APIC أيبك

Annual Report
2014

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

مركز بلازا للتسوق
PLAZA Shopping Center

الشركة الفلسطينية للسيارات
Palestine Automobile Company

MSS

UNIPAL يونيبال

UNIPAL Central & West Africa

Manufacturing

نابكو NAPCO Aluminum of Palestine

سنيورة Siniora

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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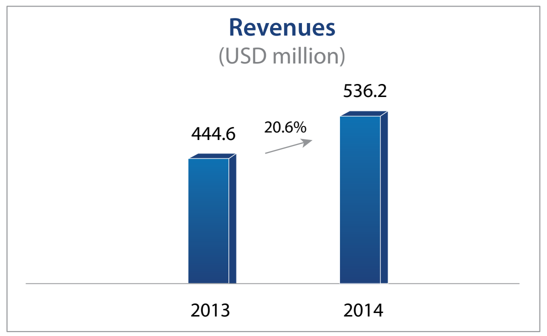
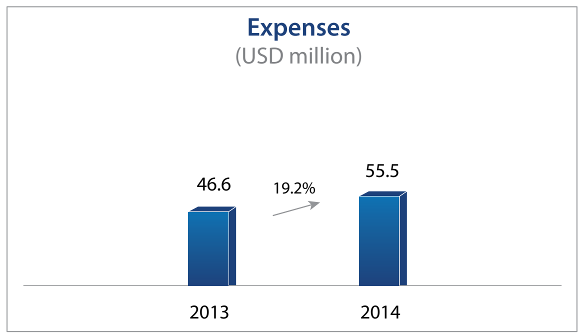
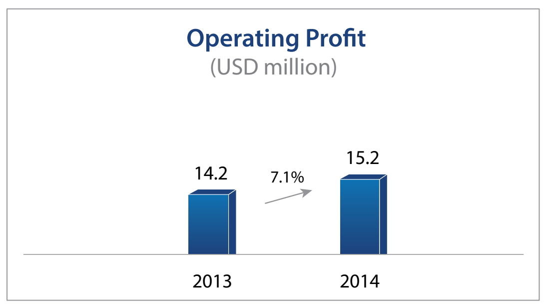
2014 at a Glance

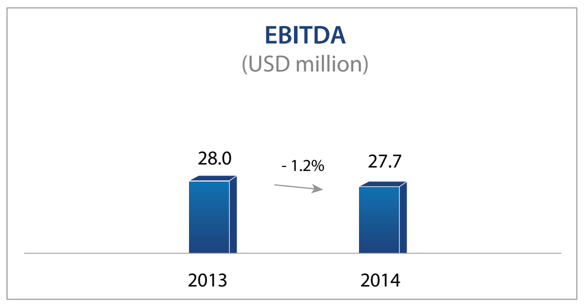


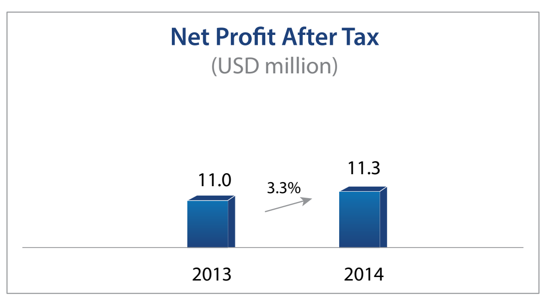

Financial Highlights

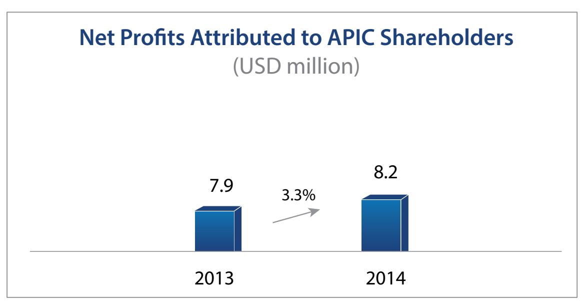












Main Achievements

- APIC listed its shares on the Palestine Exchange (PEX) on March 2, 2014 (PEX: APIC).
- APIC increased its paid-up capital from USD50,009,398 million to USD60 million following the General Assembly's resolution on April 29, 2014, and distributed bonus shares at par to shareholders (representing 19.98% of paid-up capital).
- APIC's share activity in 2014 was ranked among the top five on PEX since its listing on March 2, 2014. Trading statistics positioned APIC as fifth in terms of trading volume and value, constituting 5.94% and 3.54%, respectively, of PEX total trading. APIC's market capitalization constituted 2% of total PEX market cap and ranked sixth. APIC's turnover ratio in 2014 was 17.98% while overall turnover ratio of listed companies on PEX was 11.08%.
- APIC shares have been selected for the 2015 composite of companies comprising Al-Quds Index of PEX. This comes in response to APIC's share performance since its listing. Criteria for APIC's qualification included market capitalization, trading volume and value, turnover ratio and profitability, among others.
- New Brands and Services
  - The Arab Leasing Company, which specializes in car leasing, was established as a new private shareholding subsidiary of Palestine Automobile Company.
  - Unipal General Trading Company acquired the distribution rights of two major multinational/regional brands, Kellogg's and Teeba/Almarai, adding more strategic value to Unipal's expansion and growth plans.
  - Palestine Automobile Company launched a new showroom and maintenance center for its new line-up of Chrysler, Jeep, Dodge and Ram vehicles in Al-Bireh, Palestine.
  - The National Aluminum and Profiles Company (NAPCO) installed and operated a new wood-effect line in accordance with state-of-the-art technologies in this industry.
  - Sky Advertising, PR and Event Management established a new digital department that offers a wide range of services in the digital industry including portal development, social media management and inbound marketing. Sky also launched new LED screens for outdoor advertising in major locations and cities across Palestine.
- ISO International Certificates

  Siniora Food Industries in both Palestine and Jordan was awarded international certifications for Occupational Health and Safety Management Systems OHSAS 18001:2007 and Environmental Management Systems ISO14001:2004.

Chairman's Statement

Dear Shareholders,

APIC's 2014 operations prevailed despite economic and political challenges, at both local and regional levels. In Africa, APIC faced – and continues to face – logistical and administrative challenges. In Palestine, there were major difficulties associated with the Israeli onslaught on Gaza, the implications of sluggish economic activity and the delay of government payments to the private sector, including several subsidiaries of APIC. Moreover, the weakening of the NIS (the main currency of APIC's operations in Palestine) vis-à-vis the US dollar was a further setback to APIC.

Despite these issues, APIC maintained its steady performance in 2014, and was able to achieve a net profit of USD8.2 million for its shareholders, a slight increase over 2013. Total revenue grew by 20.6% over the previous year, amounting to USD536.2 million. Total assets grew by 5.8% over 2013, amounting to USD250.91 million. While net equity – attributed to APIC shareholders – amounted to USD77.7 million as at December 31, 2014, an increase of 11% as compared to 2013. In 2014, APIC increased its paid-up capital by 20%, from USD50 million to USD60 million, through the distribution of free shares to APIC shareholders.

