the Year 2014		60,000,000	13,402,785	1,227,705	3,561,814	(500,398)	-	77,691,906	25,951,185	103,643,091

* This item represents the net change in non-controlling interest resulting from the decrease in the non-controlling interest's share in some of the subsidiary companies' capital during the years 2015 and 2014.

** This item represents the difference between the acquisition cost of 401,689 shares of the subsidiary company Siniora Food Industries' and it's net book value where the Company's share in the capital of the subsidiary company became %61,18 in accordance with the requirements of International Financial Reporting Standards.

*** The General Assembly decided in its meeting held on April 29, 2015 to distribute 7.5% of the capital which is equivalent to USD 4,500,000 to the shareholders.

- Retained earnings include an amount of USD 1,503,028 as of December 31, 2015 relating to deferred tax assets (USD 1,594,075 as of December 31, 2014).

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2015	2014
		USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before tax		16,039,898	14,744,091
Adjustments for:			
(Gain) from the sale of property, plant and equipment	30	(58,038)	(135,293)
Depreciation of property, plant and equipment	15	7,533,342	7,733,682
Unrealized Gain from financial assets available for trading		-	(4,322)
Provision for doubtful debts	7	1,010,693	414,198
Provision for slow-moving inventory	8	521,810	315,899
Contingent liabilities provision	30	-	615,485
End-of- service indemnity provision	24	1,643,104	2,104,007
Cash Flows from Operating Activities before Changes in Working Capital		**26,690,809**	**25,787,747**
(Increase) Decrease in accounts receivable and other debit balances		(7,343,126)	1,225,443
(Increase) in inventory		(719,398)	(3,041,696)
(Decrease) in due from / to related parties		(459,886)	(783,103)
Decrease (increase) in long-term checks under collection		1,667,932	(1,843,915)
Increase (decrease) in accounts payable and other credit balances		(6,136,866)	3,408,457
Net Cash Flows from Operating Activities before End-of-Service Indemnity and Income Tax Paid		**13,699,465**	**24,752,933**
Paid from End-of-service indemnity provision	24	(980,563)	(1,743,489)
Paid from Income tax provision	31	(3,906,548)	(4,414,909)
Net Cash Flows from Operating Activities		**8,812,354**	**18,594,535**
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in financial assets available for trading		(1,167,670)	(155,817)
(Increase) in financial assets available for sale		(2,274,971)	(1,806,344)
Acquisition of property, plant and equipment	15	(8,069,290)	(8,010,151)
Proceeds from the sale of property, plant and equipment		3,062,239	1,077,976
Additions to projects under construction	16	(14,347,495)	(4,950,486)
Net Cash Flows (used in) Investing Activities		**(22,797,187)**	**(13,844,822)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends Distributed		(4,500,000)	-
Increase (decrease) in due to banks		3,959,280	(4,285,547)
Increase in loans, checks and notes payable		21,432,973	5,181,914
Net change in non - controlling interest and foreign currency translation differences		(1,821,377)	(516,267)
Net Cash Flows from Financing Activities		**19,070,876**	**380,100**
Net Increase in Cash		5,086,043	5,129,813
Cash on hand and at banks- beginning of the year		13,765,342	8,635,529
Cash on Hand and at Banks- End of the Year	6	**18,851,385**	**13,765,342**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General

a. Arab Palestinian Investment Company (Holding Company) was established on September 20, 1994, and registered in the British Virgin Islands under Number (128626), with an authorized capital of USD 70 million divided into 70 million shares at USD 1 par value per share.

b. Several amendments were made to the Company's capital, in which the latest was made on April 29, 2014 as per the decision made by the Company's general assembly in its meeting held on that date, where the paid up capital of the company was increased by USD 9,990,602 to become USD 60,000,000. The increase was made through capitalizing part of the retained earnings. The approvals were obtained from the regulatory authorities in Palestine and the British Virgin Islands.

c. The Company's main objectives include the management of its subsidiary companies; participating in the management of other investee companies; investing in shares, bonds, and securities as well as granting loans, guarantees, and financing its subsidiaries.

d. The headquarters are located in Mecca Street, P.O. Box 941489 Amman 11194 – Jordan.

e. During the year 2013, the Company's General Assembly approved the conversion of the Company's legal status from a Foreign Private Shareholding Company to a Foreign Public Company and to list the Company's shares in Palestine stock exchange. The procedures for the conversion were completed on January 15, 2014. The Company's shares were listed in the Palestine stock exchange on March 2, 2014.

f. The Board of Directors approved the Company's consolidated financial statements on March 24, 2016.

2. Basis of Preparation of the consolidated financial Statements

1. The consolidated financial statements include the financial statements of the Company, its subsidiaries and entities under its control. Control is achieved when the Company has the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities. All intercompany transactions, balances, revenues and expenses between the Company and its subsidiaries are eliminated.

2. The financial statements of the subsidiary companies are prepared using the same accounting policies adopted by the Company. If the accounting policies adopted by the subsidiary companies are different from those adopted by the Company, the necessary adjustments to the financial statements of the subsidiary companies are made so as to comply with the accounting policies adopted by the Company.

- The consolidated financial statements include the Company's financial statements and the following subsidiaries' financial statements, after eliminating intercompany balances and transactions:

	December 31, 2015		December 31, 2014			
	Paid-up Capital	Equity Share	Paid-up Capital	Equity Share	Ownership Date	Main Activity
	USD	%	USD	%		
Arab Palestinian Storage Company	4,500,000	64/59	4,500,000	64/59	1997	Management of refrigerated stores
Medical Supplies and Services Company *	3,227,990	50	3,227,990	50	1998	Trade of medicine and medical supplies
Unipal General Trading Company	7,042,253	83/69	7,042,253	83/69	1998	General trading
National Aluminum and Profiles Company	9,718,310	72/76	9,718,310	72/76	1995	Manufacturing of aluminum
Palestine Automobile Company	7,500,000	100	7,500,000	100	1998	Trading of cars
Sky Advertising, Public Relations and Events Company	845,068	100	845,068	100	2000	Advertising, public relations and events
Siniora Food Industries Company	21,156,559	61/18	21,156,559	61/18	1996	Food industries
Arab Palestinian Shopping Centers Company	9,877,240	86/55	9,877,240	86/55	1999	Establishing and owning commercial / shopping malls
Jericho Natural and Mineral Water Factory Company	4,803,734	85	4,803,734	85	2001	Natural and mineral water
Arab Palestinian Spare Parts and Vehicles Services Company **	-	-	-	-	2008	Trading of cars and spare parts
Arab Leasing Company ***	1,000,000	100	-	-	2015	Leasing
Arab Palestine Investment Company / Jordan (Exempted)	70,400	100	70,400	100	2011	Trading of cars and commercial agencies

The following are the most important financial information for the subsidiary companies for the year 2015:

Company's Name	December 31, 2015		For the year ended December 31, 2015	
	Total Assets	Total Liabilities	Total Revenue	Total Expenses
	USD	USD	USD	USD
National Aluminum and Profiles Company	32,663,442	18,522,213	20,727,215	19,716,052
Unipal General Trading Company	52,005,855	32,062,855	355,633,380	344,689,308
Medical Supplies and Services Company	39,895,619	27,777,664	45,389,144	40,557,496
Palestine Automobile Company	35,517,800	25,684,554	24,033,647	22,360,684
Siniora Food Industries Company	69,644,712	29,140,375	59,027,276	50,103,252
Arab Palestinian Shopping Centers Company	24,605,757	12,761,079	25,662,355	23,828,146
Sky Advertising, Public Relations and events Company	3,630,767	1,757,403	5,552,340	5,076,488
Arab Palestinian Storage Company	1,301,360	2,423,849	343,510	510,139
Jericho Natural and Mineral Water Factory Company	-	70,404	1	3,000
Arab Leasing Company	2,476,889	1,420,667	124,861	39,805

- The results of the subsidiaries' operations are included in the consolidated statement of income from the date of ownership i.e. the date in which the actual control over the subsidiary is transferred to the Company. The results of operations of disposed subsidiaries are included in the consolidated statement of income up to the date of disposal i.e. the date in which the Company lost its control over the subsidiary.

