



## Arab Palestinian Investment Company (APIC), Foreign Public Shareholding

### Invitation to the Ordinary and Extraordinary General Assembly 2019

Dear Shareholders,

Greetings,

The Board of Directors of the Arab Palestinian Investment Company (APIC) is pleased to invite you to attend the ordinary and extraordinary general assembly of the company, to be held on Thursday, May 2, 2019, at 12:30 pm (registration begins at 12:00 pm) at the Grand Park Hotel in Ramallah, Palestine. The meetings shall address the agenda set below:

#### **Agenda of the Ordinary General Assembly**

- Review and approve the report of the Board of Directors of the company for the year 2018. To review APIC's annual report, please visit the company's website on the following link: <http://www.apic.ps/AR2018>
- Review, discuss and approve the auditor's report and the financial statements for the year ending December 31, 2018.
- Elect auditors of the company for the year 2019, and authorize the Board of Directors to set their remuneration.
- Ratify the recommendation of APIC's Board of Directors in relation to dividend distribution of 12.8% for registered shareholders of record as at April 30, 2019 as follows:
  - ✓ Cash dividend amounting to USD 5 million, representing 6.1% of the share's par value.
  - ✓ Share dividend amounting to 5.5 million shares, representing 6.7% of the share's par value.
- Exonerate members of the board of directors for the fiscal year ending December 31, 2018.

#### **Agenda of the Extraordinary General Assembly**

APIC intends to invest in the registered share capital of the Arabian Tile Company Ltd (ARTIC), which was established in Saudi Arabia in 1977, and later became a subsidiary of Aggad Investment Company (AICO) in 1989.

ARTIC is registered as a limited liability company (LLC) at the Register of Companies at the Ministry of Commerce and Investment in Saudi Arabia under number (1010075274) with a subscribed and paid-up capital of SR 30 million divided into 30,000 shares (with a nominal value of SR 1,000 per share).

ARTIC is one of the largest manufacturers in Saudi Arabia of terrazzo tiles, blocks and interlocks, grinding and polishing stones (GPS), glass fibre reinforced concrete (GRC), and special products of cement materials processed at the request of the customer. In 2019, ARTIC plans to begin manufacturing and producing glass fibre reinforced gypsum (GRG). The company is headquartered in Riyadh and owns and operates eight factories located in strategic locations within Saudi Arabia, four of which are located in the Second Industrial City in Riyadh, two in Jeddah, and two in Al-Kharj.

**Accordingly, and based on the abovementioned, APIC intends to enter into a transaction that entails the acquisition of 29.2% of the registered share capital of ARTIC (the Transaction). The Transaction will be executed according to the mechanisms set out below:**

- APIC shall issue 1,500,000 shares at a price of USD 2.35 per share for AICO as a strategic investor, in exchange, APIC shall acquire 5,470 shares of the shares held by AICO in ARTIC and referred to as (the Swapped Shares) and to the entire transaction (Share Swap Transaction); and
- In conjunction with the Share Swap Transaction, APIC will inject USD 3 million in ARTIC to increase the subscribed and paid-up share capital from 30,000 shares to 34,651 shares with a nominal value of SAR 1,000 per share whereby APIC will own the newly issued shares of 4,651, bringing the total number of shares to be owned by APIC in ARTIC as follows:

Items	Number of Shares
Equity arising from the share swap (Swapped Shares)	5,470
Equity arising from ARTIC's capital increase	4,651
<b>TOTAL</b>	<b>10,121</b>

**Accordingly, the total number of shares to be owned by APIC as a result of the transaction set forth in the preceding table shall equal a percentage of 29.2% in ARTIC's subscribed and paid-up share capital.**

**As such, following the decision of APIC's Board of Directors approving the Transaction and the acquisition of 29.2% of the share capital of ARTIC in accordance with the mechanisms outlined above, the following matters will be discussed and ratified:**

- The issuance of 1,500,000 shares, at an issuance price of USD 2.35 each from the authorized and registered share capital of APIC being USD 100 million through a private placement in favor of AICO.
- Authorizing the Board of Directors, represented by Mr. Tarek Aggad, to proceed in completing all relevant procedures as required for the achievement of the aforementioned purpose from all its aspects including those pertaining to its substance, procedural, legal and financial aspects to sign all contracts and undertake the necessary commitments, guarantees and applications relevant to the subject in question in addition to taking the necessary decisions including authorizing individuals or entities to ensure proper execution of what is contained in the general meeting of the shareholders held in an extraordinary manner.

Shareholders wishing to attend the meetings should register their names with the Investor Relations Department at APIC's headquarters in Ramallah, Palestine, by email to fida@apic.com.jo, by phone number 00970 2 297 7040, or by fax number 00970 2 297 7044, two days prior to the meeting. It is possible to authorize other shareholders to attend the meetings instead by filling out, signing and returning the enclosed proxy.

Companies and entities that are APIC shareholders are kindly requested to confirm the name of the representative wishing to attend the meetings by proxy on their behalf.

Best Regards,

Tarek Omar Aggad  
Chairman of the Board

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**PROXY**

I the undersigned \_\_\_\_\_ of (country) \_\_\_\_\_ being holder of \_\_\_\_\_ shares of the Arab Palestinian Investment Company (APIC), a duly registered company under number 562801563, do hereby constitute and appoint the shareholder Mr./Ms. \_\_\_\_\_ of (country) \_\_\_\_\_ as my proxy and have authorized him/her to attend APIC's ordinary and extraordinary general assembly and to vote on my behalf and instead on all matters raised therein being held on Thursday, May 2, 2019 in Ramallah, Palestine, or at any other meetings adjourned to.

Dated: \_\_\_/April/2019

Name of Shareholder: \_\_\_\_\_

Witness Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature: \_\_\_\_\_