In early March, APIC shares were listed and began trading on the Palestine Exchange (PEX). By year's end, APIC shares were ranked amongst the top five blue chips and were ranked fifth in terms of traded volumes and values, while the company's market capitalization came sixth. This resulted in the inclusion of APIC shares in the Al-Quds Index of PEX, despite the fact that they continued to trade below their book and fair values given APIC's solid financial performance. The listing on PEX has yet to deliver its intended results as we feel that our shares are grossly undervalued on this exchange due to its limited liquidity.

The year witnessed several significant achievements by APIC subsidiaries. Palestine Automobile Company (PAC) inaugurated its state-of-the-art Chrysler Group showroom and service center, for Chrysler, Dodge, Jeep and Ram brands, in Al-Bireh. PAC also established a new private shareholding subsidiary, the Arab Leasing Company, in order to target a larger segment of the automotive market. In its ongoing efforts to grow its portfolio of international brands, Unipal General Trading Company acquired the distribution rights for Kellogg's and Teeba/Almarai in Palestine.

In both Palestine and Jordan, Siniora Food Industries maintained its position as one of the region's top food manufacturers by applying best practice in quality assurance as well as in safety, health and environmental systems. This led to record levels of revenue and profits, boosting Siniora's market capitalization on the Amman Stock Exchange to USD83.6 million by the end of 2014. The strategy set forth by the Arab Palestinian Shopping Centers (Plaza) towards expansion and profitability was realized with the purchase of land in Nablus for the establishment of the sixth Bravo store. Set to be the largest in Palestine, Bravo 6 will be inaugurated towards the end of 2015.

In line with offering the market the latest profile systems and their products, National Aluminum and Profiles Company (NAPCO) installed a new wood-effect line, which became fully operational at the end of December 2014, and will help the company expand both locally and abroad. Sky Advertising, Public Relations and Event Management Company continued to lead the local advertising sector, establishing an even wider network of electronic billboards throughout Palestinian governorates. These milestones ensure APIC's commitment to continued participation in building and enabling the Palestinian economy.

Unipal Central and West Africa (Unipal CWA) continued to face logistical, administrative as well as other market difficulties, which impeded the development of its operations. These difficulties led to severe losses there in 2014 of approximately USD4 million and placed a drain on our financial resources. For 2015, we have formulated and set in motion a firm plan of action to drastically address this setback.

As every year, APIC continued its support of the education sector, entrepreneurship and youth empowerment as part of its corporate social responsibility ethos. Also, and in an effort to ease the hardship of residents in the Gaza Strip in this particularly difficult year, APIC provided humanitarian support and aided in the ongoing reconstruction efforts.

While we always aspire for more and strive to achieve higher performance levels, praise must be directed at the overall achievements of APIC, and I am grateful to our 1460 employees who have worked tirelessly towards the company's goals. I thank them and call upon them to continue on their resolute path to achieving the targets set for 2015.

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

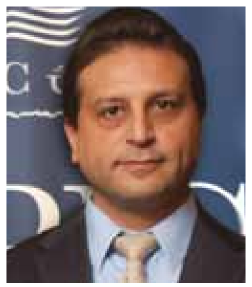
Board of Directors

During the extraordinary general assembly meeting on April 29, 2014, the number of board members was increased in APIC's bylaws from nine to ten members. A new board was elected by acclamation during the ordinary general assembly meeting on the same day. In June 2014, H.E. Dr. Mohammad Mustafa resigned from the board following his appointment as minister of national economy; Imad Qamhiyeh filled the seat vacated by Dr. Mustafa.

APIC Board of Directors **(As at December 31, 2014)**

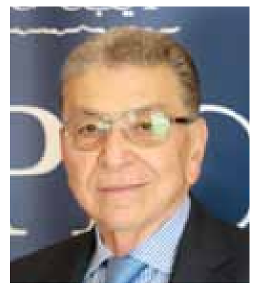
Mr. Tarek Omar Aggad
Chairman

Mr. Khaled Osaily
Vice Chairman

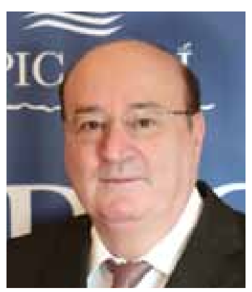


Dr. Durgham Maree
Member - Representing the Palestine Investment Fund

Mr. Imad Qamhiyeh
Member - Representing the Palestine Investment Fund



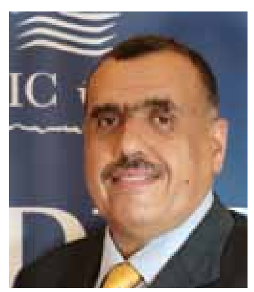
Mr. Munir Khoury
Member - Representing the Al-Saeed Company