- Non-controlling interest represents the part of a subsidiary's equity that is not owned by the Company.

- All the subsidiary companies operate in the Palestinian Authority Territories, except for Siniora Food Industries Company and Arab Palestine Investment Company / Jordan (exempted) as they operate in Jordan.

* The Company has actual control over the Medical Supplies and Services Company as it controls its Management Committee; consequently, controlling the Company's financial and operating policies.

** During the year 2015, all procedures related to the liquidation of Arab Palestinian Spare Parts and Vehicles Services Company were completed and the entity was closed.

*** During the year 2015, Arab Leasing Company was added to the consolidated financial statements. It is owned by 100%, as it was established in January 1, 2015.

3. Significant Accounting Policies

1. Basis of Preparation of the Consolidated Financial Statements:

   The consolidated financial statements have been prepared in accordance with the standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Standards Interpretation Committee, emanating from the International Standards Board.

   The reporting currency of the consolidated financial statements of the Company and its subsidiaries is the US Dollar, which is also the functional currency.

2. The accounting policies adopted in the preparation of the consolidated financial statements for this year are consistent with those applied for the year ended December 31, 2014 except for what is mentioned in note (5/a) of the consolidated financial statements.

The following are the most significant accounting policies adopted:

a. Financial Assets Available for Trading

- Financial assets available for trading stated at Fair Value in the statement of income represent investments in companies' shares traded in active markets. The objective of holding these assets is to generate income from short-term market prices' fluctuations or trading profit margin.

- Financial assets available for trading are stated at cost in the statement of income at the date of acquisition and revalued to their fair values at the fiscal year-end. The gain or loss resulting from the changes in their fair values is taken to the consolidated statement of income.

b. Financial Assets Available-for-Sale

- Represent financial assets for which the Company does not intend to classify as financial assets available for trading or held to maturity.

- Available-for-sale investments are stated at cost at the date of acquisition, and revalued to their fair values at the fiscal year-end. The gain or loss resulting from revaluation is taken to a separate account in the consolidated statement of comprehensive income and in the consolidated statement of owners' equity. When these assets are fully or partially sold, or determined to be impaired, the resulting gain or loss is taken to the consolidated statement of income, including the related amounts previously booked within owners' equity. The impairment loss previously recorded in the consolidated statement of income can be recovered if it becomes objectively evident that the increase in fair value has occurred in a period subsequent to the recording of the impairment loss. The impairment loss in the companies shares is recovered through the cumulative change in the fair value and for debt instruments through the consolidated statement of income. Furthermore, investments for which fair values cannot be reliably measured are stated at cost. If impairment in their value occurs, the impairment loss is taken to the consolidated statement of income.

c. Investment in Lands

Investment in lands is stated at cost. Any gains or losses are recognized upon completion of a sale and taken to the consolidated statement of income. Moreover, the fair value is disclosed in the consolidated financial statements, and any impairment in value is taken to the consolidated statement of income.

d. Inventory

- Finished goods and work in process are stated at cost or net realizable value, whichever is lower, net of provision for damaged and slow-moving items. Cost includes: raw materials cost, direct labor and indirect manufacturing costs.

- Raw materials are stated at the lower of cost or net realizable value. Finished goods and work in process are stated at the lower of cost or net realizable value. Cost includes raw materials and the related direct and indirect manufacturing costs.

- Cars inventory is stated at the lower of cost or net realizable value on the basis of the actual cost of each car. Cost consists of all expenses incurred by the Company until the inventory is delivered to the Company's warehouses and showrooms or the warehouses at the Company's port (Bonded).

- Spare parts are stated at the lower of cost or net realizable value based on the weighted average method.

e. Investments in an Associate Company

An associate is an entity where the Company has significant influence over its financial and operating policies (but does not control it) and owns between 20% to 50% of its voting rights. The Company reports its investments in an associate based on the equity method.

f. Sales and Service Revenue

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- When the Company has transferred the significant risks and rewards of ownership of the goods to the buyer;

- When the Company retains neither continuing managerial involvement to the degree usually associated with the ownership nor effective control over the goods sold;

- When it is probable that the economic benefits associated with the transaction will flow to the Company;

- When the costs incurred or to be incurred in respect of the transaction can be measured reliably.

- Revenue from services is recognized when services are performed and the related invoices are issued.

g. Property, Plant and Equipment

- Property, Plant and equipment are stated at cost net of accumulated depreciation and any impairment in value, whereas the lands of the Arab Palestinian Company; and National Aluminum and Profiles Company (subsidiary companies) are stated at fair value. Property, plant and equipment (except for lands) are depreciated according to their useful lives, using the straight-line method at annual rates ranging from 2% to 25%.

- When the expected recoverable amount of any Property, Plant and equipment is less than its net book value, the net book value is reduced to the expected recoverable amount, and an impairment loss (if any) is taken to the consolidated statement of income.

- The useful lives of the Property, Plant and equipment are reviewed at the end of each year. If the expected useful life differs from the previous estimate, the difference is booked in subsequent years as a change in accounting estimates.

h. Goodwill

- Goodwill is recorded at cost, which represents the excess amount paid to acquire or purchase an investment in a subsidiary over the Company's share of the fair value of its net assets at the acquisition date. Goodwill resulting from the acquisition of a subsidiary company is booked as a separate item within the intangible assets.

- Goodwill is allocated over the cash generating unit(s) for the purpose of testing the impairment in its value.

- The value of goodwill is tested for impairment at the date of the consolidated financial statements. Goodwill value is reduced when there is evidence that it has declined or the recoverable value of the cash generating unit(s) is less than the book value recorded for the cash generating unit(s). The decline in value is taken to the consolidated statement of income as an impairment loss.

i. Accounts Receivable

Accounts receivable are stated at net realizable value after booking a provision for doubtful debts. The provision is taken in the consolidated statement of income according to management's estimates of the recoverable amounts from receivables.

j. Bank Interest Revenues and Expenses

Bank interest is taken to the consolidated statement of income using the accrual basis.

k. End-of-Service Indemnity Provision

- End-of-service indemnity provision for employees is booked according to the Company's internal regulations on the basis of the basic salary and based on one-month salary for each year of service.

- End-of-service indemnity paid to resigned and terminated employees is charged to the end-of-service indemnity provision. Moreover, the additional provision booked for the end-of-service indemnity for employees is charged to the consolidated statement of income.

l. Income from Investments

Income from investments is taken to revenues when declared (i.e. upon approval by the general assembly of the investee company).

m. Income Tax

- Income tax expenses represent accrued taxes and deferred taxes.

- Income tax expenses are accounted for on the basis of taxable income. Moreover, taxable income differs from income declared in the consolidated financial statements because the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, and items not accepted for tax purposes or subject to tax.

- Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations, and instructions of the countries where the subsidiary companies operate in.

- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets or the liabilities in the financial statements and the value on the basis of which taxable income is calculated. Moreover, deferred taxes are calculated based on the liability method in the consolidated statement of financial position according to the tax rates expected to be applied upon the settlement of the tax liability or realization of the deferred tax assets.

- Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements, and reduced in case it is expected that no benefit will arise therefrom, partially or totally.

n. Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, or assets are realized and liabilities settled simultaneously.

4. Accounting Estimates

Preparation of the consolidated financial statements and the application of the accounting policies require the Company's management to perform assessments and assumptions that affect the amounts of assets and liabilities and to disclose all contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions and the changes in fair value within the consolidated statement of comprehensive income and consolidated owners' equity. In particular, it is required by the Company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timings. The mentioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty and the actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

We believe that the estimates adopted in the consolidated financial statements are reasonable and the details are as follows:

- A provision for doubtful debts is taken on basis and estimates approved by the Company's management in conformity with the requirements of International Financial Reporting Standards (IFRSs).