Mr. Bassam Aburdene
Member - Representing the Al-Huda Holding Company

Mr. Fuad Kattan
Member

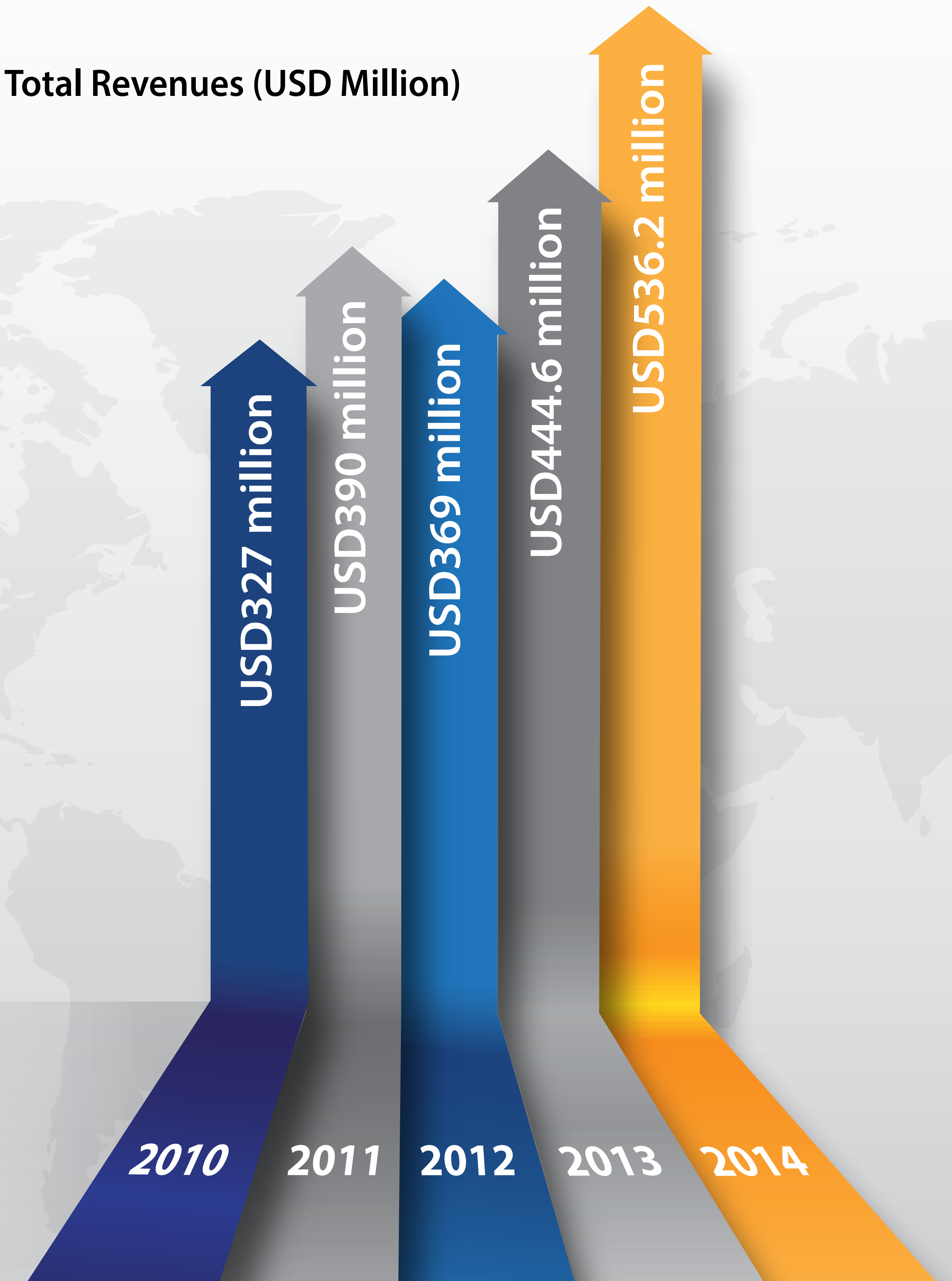
Mr. Tareq Abbas
Member



Dr. Mazen Hassounah
Member

Mr. Nashat Masri
Member

Total Revenues (USD Million)



About APIC

Milestones

Business Inauguration → Milestones → Growth

1994-1999		2000-2013		TODAY	2020
1994	• Established and registered in BVI as a private investment holding company with capital of USD70 million	2000	• Established Arab Palestinian Shopping Centers Co., Palestine • Acquired Sky Advertising, Public Relations and Event Management Co., Palestine	• Listed on Palestine Exchange (PEX: APIC) • Paid-up capital USD60 million	 Billion
1995	• Acquired National Aluminum & Profiles Co., Palestine	2010	• Established Unipal Central and West Africa Co.	• Revenues amounted to USD536.2 million in 2014	
1996	• Acquired Siniora Food Industries Co., Palestine and Jordan • Registered in Palestine as a foreign private shareholding company	2013	• Transformed into a public shareholding company • Revenues amounted to USD444.6 million	• 8 subsidiaries • 1460 employees in Palestine, Jordan, KSA, Cameroon and Gabon	
1998	• Acquired Unipal General Trading Co., Palestine • Acquired Palestine Automobile Co., Palestine. • Acquired Medical Supplies and Services Co., Palestine				

An annual growth of 11% in revenues between 2015 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 participation in the regional and global economy. 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, 2014.

Vision and Mission

APIC 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.

APIC 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, Saudi Arabia, Cameroon and Gabon 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; Central & West Africa Company for Commercial Agencies; Sky Advertising, Public Relations and Event Management 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, 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 11% between 2015 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

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Executive Management (As at December 31, 2014)

Mr. Tarek Omar Aggad
Chief Executive Officer

Mr. Tareq Abbas
VP - Corporate Affairs

Mr. Ahmad Judeh
Chief Investment and Finance Officer

Mrs. Lina Al-Hadweh
Internal Control and Systems Development Director, Organizational Excellence Director

Mr. Ali Aggad
VP - Group Chief Operating Officer

Mr. Nader Hawari
VP - Business Development

Mr. Khaled Baradei
Group Finance Manager

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

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Global Partners

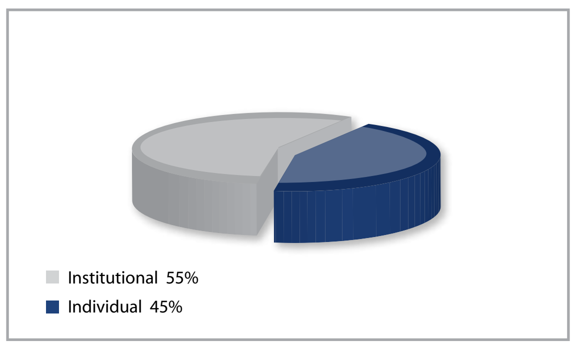
Shareholders

Shareholder Structure

By the end of 2014, APIC had 369 shareholders comprising both individuals and institutions of various nationalities. Shareholders holding more than 5% of the capital represented 55.50%, while remaining shareholders represented 44.50%.

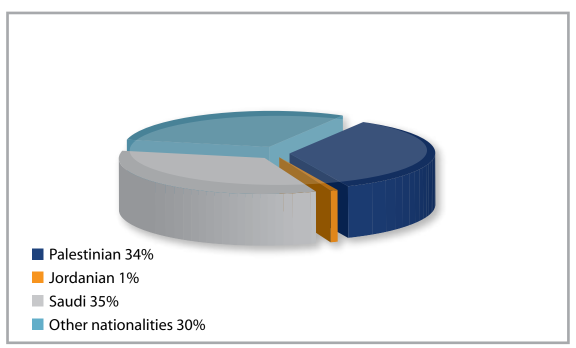
The following table depicts shareholders who directly and indirectly own more than 5% of the company's capital:

Shareholder	Ownership % as at December 31, 2014
Tarek Omar Aggad and related parties	27.76%
Palestine Investment Fund	20.20%
Al-Huda Holding Company Ltd.	7.54%



Distribution of individual and institutional shareholders at the end of 2014

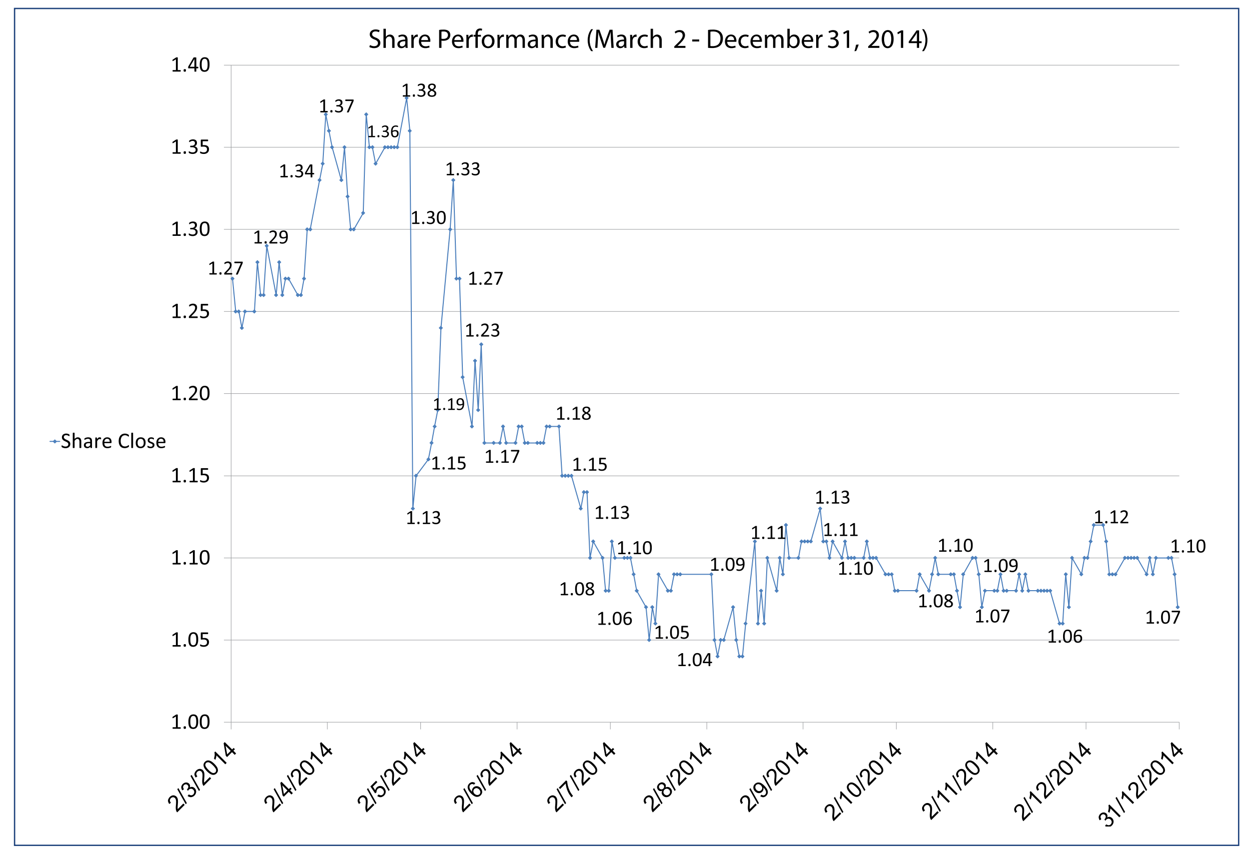
Distribution of shareholders by nationality at the end of 2014



Share Performance

APIC listed and traded its shares on the Palestine Exchange (PEX) on March 2, 2014. Below is stock performance from March 2 to December 31, 2014:

Trading volume	10,788,163 shares
Trading value	USD12,532,870
Number of transactions	2,164
Number of trading days	182
High	USD1.40
Low	USD1.04
Share close on December 31, 2014	USD1.07
Free Float % as at December 31, 2014	39.13%
Market capitalization as at December 31, 2014	USD64,200,000



Stock price was adjusted by the stock dividend payout ratio of 19.98% following the General Assembly decision on April 29, 2014.

Main Ratios (As at December 31, 2014)

Turnover ratio	17.98%
Earning per Share (EPS)	0.14
P/E Ratio	7.64
P/B Ratio	0.83

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 for the years 2008 - 2013:

Fiscal Year	General Assembly Resolution Date	Dividend Type (Cash/ Bonus Shares)	Cash (USD)	# of Free Stocks
2013	29/04/2014	Free stocks		9,990,602 stocks (19.98% of paid-up capital)
2012	No dividends were distributed			
2011	No dividends were distributed			
2010	02/06/2011	Free stocks		4,546,309 (9.1% of paid-up capital)
2009	10/06/2010	Cash and free stocks	1,713,117	2,575,269
2008	28/05/2009	Cash	2,144,373	

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Board Remuneration

The board remuneration policy stipulates that board members receive the amount of USD2,500 for each board meeting they attend. No fee is paid to absent board members in any of the meetings.

Total board remuneration in 2014 amounted to USD77,500.

Executive Management Remuneration

Executive management's total benefits in 2014 amounted to USD1,437,069 as per the following:

- Salaries: USD919,449
- Bonuses: USD517,620

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, 2014)	Country of Registration	Country of Operations	Main Activities and Operations
Manufacturing Sector				
National Aluminum and Profiles Company PLC	70.61%	Palestine	Palestine	Manufacturing of aluminum and profiles
Siniora Food Industries Company PLC	61.18%	Jordan	Jordan, Palestine, Saudi Arabia	Manufacturing of cold cuts and canned meat
Trade and Distribution Sector				
Arab Palestinian Shopping Centers Company PLC	85.99%	Palestine	Palestine	Retail
Palestine Automobile Company PSC	100%	Palestine	Palestine	Distribution of cars
Medical Supplies and Services Company PSC	50.00%	Palestine	Palestine	Distribution of medical supplies and services
Unipal General Trading Company PSC	83.69%	Palestine	Palestine	Distribution of consumer products
Unipal Central and West Africa LLC	50.00%	Jordan	Cameroon, Gabon	Distribution of consumer products
Services Sector				
Sky Advertising, Public Relations and Event Management PSC	100%	Palestine	Palestine	Advertising, public relations and event management
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, 2014)

Company Name	Security Type	Number of Shares	Ownership %
Palestine Electricity Holding Company*	Shares	1,827,275	9.09%
Bank of Palestine Ltd.	Shares	2,528,300	1.58%
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.

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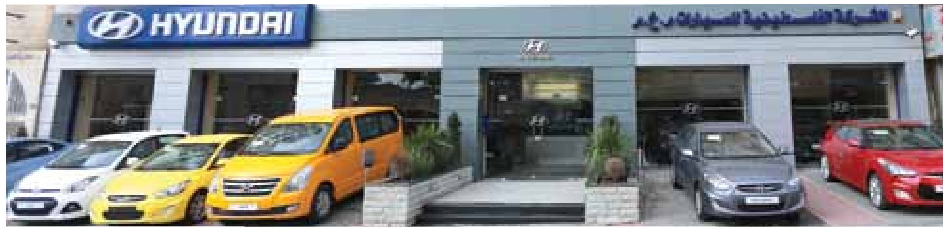
Achievements in 2014



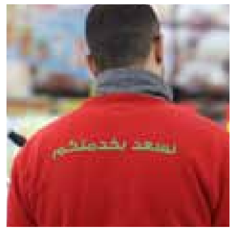













Manufacturing Sector

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 now 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's 2014 results topped the achievements of the previous year by maintaining high margins, leading to sustainable profits. NAPCO continued its remarkable progress, achieving a net income of USD1.1 million with a growth rate of 5% over 2013. Net revenue also increased by 11% compared to the previous year.

The company achieved these exceptional results by capturing a profitable sales mix: colored profiles comprised 35% of total sales and attained a growth rate of 44% over last year; and accessories sales grew an impressive 67% over the previous year, providing a significant boost to the aggregate gross profit of the company. Production volume in 2014 amounted to 4,805 tons in extrusions, a 10% increase over 2013. Powder-coated profile products marked a 28% increase over the previous year and amounted to 2,725 tons, of which 1,900 tons were colored profiles.