- The fiscal year is charged with its portion of income tax expenditure in accordance with the regulations and laws, and International Financial Reporting Standards. Moreover, deferred tax assets and liabilities and the income tax provision are booked.

- Management periodically reassesses the economic useful lives of the tangible and intangible assets for the purpose of calculating the annual depreciation and amortization based on the general condition of these assets and the assessment of their useful economic lives expected in the future. Impairment loss is taken to the consolidated statement of income.

- A provision is taken for lawsuits raised against the Company. This provision is subject to an adequate legal study prepared by the Company's legal advisor. The study highlights the potential risks that the Company may encounter in the future. Such legal assessments are reviewed periodically.

- Management frequently reviews financial assets stated at cost to estimate any decline in their values. Impairment is taken to the consolidated statement of income for the year.

- Fair value hierarchy: The Company is required to determine and disclose the level in the fair value hierarchy into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in International Financial Reporting Standards. Differentiating between Level 2 and Level 3 fair value measurements, i.e., assessing whether inputs are observable and whether the unobservable inputs are significant, may require judgement and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

5. Application of New and Revised International Financial Reporting Standards (IFRSs)

5. a. New and revised IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2015, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38.

- Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.

- Amendments to IAS 19 Employee Benefits to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

5. b. New and Revised IFRSs issued but not yet effective

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

	Effective for Annual Periods Beginning On or After
IFRS 14 Regulatory Deferral Accounts	1 January 2016
Amendments to IAS 1 *Presentation of Financial Statements* relating to Disclosure initiative	1 January 2016
Amendments to IFRS 11 *Joint arrangements* relating to accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets* relating to clarification of acceptable methods of depreciation and amortisation	1 January 2016

Amendments to IAS 16 *Property, Plant and Equipment* and IAS 41 *Agriculture* relating to bearer plants	1 January 2016
Amendments to IAS 27 *Separate Financial Statements* relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements	1 January 2016
Amendments to IFRS 10 *Consolidated Financial Statements*, IFRS 12 *Disclosure of Interests in Other Entities* and IAS 28 *Investment in Associates and Joint Ventures* relating to applying the consolidation exception for investment entities	1 January 2016
Annual Improvements to IFRSs 2012 - 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34	1 January 2016

IFRS 9 Financial Instruments (revised versions in 2009, 2010, 2013 and 2014)	1 January 2018

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

- **Impairment**: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised

- **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9	When IFRS 9 is first applied
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	When IFRS 9 is first applied
IFRS 15 *Revenue from Contracts with Customers*	1 January 2018

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 16 *Leases*	1 January 2019
IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture	Effective date deferred indefinitely

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Company's financial statements for the year beginning 1 January 2016 or as and when they are applicable and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16 may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual year beginning 1 January 2018 and IFRS 16 will be adopted in the Company's financial statement for the annual year beginning January 1, 2019. The application of IFRS 9, IFRS 15 and IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers and the Company's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Company performs a detailed review.

6. Cash on Hand and at Banks

This item consists of the following:

	December 31, 2015	December 31, 2014
	USD	USD
Cash on hand	983,351	160,261
Current accounts	14,499,762	11,562,166
Time Deposits *	3,368,272	2,042,915
	18,851,385	**13,765,342**

* The time deposits are held on monthly basis with an average rate of (1%) Annually .

7. Accounts Receivable and Checks under Collection- Net

This item consists of the following:

	December 31, 2015	December 31, 2014
	USD	USD
Trade receivables	52,250,286	51,882,762
Less: Provision for doubtful debts	3,591,050	3,143,361
	48,659,236	48,739,401
Checks under collection *	15,145,587	13,788,409
Employees receivable	1,417,366	1,854,000
	65,222,189	**64,381,810**

* The maturities of checks under collection extend up to the end of the year 2016.

- The movement on the provision for doubtful debts is as follows:

	2015	2014
	USD	USD
Balance - beginning of the year	3,143,361	3,998,747
Additions to the provision	1,010,693	414,198
Written-off debts	(562,220)	(1,096,349)
Currency differences	(784)	(173,235)
Balance - End of the Year	**3,591,050**	**3,143,361**

- The Company adopts a policy of dealing with only creditworthy counterparties with good market reputation so as to mitigate the risk of financial losses from defaults. The Company takes a provision for receivables not collected for more than 365 days. Due but not impaired receivables amounted to USD 48,659,236 as of December 31, 2015 (USD 48,739,401 as of December 31, 2014). The following are the details of due but not impaired receivables:

	December 31,	
	2015	2014
	USD	USD
Up to 90 days	42,637,123	26,181,437
91 days - 180 days	2,462,301	4,996,359
181 days - 365 days	3,559,812	17,561,605
	48,659,236	**48,739,401**

Due and impaired receivables amounted to USD 3,591,050 as of December 31, 2015 (USD 3,143,361 as of December 31, 2014).

- Receivables include amounts due from The Palestinian Authority with an amount of approximately USD 17,045,786.

8. Inventory - Net

This item consists of the following:

	December 31,	
	2015	2014
	USD	USD
Finished goods	7,706,681	12,575,833
Medicine	2,919,981	3,578,807
Medical material	1,221,138	1,042,209
Consumable material	18,991,518	17,636,764
Laboratory tools and material	558,575	488,185
Medical equipment and machinery	1,825,670	1,374,548
Total Finished Goods	**33,223,563**	**36,696,346**
Raw materials	8,511,126	8,420,016
Scrap and others	2,490,241	1,885,627
Other material	100,437	105,182
Costumed cars and spare parts*	2,930,388	2,810,905
Total Inventory	**47,255,755**	**49,918,076**
Less: Provision for slow-moving inventory **	1,359,193	1,102,387
Net Inventory	**45,896,562**	**48,815,689**
Goods in transit	8,509,520	4,541,727
Goods at bonded *	7,180,499	728,468
	61,586,581	**54,085,884**

* Includes mortgaged vehicles in favor of banks in exchange of commercial loans.

** The movement on the slow-moving inventory provision is as follows:

	2015	2014
	USD	USD
Balance - beginning of the year	1,102,387	947,251
Additions to the provision during the year	521,810	315,899
Written-off inventory during the year	(265,004)	(160,763)
Balance - End of the Year	**1,359,193**	**1,102,387**

9. Financial Assets Available for Trading

This item consists of the following:

	December 31,	
	2015	2014
	USD	USD
Listed Shares in Palestine Stock Exchange	168,217	173,755
	168,217	**173,755**

10. Other Debit Balances

This item consists of the following:

	December 31,	
	2015	2014
	USD	USD
Receivable Claims	5,104,649	2,392,143
Value added tax	536,494	1,008,094
Prepaid expenses	1,627,600	2,108,331
Refundable deposits against LGs', LCs and others	2,270,298	2,818,234
Accrued and unearned revenue	-	372,490
Finance lease contracts	96,534	727,235
Advance payments to Suppliers	4,578,175	6,442,203
Other debit balances	857,610	1,013,685
	15,071,360	**16,882,415**

11. Long-term Checks Under Collection

This item consists of the following:

	December 31,	
	2015	2014
	USD	USD
Palestine Automobile Company	785,010	2,392,292
Medical Supplies and Services Company	32,300	92,950
	817,310	**2,485,242**

- The maturities of long-term checks under collection extend up to December 2019.