NAPCO's new wood-effect line became fully operational at the end of December 2014. The wide color variety of its varied profile systems as well as its ongoing technical and after-sales support for clients have positioned the company as a total solutions provider in the market. Improvements in the timely processing of orders and services and in the monitoring of expenses also contributed to these encouraging end-of-year results.

A variety of new projects are lined up for 2015 and are expected to contribute significantly to the supply of high-quality raw material at a reduced cost.

Anan Anabtawi
General Manager

Manufacturing Sector

Siniora Food Industries Company (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 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 Amman, Jordan. 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, and Siniora factories in Jordan and Palestine have been awarded international certifications for Occupational Health and Safety Management Systems OHSAS 18001:2007 and Environmental Management Systems ISO14001:2004. Moreover, Siniora's Jordan plant won the 2013 Excellence Award from the Social Security Corporation in Jordan for its commitment to occupational health and safety standards. 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, as well as in West African markets. Siniora also has a distribution center in Saudi Arabia and a dedicated export department covering the Gulf and the Levant. In 2010, Siniora became a public shareholding company and was listed and began trading on the Amman Stock Exchange in January 2012 (ASE:SNRA).

Despite harsh economic conditions leading to a decline in consumption in both Palestine and the region at large, 2014 was a year of significant achievements on all levels. The company attained the objectives it set in 2013 by increasing its market share and expanding its customer base in the region.

The company recorded a growth of 13% for 2014, through record sales of JD43.205 million, compared to JD38.205 million in the previous year. Furthermore, Siniora realized unprecedented overall net profits amounting to JD5.429 million, a 62% growth over 2013's JD3.356 million. Shareholder equity increased by 25% in 2014, amounting to JD25.635 million compared to JD20.494 million in 2013.

The company was a market leader in Palestine and Jordan this year. Sales in Palestine grew by 17% and in Jordan by 9% over the previous year, increasing the company`s share in both markets.

On the regional level, and despite instability in several Arab countries where sales were halted, the company achieved a growth of 14% over 2013 due to increased sales in the Gulf countries and the introduction of new products to the Lebanese market. In Saudi Arabia, the company achieved a sales growth of 23% over 2013, with more than JD4.167 million of its Siniora brand luncheon meat products sold.

Siniora will seek to maintain its position in 2015 as one of the leading and fastest growing manufacturing companies in the regional food industry. The company's strategy is to expand its regional presence in the Gulf market as well as to develop and strengthen the export base in existing and target markets while launching new products to meet consumer demand.

Majdi Sharif
CEO

Trade and Distribution Sector

Arab Palestinian Shopping Centers Company (Plaza)

Established by APIC in 2000, the Arab Palestinian Shopping Centers Company offers the first and largest modern shopping and entertainment destinations in Palestine (Bravo Supermarkets). Since the launch of its first project in 2003, at a cost of USD10.2 million, Plaza 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 Plaza Shopping Center in Al-Bireh encompasses various restaurants, a children's indoor play area (Jungle Land) as well as retail shops. Plaza is a member of the Middle East Council of Shopping Centers and the International Council of Shopping Centers. Plaza is a public shareholding company and was listed on Palestine Exchange in September 2000 (PEX: PLAZA).

The year 2014 was full of challenges, foremost of which were the decline in the NIS versus the US dollar and the brutal Israeli war on Gaza. However, there was a slight increase in sales of 7% in 2014, amounting to USD30.1 million versus USD28.1 million in 2013. While the number of items sold increased in 2014, the company's main challenge was the decline of gross profits from 19.1% to 17.5% due to consumer behavior geared towards buying less expensive products.

The company also took additional provisions of USD200,000 to buffer against doubtful accounts, in addition to settling outstanding accounts with suppliers, leading to the loss of USD660,000 by the end of 2014.

The road to Plaza's profitability is clear: the company needs to maximize sales and open new branches. In line with this approach, the company has invested in the purchase of land in the Nablus governorate for the establishment of another Bravo store. Bravo 6 will be the largest in Palestine, with a budget set at USD6.7 million. The design phase of the Bravo 6 project is currently underway in collaboration with an international design company.

This expansion is particularly vital and aligns with the company's strategy to invest in human resources. The implementation of this plan will enable the company to develop a strong base of qualified staff capable of working with the latest business skill sets and tools, and within best practice and modern retail business guidelines.

The company will pursue its plans to maximize sales while maintaining stable expenses to position itself as a solid establishment in line with progressive work practices and excellence in retail business standards. We can assure our investors that the management of the company is focused on achieving profitability despite the surrounding challenges. The opening of Bravo 6 will signal a crucial starting point for the achievement of profitability in 2015.

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 Chrysler Group vehicles, which include Chrysler, Jeep, Dodge and Ram. 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, four service centers and three spare parts warehouses in major Palestinian cities along with a group of authorized dealers across Palestine.

الشركة الفلسطينية للسيارات
Palestine Automobile Company

In June 2014, Palestine Automobile Company's (PAC) Chrysler Group showroom and its service center were inaugurated in Al-Bireh and went on to exceed all sales expectations in the first six months of operations. Obtaining the distribution rights for Chrysler branded vehicles was a milestone achievement, allowing PAC to target and cover a wider segment of the Palestinian market. Within a short period of time, the iconic Jeep brand has become one of the most sought after in Palestine.

In other new model launches, the Hyundai i10 experienced substantial demand in the market, becoming the leader in the city car segment since its launch in the summer of 2014. In addition, the ix35 and the Santa Fe continued to lead the SUV market.

During the second half of 2014, PAC established the Arab Leasing Company, a new private shareholding subsidiary, and signed agreements with banks and leasing companies to activate the Lease-to-Own program. This program targets a larger group of customers, opens up new sales channels and is expected to contribute to growing revenue.

Despite the prevailing difficult circumstances in Gaza, PAC continued distributing Hyundai and Chrysler vehicles and providing after-sales services in the area.

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

PAC will always strive to sustain 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.

The economic conditions over the past year have certainly been challenging, but growth in sales and profit for Medical Supplies and Services (MSS) has remained steady. The first half of 2014 witnessed another drop in pharmaceutical prices and further delays with government tenders. In the final quarter of the year, however, sales finally took off, and MSS was able to achieve healthy growth, maintaining its market leader position in the healthcare sector in Palestine.

The results for 2014 reflect the strength of MSS. Net sales grew by 10% to reach approximately USD42.6 million, and net income climbed slightly by 3%. The company's approach is to unlock potential and create opportunities while remaining focused on boosting revenue and broadening its portfolio of high quality products. MSS continues to prioritize investment in product superiority and in management systems.

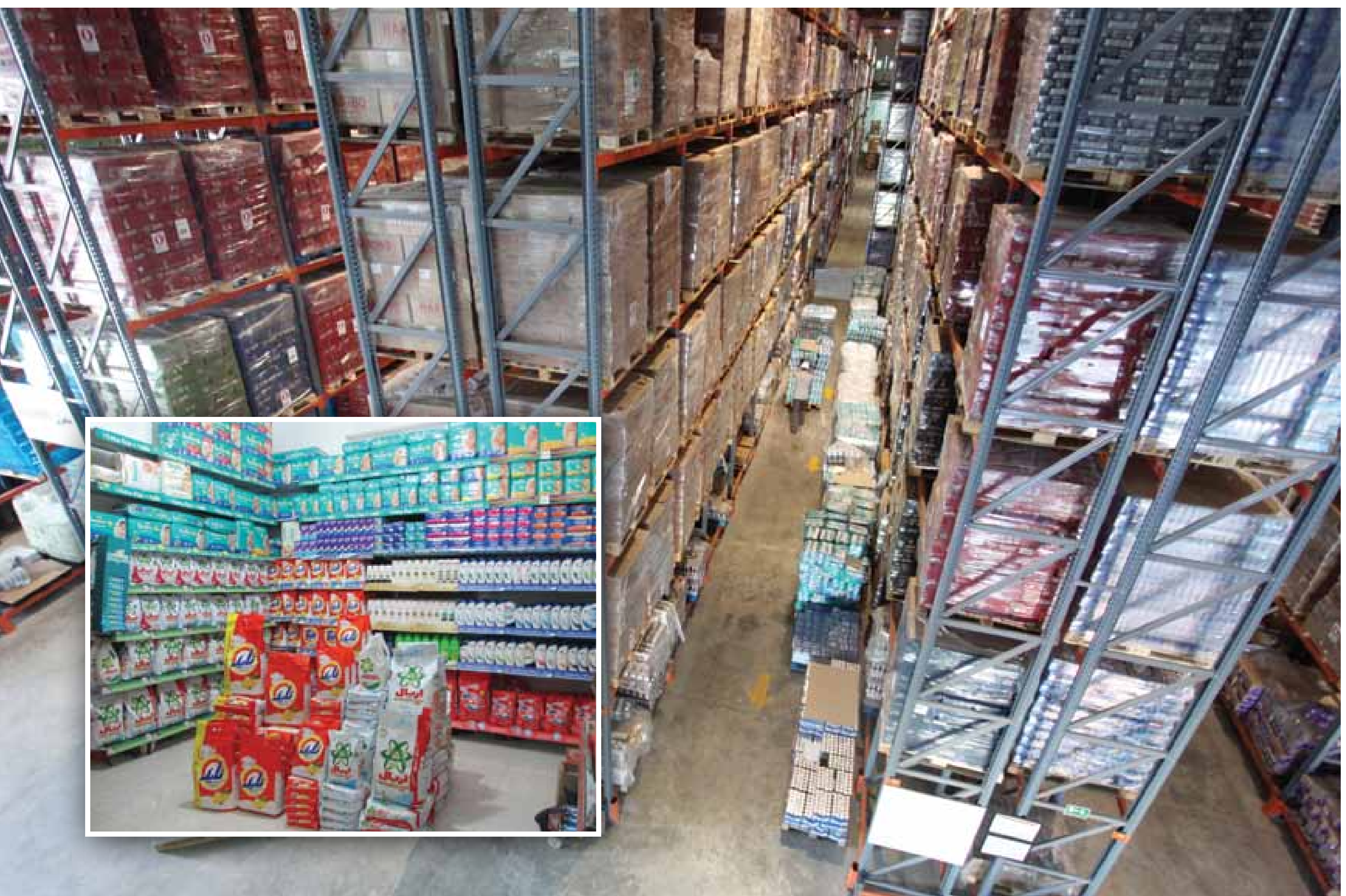
MSS will continue to strengthen its operations and optimize its structure to better serve the company's greatest assets, its customers, while maintaining a solid balance sheet and sustaining its position as the most efficient provider of top-quality healthcare products in Palestine.

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, XL Energy, Heinz, Kellogg's, 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 2014. The company takes great pride in its passion and drive for success and continues to build momentum as a market leader in the FMCG sector. In 2014, the company achieved new sales records of USD344 million with a 26% growth over 2013, despite many economic and market challenges.

With its strong brands, expansive 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 international brands, cost-cutting measures and increased efficiency across all aspects of the organization. Two major multinational brands, Kellogg's and Teeba/Almarai, entered the Unipal portfolio in 2014, adding yet more strategic and competitive value to its growth plans.

Unipal commenced the second phase of construction on a food storage distribution center, expanding the capacity of its existing distribution center by 2,600 pallets. The new distribution center is designed in accordance with the company's long-term capacity projections of 8,100 pallets and is equipped with state-of-the-art storage systems and advanced warehouse management solutions. Unipal has also implemented an enterprise resource planning (ERP) system, the Balanced Scorecard performance tool and a 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 leadership position, ensuring it remains resilient and well-positioned for the future.

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. Sky has a strategic relationship with M&C Saatchi, one of the largest advertising companies in the region. 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.

Despite the extraordinary political circumstances in Palestine and the region as well as the vulnerable economic situation within the Palestinian governorates after the Israeli war on Gaza, Sky was able to maintain a cohesive and consistent performance in 2014. Sky's total revenues for 2014 amounted to USD5.595 million, marking positive indicators and good earnings.

In terms of the company's development and expansion strategy for the advertising sector in 2014, Sky began the installation of a wide network of LED panels in Palestine, with the second phase of the project due for completion in the near future.

In order to introduce to the market the latest technological developments in the arena of communications, Sky has created a specialized unit for digital advertising and social media platforms. This unit is responsible for the production of diversified packages of electronic services, such as the construction and administration of web pages, social websites and e-marketing. As a result, Sky signed agreements with two major commercial companies in Palestine for the creation and administration of their online platforms. The company has also integrated these services in tandem with its media and advertising campaign packages in various other projects.

Sky's advertising services continue to flourish, and in an industry landscape characterized by the accelerated development of information and communication products, Sky will continue to expand and diversify its services and products to meet any future challenges.

Sky prioritizes the professional development of its employees, and its focus on optimum service and product support has earned it the trust, loyalty and satisfaction of its customers.

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 the belief in the importance of building trust, value and respect among its 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 charities, educational institutions and in cultural and public events.

Although there is no formal corporate social responsibility policy within APIC, the company directs its support towards the education sector, as well as supporting youth, entrepreneurship, children in need and disaster relief. Donations in 2014 totaled approximately USD500,000.

Educational support and youth empowerment are two pillars of APIC's CSR program. Accordingly, the company has established a fund at King's Academy in Jordan, awarding grants to distinguished students from Palestine. APIC also signed an exclusive sponsorship agreement with the Palestine Exchange (PEX) to support the Stock Simulation Program that is steered towards university students in Palestine to leverage their practical skills and enhance their financial competence in stock trading in an environment that simulates trading at PEX. In addition, 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.

Since 2007, APIC has supported Injaz Palestine through donations and volunteers among its employees.