12. Financial Assets Available-for-Sale

This item consists of the following:

	Number of Shares	December 31, 2015 USD	Number of Shares	December 31, 2014 USD
Listed Shares:				
Bank of Palestine *	3,384,827	10,154,484	2,528,300	7,079,240
Wataniya Mobile Company	1,000,000	850,000	-	-
		11,004,484		7,079,240
Unlisted Shares:				
Palestine Electricity Company	3,654,550	3,654,550	3,654,550	3,654,550
Technology Accelator Investment Company Limited	250,000	275,000	275,000	275,000
Catalyst Private Equity Fund	14,995	187,997	14,995	187,997
Palestine for Electricity Generation Company	400,000	400,000	400,000	400,000
EuroMena Fund		339,190	-	-
Lumia Capital		834,018	-	-
		5,690,755		4,517,547
Unlisted Bonds:				
Bonds of Palestine Commercial Bank *	100 Bond	100,000	100 Bond	100,000
		100,000		100,000
		16,795,239		11,696,787

* Most of the shares and bonds are mortgaged against bank credit facilities and Board of Directors membership.

13. Investment in Lands

The fair value of these lands amounted to USD 1,467,514 as of December 31, 2015 noting that part of these lands are mortgaged against bank credit facilities.

14. Intangible Assets - Net

This item consists of the following:

	December 31, 2015 USD	December 31, 2014 USD
Goodwill – net *	6,061,380	5,635,021
Trademarks **	2,273,171	2,273,171
	8,334,551	7,908,192

* Goodwill resulted from the Company's acquisition of new shares at a value exceeding the book value of the share in some of its subsidiary companies. It is stated at net with a value of USD 5,635,021, after deducting the provision for the impairment in goodwill of USD 6,934,699 during prior years.

** This item represents the value of the trademarks bought from Quality Food Company for Siniora Food Industries Company (Subsidiary Company) and ownership transfer fees.

15. Property, Plant and Equipment

a. This item consists of the following:

2015	Lands USD	Buildings and Constructions USD	Furniture and Fixtures USD	Computers USD	Vehicles USD	Leasehold Improvements USD	Machinery and Equipment USD	Tools USD	Total USD
Cost:									
Beginning balance	11,352,736	33,380,840	6,266,897	3,254,530	8,432,325	5,357,835	51,118,812	4,144,583	123,308,558
Additions	-	2,487,925	1,212,614	337,874	919,514	311,441	2,739,748	60,174	8,069,290
Disposals *	-	(855,975)	(136,924)	(516,309)	(1,873,923)	(470,549)	(1,402,861)	-	(5,256,541)
Transfers	(1,571)	232,709	583,347	(418,576)	317,896	1,102,732	1,038,231	(2,854,768)	-
Ending Balance	**11,351,165**	**35,245,499**	**7,925,934**	**2,657,519**	**7,795,812**	**6,301,459**	**53,493,930**	**1,349,989**	**126,121,307**
Accumulated Depreciation:									
Beginning balance	-	12,095,420	4,111,671	2,366,597	3,627,536	2,101,239	24,731,213	2,434,245	51,467,921
Additions	-	1,181,286	738,556	206,735	860,979	508,976	3,932,060	104,750	7,533,342
Disposals	-	(330,282)	(73,992)	(133,385)	(774,299)	(53,732)	(1,284,639)	-	(2,650,329)
Transfers	-	(328)	670,853	(505,792)	130,021	16,303	1,227,849	(1,538,906)	-
Ending Balance	-	**12,946,096**	**5,447,088**	**1,934,155**	**3,844,237**	**2,572,786**	**28,606,483**	**1,000,089**	**56,350,934**
Net Book Value as of December 31, 2015	**11,351,165**	**22,299,403**	**2,478,846**	**723,364**	**3,951,575**	**3,728,673**	**24,887,447**	**349,900**	**69,770,373**
2014									
Cost:									
Beginning balance	9,706,472	32,845,011	5,278,018	2,863,354	8,918,570	3,928,447	49,495,738	4,038,187	117,073,797
Additions / transfers	1,646,264	637,375	1,110,715	454,627	918,575	1,439,666	2,098,515	106,396	8,412,133
Disposals	-	(101,546)	(121,836)	(63,451)	(1,404,820)	(10,278)	(475,441)	-	(2,177,372)
Ending Balance	**11,352,736**	**33,380,840**	**6,266,897**	**3,254,530**	**8,432,325**	**5,357,835**	**51,118,812**	**4,144,583**	**123,308,558**
Accumulated Depreciation:									
Beginning balance	-	10,973,292	3,547,237	2,077,788	3,430,483	1,272,140	21,333,103	2,334,885	44,968,928
Additions	-	1,152,747	664,444	347,512	885,634	837,711	3,746,274	99,360	7,733,682
Disposals	-	(30,619)	(100,010)	(58,703)	(688,581)	(8,612)	(348,164)	-	(1,234,689)
Ending Balance	-	**12,095,420**	**4,111,671**	**2,366,597**	**3,627,536**	**2,101,239**	**24,731,213**	**2,434,245**	**51,467,921**
Net Book Value as of December 31, 2014	**11,352,736**	**21,285,420**	**2,155,226**	**887,933**	**4,804,789**	**3,256,596**	**26,387,599**	**1,710,338**	**71,840,637**
Annual Depreciation Rates %	-	2-4	6-15	15-25	20	15-25	10-20	6-10	

b. Some of the Company's and the subsidiary companies' assets are mortgaged against bank credit facilities.

c. Some of the subsidiary companies' buildings are constructed on lands leased from others.

d. Arab Palestinian Shopping Centers Company revalued its land and stated it in the financial statements at its fair value, difference in revaluation of USD 3,552,540 was recorded in the revaluation reserve within owners' equity as of December 31, 2015 and 2014.

e. National Aluminum and Profiles Company revalued the lands owned by the Company and stated them in the financial statements at their fair values, difference in revaluation of USD 669,525 was recorded in the revaluation reserve within owners' equity as of December 31, 2015 and 2014.

* This item includes property, plant and equipment of Central & West Africa for Commercial Agencies which amounted to USD 1.2 Million.

16. Projects under Construction

This item represents costs of work relating to constructing and equipping the production facilities and administration offices and the renovation of different production lines for the subsidiary companies represented by National Aluminum and Profiles Company, Siniora Food Industries Company, Unipal General Trading Company and Arab Palestinian Shopping Centers Company, which were not yet completed as of December 31, 2015.

The movement on the projects under construction is as follows:

	2015	2014
	USD	USD
Balance - beginning of the year	5,191,009	642,505
Additions	14,347,495	4,950,486
Transferred to property, plant and equipment	(824,348)	(401,982)
Balance - End of the Year	**18,714,156**	**5,191,009**

17. Short–term Notes Payable

This item represents notes payable to the following companies:

	December 31	
	2015	2014
	USD	USD
Unipal General Trading Company	31,280	193,264
	31,280	**193,264**

18. Bonds

During February 2012, the Arab Palestinian Investment Company issued bonds with a total nominal value of USD 20 million, each bond has a nominal value of USD 10,000, the issuance date was January 31, 2012 and the maturity date is January 31, 2017. The coupon rate of the bonds is 5.5% yearly fixed for the first 30 months while the coupon rate for the remaining 30 months is 6 months LIBOR + 2.5% without paying less than 5.5%. The coupon rate is calculated on 360 days and paid every six months from the date of issuance. Noting that the issuing company has the right to amortize bonds for USD One million and multiples before its maturity date with a maturity price of 101% of the nominal value of the amortized bonds.

The total nominal value of the bonds is mortgaged against first degree mortgages which is not less than 125% of the nominal value of the bonds. These mortgages include shares and lands.