APIC supports organizations that increase the public's understanding worldwide of the socio-economic, political and cultural aspects of Palestine in order to boost equal rights and freedom for Palestinians. To this end, APIC supports the Institute for Middle East Understanding and the Palestinian Christian Alliance for Peace.

On the humanitarian level, APIC supported families in Gaza with food, shelter and health kits in cooperation with CHF International following the brutal Israeli war. It also supports SOS Children's Villages International in Bethlehem.

Furthermore, APIC is the main sponsor of Al-Am'ary Youth Center. APIC supports entrepreneurship throughout Palestine, and is an active patron of the Gaza Sky Geeks Accelerator program.

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.

Financial Performance 2014

Financial Summary

Financial performance in 2014 witnessed relative growth over 2013 and previous years. Total revenue in 2014 amounted to USD536,155 million, achieving a growth of 20.6% compared to last year. The group's distribution services continued to lead total revenue.

The growth of the company's revenue can be attributed to the ongoing expansion in the activities of its subsidiaries through contracts for the distribution of new products and the maximization of its market-leading shares to lay the foundation for solid and sustainable growth.

Operational and administrative expenses were marked by a significant increase over last year due to unfavorable currency exchange rates to the US dollar, the difficult operating conditions of Unipal Central and West Africa as well as expenses for new projects. Despite this, the overall net results of the group in 2014 witnessed a growth of 3.3% over 2013, with a net profit after tax of USD11.347 million, including the rights of minority shares.

APIC's share (net profit attributed to APIC's shareholders) amounted to USD8.179 million, with an increase of 3.3% compared to the net profit of the company's shareholders in 2013.

Balance Sheet

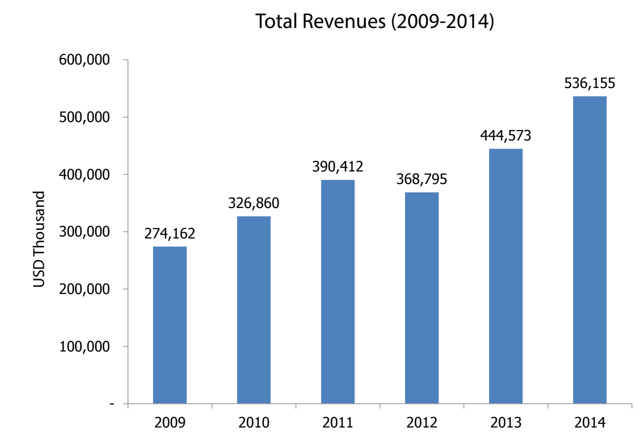
Total assets at the end of 2014 amounted to USD250.91 million, an increase of 5.8% over 2013, of which current assets amounted to USD149.4 million, with an increase of 4.4% over 2013.

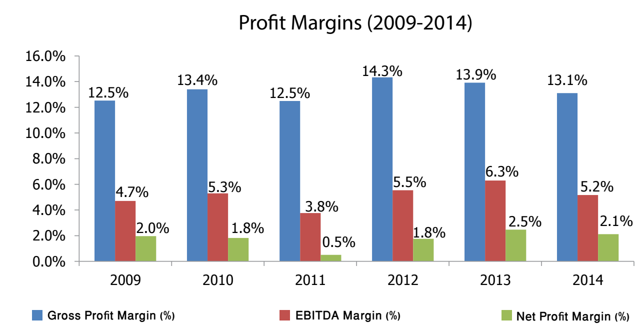
APIC's working capital amounted to USD45.7 million at the end of 2014, compared to USD40.73 million in 2013.

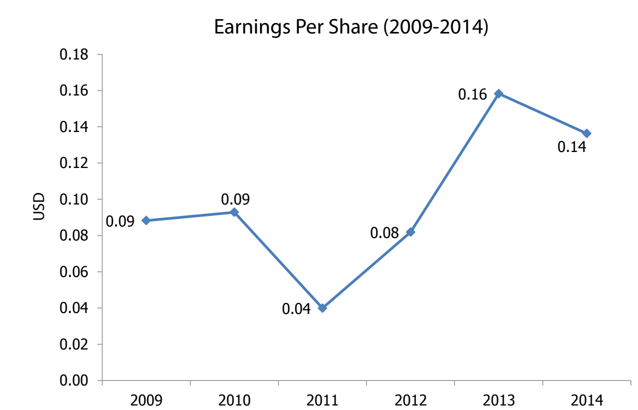
Bank borrowings rose by 3.9% in 2014, amounting to USD82.16 million, as opposed to USD79.04 million in 2013.

Shareholder equity, including minority shares, grew by 11.1% in 2014, amounting to USD103.6 million, while net shareholder equity, excluding minority shares, amounted to USD77.7 million.

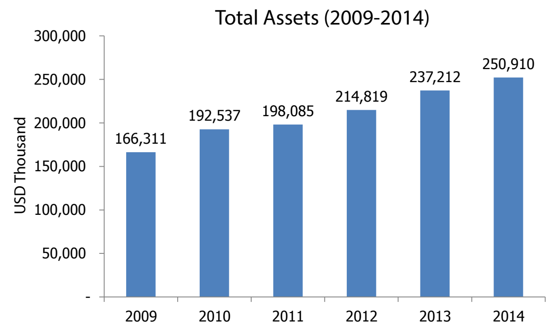
The following graphs demonstrate the development of revenue as well as different profit margins and ratios achieved between 2009 and 2014.

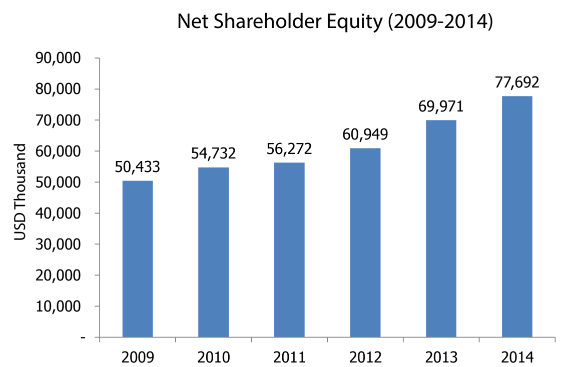




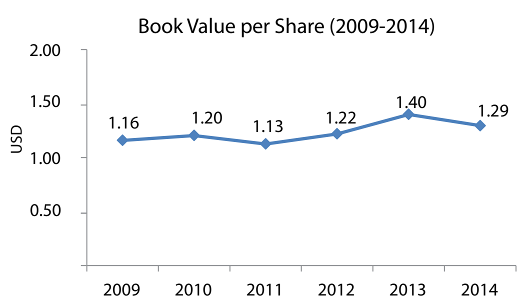


The graphs below demonstrate total assets and net shareholder equity (2009 – 2014).





The following graph demonstrates the company's book value per share (2009 – 2014).