19. Loans

a. The details of this item are as follows:

	Short-term	Long-term	Short-term	Long-term
	December 31, 2015		December 31, 2014	
	USD	USD	USD	USD
Arab Palestinian Investment Company				
National Bank loans	375,000	2,077,597	375,000	2,625,000
Cairo Amman Bank Loan	-	3,500,000	-	-
Siniora Food Industries Company				
Jordan Ahli Bank Loan	741,044	2,974,385	-	-
Arab Bank Loan	1,301,834	11,716,502	-	-
Bank of Palestine Loan	692,008	-	292,599	692,032
Cairo Amman Bank Loan	-	-	1,911,193	7,644,762
Natioanl Aluminum and Profiles Company				
Jordan Ahli Bank Loans	2,194,504	14,341	3,096,234	227,178
Arab Islamic Bank Loan	1,129,885	-	3,057,176	-
Bank of Palestine for Investment Loans	1,372,479	642,727	1,306,075	1,132,011
Cairo Amman Bank Loans	1,060,455	-	1,287,351	122,673
Palestinian Commercial Bank Loan	129,230	570,770	-	700,987
Arab Bank Loan	1,235,397	-	-	-
Egyptian Arab Land Bank Loan	129,042	-	-	-
Palestine Automobile Company				
National Bank Loans	3,159,722	208,941	2,329,630	146,561
The Housing Bank for Trade and Finance Loan	878,000	-	535,283	-
Jordan Kuwait Bank Loans	1,312,222	-	884,172	-
Egyptian Arab Land Bank Loan	-	-	-	-
Arab Bank Loan	919,529	-	530,677	-
Al Quds Bank Loans	4,091,737	400,000	-	-
Jordan Ahli Bank Loans	3,348,918	893,468	1,542,491	1,090,663
Bank of Palestine Loan	1,404,891	-	-	-
Arab Leasing Company				
National Bank Loan	198,682	392,275	-	-
Arab Palestinian shopping centers company				
Arab Islamic Bank Loan	88,121	653,598	147,386	97,673
Palestinian Commercial Bank Loan	157,622	1,341,849	23,499	-
The Housing Bank for Trade and Finance Loans	247,353	3,269,425	38,196	1,310,897
Cairo Amman Bank Loan	175,270	613,449	-	-
	26,342,945	29,269,327	17,356,962	15,790,437

- The loan amounts range from USD 150 thousand to USD 13 million with rates ranging from 3.25% to 5.50% and are granted in Palestine and Jordan.

20. Other Credit Balances

This item consists of the following:

	December 31,	
	2015	2014
	USD	USD
Accrued expenses	5,755,960	6,441,772
Payments for increased capital in subsidiary company *	-	2,760,426
Accrued interest	507,854	589,422
Unearned revenues	263,891	307,331
Accrued salaries and bonuses	1,665,111	2,547,666
Accrued vacations	625,069	746,632
Social security deposits	62,066	54,531
Sales tax deposits	19,324	68,952
Income tax deposits – employees	123,142	116,281
Obligations against after-sale maintenance	750,000	350,000
Customers advances	1,224,832	960,948
Others	1,987,414	1,547,796
	12,984,663	**16,491,757**

* This amount includes the advance payments made by non-controlling interest to increase the capital of Central and West Africa Commercial Agencies which was not included in the accompanying financial statements as it is under liquidation.

21. Postdated Checks

This item consists of the following:

	December 31,	
	2015	2014
	USD	USD
Medical Supplies and Services Company	3,797,500	3,679,595
National Aluminum and Profiles Company	640,134	1,041,504
Arab Palestinian Shopping Centers Company	1,813,309	1,574,200
Siniora Food Industries Company	374,257	1,199,817
	6,625,200	**7,495,116**

- The maturities of postdated checks extend up to the end of the year 2016.

22. Non - Controlling Interests

This item represents non-controlling interest in the net shareholders' equity of the subsidiary companies. The details are as follows:

Company's Name	Non-Controlling Interest Share as of December 31, 2015	Paid-up Capital	Assets Revaluation Reserve	Statutory Reserve	Voluntary Reserve	Cumulative Change in Fair Value	Accumulated (Losses) Gains	Profit (Loss) for the Year	Total Shareholders' Equity	December 31, 2015 Non - Controlling Interest	December 31, 2015 Non-Controlling Interest Share of Profit (Loss) for the Year	December 31, 2014 Non-Controlling Interest	December 31, 2014 Non-Controlling Interest Share of Profit (Loss) for the Year
	%	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Arab Palestinian Storage Company	35/41	4,500,000	-	-	-	-	(5,557,306)	(65,183)	(1,122,489)	(397,473)	(23,081)	(374,440)	(98,000)
Medical Supplies and Services Company	50	3,227,990	-	1,420,512	-	-	4,844,912	2,624,541	12,117,955	6,058,978	1,312,271	5,504,551	1,140,145
Unipal General Trading Company	16/313	7,042,253	-	4,879,618	-	78,251	(547,066)	8,367,880	19,820,936	3,233,389	1,365,052	2,714,530	948,434
National Aluminum and Profiles Company	27/239	9,718,310	669,525	2,269,217	22,410	-	366,386	102,669	13,148,517	3,581,525	27,966	3,956,378	300,317
Siniora Food Industries Company	38/825	21,156,559	-	4,137,643	-	-	8,292,205	6,917,931	40,504,338	15,726,109	2,685,887	13,861,326	2,983,794
Arab Palestinian Shopping Centers Company	13/45	9,873,061	3,552,540	71,578	-	-	(886,867)	(765,633)	11,844,679	1,593,109	(103,578)	1,696,301	(88,819)
Jericho Natural and Mineral Water Factory Company	15	4,803,734	-	-	-	-	(4,871,139)	(2,999)	(70,404)	(10,561)	(451)	(10,111)	(123)
Centeral & West Africa for Commercial Agencies	-	-	-	-	-	-	-	-	-	-	-	(1,397,350)	(2,017,419)
		60,321,907	4,222,065	12,778,568	22,410	78,251	1,641,125	17,179,206	96,243,532	29,785,076	5,264,066	25,951,185	3,168,329

23. Due to Banks

a. This item consists of credit facilities granted to the following companies:

	December 31, 2015	December 31, 2014
	USD	USD
National Aluminum and Profiles Company	3,477,301	615,230
Medical Supplies and Services Company	15,083,144	15,973,675
Unipal General Trading Company	13,026,997	11,859,625
Palestinian Automobile Company	1,382,017	561,649
	32,969,459	29,010,179

24. End-of-Service Indemnity Provision

This item consists of end-of-service indemnity provision balances in the following companies:

	December 31,	
	2015	2014
	USD	USD
Medical Supplies and Services Company	1,525,192	1,352,457
Unipal General Trading Company	2,461,559	2,267,006
National Aluminum and Profiles Company	892,830	790,415
Palestine Automobile Company	750,476	684,687
Arab Palestinian Shopping Centers Company	362,718	315,546
Arab Palestinian Investment Company (Holding Company)	509,549	624,892
Sky Advertising, Public Relations and Events Company	402,922	354,225
Siniora Food Industries Company	1,467,874	1,326,188
Arab Palestinian Storage Company	63,872	59,035
	8,436,992	**7,774,451**

- The movement on the end-of-service indemnity provision is as follows:

	2015	2014
	USD	USD
Balance - beginning of the year	7,774,451	7,413,933
Additions	1,643,104	2,104,007
Paid from the provision	(980,563)	(1,743,489)
Balance - End of the Year	**8,436,992**	**7,774,451**

25. Revaluation of Property, Plant and Equipment Reserve

This item consists of the following:

	December 31,					
	2015				2014	
	Revaluation Reserve	Ownership Percentage	Company's Share	Minority Interest Share	Company's Share	Minority Interest Share
	USD	%	USD	USD	USD	USD
Arab Palestinian Shopping Centers Company *	3,552,540	86/55	3,074,663	477,877	3,074,663	477,877
National Aluminum and Profiles Company **	669,525	72/76	487,151	182,374	487,151	182,374
	4,222,065		3,561,814	660,251	3,561,814	660,251

* **Arab Palestinian Shopping Centers Company**

In its meeting held on April 17, 2006, the General Assembly of the Company approved the revaluation of the lands owned by the Company and their presentation in the financial statements at fair value. The land was revalued by two licensed real estate assessors at a meter price ranging from USD 480 to USD 500 per square meter. Accordingly, the Board of Directors decided to adopt 75% of the lower assessed value. The revaluation difference is shown in the revaluation reserve account within owners' equity at USD 1,771,313.

According to the International Financial Reporting Standards, the land has been revalued as of December 31, 2008, as the price per meter was revalued from USD 660 to USD 680. Therefore, 90% of the lower valuation was taken and the accounting treatment was executed according to IAS (8), where the difference amounting to USD 592,299 was recorded in the consolidated statement of changes in owners' equity. The revaluation difference as of the date of the financial statements and as stated in owners' equity amounted to USD 3,552,540. Furthermore, the Company has reassessed the value of the land as of December 31, 2015. According to the management's opinion, the fair value of the land is approximate to its book value, therefore, no adjustment was booked for the positive revaluation on the consolidated financial statements.

** **National Aluminum and Profiles Company**

During the year 2010, the General Assembly of the Company approved the revaluation of the lands owned by the Company and their presentation in the financial statements at fair value. The revaluation difference was stated in the revaluation reserve account in owners' equity with an amount of USD 669,525. Furthermore, the Company reassessed the value of the land as of December 31, 2013. According to the management's opinion, the fair value of the land is approximate to the book value, therefore, no adjustment was booked for the positive revaluation on the consolidated financial statements.

26. Sales Gross Profit

This item consists of the following:

Company's Name	Sales	Inventory at the Beginning of the Year	Purchases and Cost of production (Operating)	Inventory at the End of the Year	Cost of Sales	2015 Sales Gross Income	2014 Sales Gross Income
	USD	USD	USD	USD	USD	USD	USD
Medical Supplies and Services Company	44,638,733	6,848,945	33,140,442	7,095,213	32,894,174	11,744,559	11,069,328
Unipal General Trading Company	350,580,703	14,967,476	327,132,894	15,698,637	326,401,733	24,178,970	19,486,386
National Aluminum and Profiles Company	20,727,215	8,176,214	18,335,449	8,977,197	17,534,466	3,192,749	4,384,179
Palestine Automobile Company	21,497,652	3,773,497	18,919,422	2,657,502	20,035,417	1,462,235	3,996,234
Siniora Food Industries Company	53,042,246	11,421,348	36,367,770	10,104,173	37,684,945	15,357,301	18,590,781
Arab Palestinian Shopping Centers Company	26,455,029	2,304,092	18,797,780	2,723,033	18,378,839	8,076,190	5,825,826
Central and West Africa for Commercial Agencies	-	-	-	-	-	-	3,007,495
	516,941,578	47,491,572	452,693,757	47,255,755	452,929,574	64,012,004	66,360,229

27. General and Administrative Expenses

This item consists of the following:

	2015	2014
	USD	USD
Salaries and wages	11,134,863	11,711,453
Bonuses and employees benefits	1,184,955	1,700,661
End-of-service indemnity provision	1,110,637	1,513,993
Rent	1,359,886	1,780,595
Stationery and printing	174,409	259,131
Maintenance and cleaning	597,115	708,085
Communication	568,233	702,394
Hospitality	412,530	239,495
Donations	695,960	410,917
Transportation and travel expenses	1,049,185	1,397,843
Consultation, legal and professional expenses	1,375,561	1,661,990
Subscriptions, governmental expenses and fees	195,167	344,678
Board of Directors' expenses	292,462	807,447
Bank expenses	1,256	35,451
Insurance	678,327	691,771
Vehicles expenses	703,806	920,778
Water and Electricity	918,790	1,010,146
Advertising	88,512	87,600
Property, plant and equipment depreciation	3,493,727	3,438,486
Provision for doubtful debts (Note 7)	1,010,693	414,198
Goods storage and security expenses	292,220	376,440
Provision for slow-moving inventory items (Note 8)	521,810	315,899
Training	176,542	404,143
Others	1,986,874	3,452,555
	30,023,520	**34,386,149**

28. Selling and Distribution Expenses

This item consists of the following:

	2015	2014
	USD	**USD**
Salaries and wages	4,176,591	4,905,350
Company's share in social security	166,312	153,000
Advertising	1,495,933	728,201
Sales bonuses and commissions	1,570,203	2,020,810
Vehicles and fuel expenses	2,144,359	3,185,896
Water and Electricity	25,166	35,757
Communication	108,224	122,674
Insurance	583,992	705,933
Property, plant and equipment depreciation	415,590	422,470
Maintenance	23,606	47,319
Marketing	2,602,750	1,238,273
Transportation and travel	371,946	515,662
Export expenses	394,932	439,477
End-of-service indemnity provision	230,313	314,953
Showrooms' expenses	109,445	-
Governmental expenses	-	4,243
Hospitality	2,752	1,532
Rent	154,690	256,224
Stationery	9,038	9,385
Others	244,133	678,456
	14,829,975	**15,785,615**

29. Gain from Financial Assets Available-for-Sale

This item consists of the following:

	2015	2014
	USD	**USD**
Dividends income	382,338	241,328
	382,338	**241,328**

30. Other (Expenses) Revenue - Net

This item consists of the following:

	2015	2014
	USD	**USD**
Gain from the sale of property, plant and equipment	58,038	135,293
Currency differences	17,039	(156,402)
Returned (deducted) from contingent liabilities provision	100,000	(615,485)
Miscellaneous expenses – net *	(1,657,391)	(86,249)
	(1,482,314)	**(722,843)**

* This amount includes the provision taken for the liquidation of the subsidiary company (Central and West Africa) with an amount of approximately USD 2.2 million.

31. Income Tax – Subsidiary Companies

a- Deferred Tax Assets

This item consists of the following:

	2015					2014
	Beginning Balance	**Additions**	**Released Amounts**	**Ending Balance**	**Deferred Tax**	**Deferred Tax**
Accounts Included	**USD**	**USD**	**USD**	**USD**	**USD**	**USD**
Provision for doubtful debts	2,633,298	943,791	517,890	3,059,199	437,769	479,697
Provision for slow-moving inventory	1,006,166	618,031	265,005	1,359,192	195,179	157,529
End-of-service indemnity provision	5,880,851	1,049,354	453,822	6,476,383	868,224	954,993
Lawsuits provision	13,258	-	-	13,258	1,856	1,856
	9,533,573	**2,611,176**	**1,236,717**	**10,908,032**	**1,503,028**	**1,594,075**

- Deferred tax assets for some subsidiary companies have not been booked as they are immaterial and management is uncertain on whether they will benefit from them in the future. These subsidiaries are:

  Sky Advertising, Public Relations and Events Company, Arab Palestinian Spare Parts and Vehicles Services Company, Arab Palestinian Storage Company, Jericho Natural and Mineral Water Factory Company and Central & West Africa for Commercial Agencies.

  The movement on deferred tax assets is as follows:

	2015	2014
	USD	**USD**
Balance - beginning of the year	1,594,075	1,693,522
Additions	229,810	125,675
Disposals	(320,857)	(225,122)
Balance- End of the Year	**1,503,028**	**1,594,075**

b. Income Tax Provision

The movement on the income tax provision is as follows:

	2015	2014
	USD	**USD**
Balance - beginning of the year	3,099,520	4,216,767
Income tax paid	(3,906,548)	(4,414,909)
Accrued income tax	3,540,619	3,297,662
Balance – End of the Year	**2,733,591**	**3,099,520**

c. **Income Tax expense**
The income tax shown in the consolidated statement of income represents the following:

	2015	2014
	USD	USD
Accrued income tax for the year	3,540,619	3,297,662
Deferred tax assets for the year	(229,810)	(125,675)
Amortized deferred tax assets	320,857	225,122
	3,631,666	**3,397,109**

- The Arab Palestinian Investment Company (Holding Company) has performed a final tax settlement with the income tax department up to the year 2010 in Jordan and 2013 in Palestine.

- The following schedule shows the tax status of the subsidiary companies:

Company's Name	Final Settlement up to Year
Unipal General Trading Company	2013
Sky Advertising, Public Relations and Events Company	2014
Medical Supplies and Services Company	2014
National Aluminum and Profiles Company	2014
Palestine Automobile Company	2011
Arab Palestinian Storage Company	2005
Arab Palestinian Shopping Centers Company	2013
Siniora Food Industries Company (Jordan-Palestine)	2014
Jericho Natural and Mineral Water Factory Company	Liquidated
Arab Palestinian Spare Parts and Vehicles Services Company	Final Liquidation

In the management's opinion and the tax consultant's opinion, the provisions recorded as of December 31, 2015 are sufficient to settle the tax liabilities.

On February 9, 2012, Siniora Food Industries Company - Palestine obtained from the Palestinian Investment Promotion Agency a full exemption from income tax for five years commencing on January 1, 2010 up to December 31, 2014. In addition to a declared exemption of 50% of income tax for 12 years commencing on January 1, 2015 up to December 31, 2026.

32. Contingent Liabilities

As of the date of the statement of financial position, the Company has contingent liabilities as follows:

	December 31, 2015	December 31, 2014
	USD	USD
Letters of credit	2,175,387	1,803,453
Bank guarantees	7,389,569	9,072,482
Outstanding bills	-	100,150
Contractual obligations	3,324,920	5,413,476

3. Segmental Analysis

a. The following is information on the Company's business sectors according to activities:

	Industrial	Trade	Service	Other	December 31, 2015	December 31, 2014
	USD	USD	USD	USD	USD	USD
Total revenues	73,769,462	443,172,116	6,650,715	-	523,592,293	536,154,723
Less: Cost of sales and services	49,279,566	403,650,008	3,330,216	-	456,259,790	465,400,751
Gross Profit	**24,489,896**	**39,522,108**	**3,320,499**	-	**67,332,503**	**70,753,972**
Expenses allocated to sectors	-	-	-	-	44,853,495	50,486,773
Less: Expenses not allocated to sectors	-	-	-	-	**6,439,110**	**5,523,108**
Profit before Tax	-	-	-	-	16,039,898	14,744,091
Less: Income tax	-	-	-	-	(3,631,666)	(3,397,109)
Profit for the Year	-	-	-	-	**12,408,232**	**11,346,982**

	December 31, 2015	December 31, 2014
Total assets	278,542,464	250,909,979
Total liabilities	167,162,245	147,266,888

b. **The following is the geographical information of the Company's operations:**

All the subsidiary companies are situated in the Palestinian Authority territories except those in the below schedule:

Company Name	Geographical Location	For the Year Ended December 31, 2015		December 31, 2015	
		Revenues	Expenses	Assets	Liabilities
		USD	USD	USD	USD
Siniora Food Industries Company	Jordan	59,027,276	50,103,252	69,644,712	29,140,375
Central and West Africa for Commercial Agencies	Cameron and Gabon	-	-	-	-
Arab Palestinian Investment Company / Jordan (Exempted)	Jordan	2,372,168	1,321,037	7,106,537	715,011

Company Name	Geographical Location	For the Year Ended December 31, 2014		December 31, 2014	
		Revenues	Expenses	Assets	Liabilities
		USD	USD	USD	USD
Siniora Food Industries Company	Jordan	60,883,728	53,198,489	58,502,425	22,800,362
Central and West Africa for Commercial Agencies	Cameron and Gabon	15,501,021	19,535,859	10,076,985	12,871,686
Arab Palestinian Investment Company / Jordan	Jordan	5,274,616	1,749,405	7,301,107	1,960,712

34. Lawsuits

a. Siniora Food Industries Company

There are lawsuits held against Siniora Food Industries Company – Jordan with an amount of USD 91,953 in addition to other lawsuits with an unidentifiable value. In the opinion of the Company's lawyer and its management, no obligations shall arise against the Company therefrom.

b. Arab Palestinian Shopping Centers Company

There are lawsuits held against Arab Palestinian Shopping Centers Company with an amount of USD 486,460, representing labor claims. In the opinion of the Company's lawyer and its management, no obligations shall arise against the Company therefrom.

c. Jericho Natural and Mineral Water Factory Company

During the year 2008, the shareholder owning 15% of the Company's capital "Ahleia Insurance Group" raised a lawsuit against Mr. Ali Al-Aqqad personally and against him as the chairman of Jericho Natural and Mineral Water Factory Company and against the Arab Palestinian Investment Company (APIC) as a shareholder and a board member of Jericho Natural and Mineral Factory Company, represented by Mr. Tarek Omar AL-Aqqad, claiming a compensation for USD 721,577, representing the plaintiff's shares in the Company's capital. The plaintiff objected against the Company's management which incurred losses as well as against its previous sale of the Company's assets. On December 6, 2011 a verdict was issued to dismiss the case, in which the prosecutor appealed the verdict in the specialty court. On October 3, 2013 a verdict was issued from the court of appeal accepting its principal and accordingly the Company's lawyer appealed this decision. The court's decision was to refuse the appeal and to return the case to the court of first instance. On January 19, 2016. On January 19, 2016, the Company's lawyer's opinion was re-considered and the court hearing was postponed to March 7, 2016 in order to submit the responses from defendant.

In the opinion of the Company's management, the Company stands on solid ground regarding this case as the resolution objected to has been documented and is available with the Companies Controller.

d. Unipal General Trading Company

There are lawsuits held against Unipal General Trading Company with an amount of USD 17,260 representing labor claims. In the opinion of the Company's lawyer and its management, no obligations shall arise against the Company therefrom.

E. National Aluminum and Profiles Company

There are lawsuits held against National Aluminum and Profiles Company with an amount of USD 56,544, representing labor claims. In the opinion of the Company's lawyer and its management, no obligations shall arise against the Company therefrom.

35. Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis:

Some financial assets and financial liabilities of the Company are evaluated at fair value at the end of each fiscal period, the following schedule shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used).

Financial Assets/Financial Liabilities	Fair Value December 31, 2015	The Level of Fair Value	Evaluation Method and Inputs used	Important Intangible Inputs	Relation between the fair value and the important intangible inputs
	JD				
Financial Assets at Fair Value					
Financial assets available for trading	168,217	Level One	Market Price	Doesn't apply	Doesn't apply
Financial assets available for sale	11,004,484	Level One	Market Price	Doesn't apply	Doesn't apply
Financial assets available for sale	5,790,755	Level Two	Compared with similar financial instrument	Doesn't apply	Doesn't apply
Total Financial Assets at Fair Value	16,963,456				

There were no transfers between level One and level Two during the year 2015.

B -The fair value of financial assets and financial liabilities of the company (non-specific fair value on an ongoing basis):

Except for what is set out in the schedule below, we believe that the book value of the financial assets and the financial liabilities shown in the consolidated financial statements of the Company approximate their fair value:

	December 31, 2015		The Level of
	Book value	Fair Value	Fair Value
	JD	JD	
Non-specified Fair Value Financial Assets			
Investment in lands	776,239	1,467,514	Level Two
Total Non-specified Fair Value Financial Assets	776,239	1,467,514	
Non-specified Fair Value Financial Liabilities			
Long-term bonds	20,000,000	20,467,500	Level Two
Loans	55,612,272	56,106,969	Level Two
Total Non-specified Fair Value Financial Liabilities	75,612,272	76,574,469	

For the items mentioned above, the fair value for the financial assets and financial liabilities for level Two were determined in accordance to agreed pricing models, which reflect the credit risk of the parties that are dealing with it.

- The fair value mentioned above is as of December 31, 2014.

36. Related Parties Balances and Transactions

a. Below are the details of the related parties balances and transactions:

Balances:

	December 31,	
Due from related parties	**2015**	**2014**
	USD	USD
Aqqad Investment Company – major Shareholder	440,832	128,592
Siniora Food Industries Company- Algeria	244,449	-
Siniora Food Industries Company- Gulf	173,823	-
Taleed Medical Supplies and Services	9,972	-
Medical Supplies and Services Company- Iraq	10,591	-
Central and West Africa for Commercial Agencies	52,169	-
	931,836	**128,592**
Due to related parties		
Shareholders' payables – subsidiary companies	-	112,835
Taleed Medical Supplies and Services company - Gulf	6,083	-
	6,083	**112,835**
Payments for increased capital in subsidiary company (Note 20)	**-**	**2,760,426**

Transactions:

Year 2015	Nature of Transaction	Amount USD
Aqqad Investment Company – Major Shareholder	Travel and insurance expenses paid on behalf of the Company	267,453

Year 2014	Nature of Transaction	Amount USD
Aqqad Investment Company – Major Shareholder	Travel and insurance expenses paid on behalf of the Company	322,521

b. The salaries, bonuses and other benefits of the executive management of the holding company and its subsidiary companies amounted to USD 3,444,813 for the year 2015 (USD 3,664,751 for the year 2014).

37. Risk Management

a. Capital Risk Management

The Company manages its capital to ensure its ability to continue as a going concern and to maximize the return to stakeholders through achieving an optimal balance between equity and debt. Moreover, the Company manages and adjusts its capital based on the changes in the economic conditions. The capital structure is revised on a continuous basis upon the Board of Directors recommendations and the approval of the Company's General Assembly.

The following schedule shows the ratio of liabilities to owner's equity as of December 31, 2015 and 2014:

	December 31,	
	2015	2014
	USD	USD
Due to banks	32,969,459	29,010,179
Accounts payable	27,762,705	29,942,367
Short – term notes payable	31,280	193,264
Due to related parties	6,083	112,835
Postdated checks	6,625,200	7,495,116
Short–term loan installments	26,342,945	17,356,962
Other credit balances	12,984,663	16,491,757
Tax provision	2,733,591	3,099,520
Total Current Liabilities	109,455,926	103,702,000
End-of-service indemnity provision	8,436,992	7,774,451
Long-term Bonds	20,000,000	20,000,000
Long-term loan installments	29,269,327	15,790,437
Total Liabilities	167,162,245	147,266,888
Total Owners' Equity	111,380,219	103,643,091
Ratio of Debt to Owners' Equity	150%	142 %

b. Liquidity Risk

Liquidity risk, also referred to as financing risk, is the risk that the Company will encounter difficulty in raising funds to meet its commitments. Moreover, the Company manages liquidity risk through maintaining adequate reserves, bank facilities and continuously monitoring forecast and actual cash flows, and matching the maturities of financial assets with financial liabilities. Also, part of the Company's funds is invested in balances at banks, financial assets available for trading, accounts receivable and checks under collection which are readily available to fulfill the requirements of short – and medium – term funding and liquidity management.

The Company's liquidity condition as of the date of the consolidated financial statements is as follows:

	December 31,	
	2015	2014
	USD	USD
Current Assets	161,831,568	149,417,798
Less: Current liabilities	(109,455,926)	(103,702,000)
	52,375,642	45,715,798

c. Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with only creditworthy counterparties and obtaining adequate guarantees, as appropriate, to mitigate the risk of financial loss from defaults.

The Company's financial assets which consist mainly of accounts receivable, checks under collection, and cash and cash equivalents do not represent significant concentrations of credit risk. In addition, the debtors are spread widely among clients classifications and their geographical areas.

Moreover, the Company maintains a strict credit policy by monitoring the credit limit for each client individually on continuous basis.

Furthermore, the company does not follow any policy to obtain guarantees against accounts receivable, therefore the receivables are considered not guaranteed.

d. Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company's major foreign currency transactions are denominated in Jordanian Dinar, Shekel and Euro. The book values of the Company's foreign monetary assets and liabilities at the date of the consolidated statement of financial position are as follows:

	Assets		Liabilities	
	December 31,		December 31,	
	2015	2014	2015	2014
	USD	USD	USD	USD
Jordanian Dinar	48,311,893	46,256,987	23,805,250	24,521,271
Shekel	57,295,162	41,217,248	39,615,928	33,229,841
Euro	1,585,230	1,778,218	4,671,300	2,445,180
Central Africa France	-	7,127,721	-	181,890
Saudi Riyal	4,599,001	3,173,691	159,867	2,934,319

The sensitivity analysis of the accounts exposed to foreign currency exchange risk according to currency type for the years 2015 and 2014 and that impacts the statement of income and owners' equity is as follows:

	+1%		-1%	
	2015	2014	2015	2014
	USD	USD	USD	USD
Asset				
Shekel	572,952	412,172	(572,952)	(412,172)
Euro	15,852	17,782	(15,852)	(17,782)
Central Africa Franc	-	71,277	-	(71,277)
Saudi Riyal	45,990	31,737	(45,990)	(31,737)
Others	74,895	-	(74,895)	-
Liabilities				
Shekel	(396,159)	(332,298)	396,159	332,298
Euro	(46,713)	(24,452)	46,713	24,452
Central Africa Franc	-	(1,819)	-	1,819
Saudi Riyal	(1,599)	(29,343)	1,599	29,343
Others	(26,473)	-	26,473	-

The Company's management believes that there is no risk associated with the U.S. Dollar since the Jordanian Dinar is pegged to the U.S. Dollar.

e. Interest Rate Risk

This risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company manages its exposure to interest rate risk continuously and reassesses the various options such as refinancing, renewal of the current position and alternative financing.

The sensitivity analysis below has been determined based on the exposure to interest rate risk related to bank loans, amounts due to banks, bonds and notes payable at the consolidated financial statements' date. The analysis is prepared assuming that the amount of the liability outstanding at the date of the statement has been outstanding for the whole year. An increase or decrease amounting to 1% is used and represents management's assessment of the probable and acceptable change in market interest rates:

	+1%		-1%	
	2015	**2014**	**2015**	**2014**
	USD	**USD**	**USD**	**USD**
Statement of income	1,086,130	825,298	(1,086,130)	(825,298)

f. Share Prices Risk

Share prices risk is the result of the change in the fair value of shares. The Company manages this risk by diversifying its portfolio into different geographical areas and economic sectors. Most of the investments owned by the Company are not listed in financial markets. The below sensitivity analysis refers to the investments listed in Palestine Stock Exchange.

	December 31, 2015		
	Change in Indicator	**Effect on Statement of Income**	**Effect on Owner's Equity**
Indicator	**USD**	**USD**	**USD**
Palestine Stock Exchange	- + 5 %	8,410	550,224

	December 31, 2014		
	Change in Indicator	**Effect on Statement of Income**	**Effect on Owner's Equity**
Indicator	**USD**	**USD**	**USD**
Palestine Stock Exchange	- + 5 %	- + 9,185	+- 353,962

g. Occupation and Sovereign Risks

Occupation and Sovereign risks are the risks to which the Palestinian Authority Territories (PATs) are exposed to due to acts of invasion and violence stemming from the prevailing circumstances in those territories. These acts are followed with curfew measures and suspension of work. Since most of the operations of the subsidiary companies of the Arab Palestinian Investment Company (holding company) are conducted in those territories they are exposed to those risks.

The subsidiary companies of Arab Palestinian Investment Company (holding company) and their managements work to mitigate those risks in order to reduce the related financial risks through distributing the entities, stores, and distribution channels all over the Palestinian Authority Territories. All the subsidiary companies are covered by insurance policies against all types of risks.

38. Earnings per Share for the Year

	For the Year Ended December 31,	
	2015	2014
	USD	USD
Profit for the year	7,144,166	8,178,653
	Share	Share
Number of shares	60,000,000	60,000,000
	USD/Share	USD/Share
Earnings per share for the year relating to the Company's shareholders / basic and diluted	-/119	-/136

39. Comparative Figures

Comparative figures include Central and West Africa for Commercial Agencies where the decision of its liquidation was issued during the year 2015, thus its figures were not included in the consolidated financial statements for the year ended December 31, 2015. Its total assets amounted to USD 10,076,985 and its liabilities amounted to USD 12,871,686 as of December 31, 2014. Its net loss amounted to USD 4,034,838.

Notes

Notes

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