Discrepancy Between Initial Disclosure and Final Audited Results

In February 2015, APIC disclosed its consolidated financial statements for the year 2014 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

- Overall revenue was 1.7% lower than initially disclosed following the settlement of intercompany commercial transactions within the group's subsidiaries.
- Consolidated net profit, including minority share, was USD136,300 higher than initially disclosed. This was largely due to the settlement of delayed tax assets and other tax provisions.

Balance Sheet

- Some items were reclassified in the balance sheet as per the classifications prepared by the auditors.
- The additional subscribed capital by shareholders' of Unipal Central and West Africa in December was not included as the adoption and documentation of this increase by the company controller were completed and filed in January 2015. This resulted in the listing of the additional subscribed capital in this company under other payables and led to the appearance of a decrease in the total value of the minority share under shareholder equity.

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
DECEMBER 31, 2014

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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, 2014, 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.

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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, 2014, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Explanatory Paragraph
As stated in Note (1/e) to the accompanying consolidated financial statements, the Company's general assembly approved during the year 2013 on the transformation of the Company's legal title in the Palestinian Authority from Foreign Private Shareholding Company to Foreign Public Shareholding Company and to list the Company's shares on the Palestinian Stock Exchange. Moreover, the procedures for the transfer of the Company's legal title were completed on January 15, 2014 and the Company's shares were listed in the Palestine Stock Exchange on March 2, 2014.

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

Amman – Jordan
March 25, 2015

Deloitte & Touche
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, 2014 USD	December 31, 2013 USD
Current Assets:			
Cash on hand and at banks	5	13,765,342	8,635,529
Accounts receivable and cheques under collection - net	6	64,381,810	65,912,677
Inventory - net	7	54,085,884	51,360,087
Due from related parties	36	128,592	181,613
Trading financial assets	8	173,755	13,616
Other debit balances	9	16,882,415	16,991,189
Total Current Assets		**149,417,798**	**143,094,711**
Long-term cheques under collection	11	2,485,242	641,327
Deferred tax assets	31	1,594,075	1,693,522
Available-for-sale financial assets	12	11,696,787	10,350,899
Investment in lands	13	776,239	776,239
Intangible assets - net	14	7,908,192	7,908,192
Property, Plant and Equipment			
Property, Plant and Equipment at cost		123,308,558	117,073,797
Less: Accumulated depreciation		51,467,921	44,968,928
Net Book Value of Property, Plant and Equipment	15	71,840,637	72,104,869
Projects under construction	16	5,191,009	642,505
TOTAL ASSETS		**250,909,979**	**237,212,264**

LIABILITIES	Note	December 31, 2014 USD	December 31, 2013 USD
Current Liabilities:			
Due to banks	23	29,010,179	33,295,726
Accounts payable		29,942,367	31,139,729
Short-term notes payable	17	193,264	590,561
Due to related parties	36	112,835	948,959
Postdated cheques	21	7,495,116	9,842,418
Short-term loans installments	19	17,356,962	11,586,654
Other credit balances	20	16,491,757	10,742,704
Income tax provision	31	3,099,520	4,216,767
Total Current Liabilities		**103,702,000**	**102,363,518**
Provision for end-of-service indemnity	24	7,774,451	7,413,933
Long-term bonds	18	20,000,000	20,000,000
Long-term loans installments	19	15,790,437	14,161,981
Total Liabilities		**147,266,888**	**143,939,432**
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	50,009,398
Retained earnings		13,402,785	15,214,734
Cumulative change in fair value		1,227,705	1,688,161
Revaluation of Property, Plant and Equipment reserve	25	3,561,814	3,558,918
Difference in purchase of non-controlling interest		(500,398)	(500,398)
Total Shareholders' Equity		**77,691,906**	**69,970,813**
Non - controlling interests	22	25,951,185	23,302,019
Total Owners' Equity		**103,643,091**	**93,272,832**
TOTAL LIABILITIES AND OWNERS' EQUITY		**250,909,979**	**237,212,264**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

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

	Note	For the Year Ended December 31, 2014 USD	For the Year Ended December 31, 2013 USD
Net sales		526,679,410	436,541,866
Less: Cost of sales		460,319,181	378,423,225
Sales Gross Profit	26	**66,360,229**	**58,118,641**
Service revenue		9,475,313	8,031,614
Less: Service cost		5,081,570	5,354,741
Net Service revenue		**4,393,743**	**2,676,873**
Less: General and administrative expenses	27	34,386,149	28,615,635
Selling and distribution expenses	28	15,785,615	12,634,281
Profit from Operations		20,582,208	19,545,598
Unrealized Gain from trading financial assets		4,322	-
Gains from available-for-sale financial assets	29	241,328	253,001
Borrowings interest and expenses		(5,360,924)	(5,329,882)
Gains from sale of associate		-	68,059
Other (expenses) revenue - net	30	(722,843)	775,412
Profit for the Year before Income Tax		**14,744,091**	**15,312,188**
Income tax expense - the Company and the subsidiary companies	31	(3,397,109)	(4,331,493)
Profit for the Year		**11,346,982**	**10,980,695**
Attributable to:			
Company's shareholders		8,178,653	7,915,792
Non-controlling interests	22	3,168,329	3,064,903
		11,346,982	**10,980,695**
Earnings per share for the Company's Shareholders / Basic and Deluted	38	-/136	-/132

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

ARAB PALESTINIAN INVESTMENT COMPANY

(HOLDING COMPANY)

BRITISH VIRGIN ISLANDS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31, 2014	2013
	USD	USD
Profit for the year	11,346,982	10,980,695
Other Comprehensive Income Items:		
Comprehensive Income items which are transferable to Consolidated Statement of Income:		
Change in fair value - available-for-sale financial assets	(460,456)	976,229
Foreign currencies translation differences	-	5,012
Total Comprehensive Income	**10,886,526**	**11,961,936**
Total Comprehensive Income Attributable to:		
Company's shareholders	7,718,197	8,895,629
Non-controlling interests	3,168,329	3,066,307
	10,886,526	**11,961,936**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM

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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 **	Foreign Currencies Translation Differences	Total Shareholders' Equity	Non - Controlling Interests	Total Owners' Equity
Year 2014		USD	USD	USD	USD		USD	USD	USD	USD
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 in capital	1/b	9,990,602	(9,990,602)	-	-	-	-	-	-	-
Net change in non-controlling interests *		-	-	-	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**
Year 2013										
Balance - beginning of the year 2013		50,009,398	7,298,942	711,932	2,931,895	-	(3,608)	60,948,559	22,535,317	83,483,876
Change in fair value		-	-	976,229	-	-	-	976,229	-	976,229
Foreign currencies translation differences		-	-	-	-	-	3,608	3,608	1,404	5,012
Profit for the year		-	7,915,792	-	-	-	-	7,915,792	3,064,903	10,980,695
Total comprehensive income		-	7,915,792	976,229	-	-	3,608	8,895,629	3,066,307	11,961,936
Net change in non-controlling interests *		-	-	-	627,023.00	(500,398)	-	126,625.00	(2,299,605)	(2,172,980)
Balance - End of the Year 2013		**50,009,398**	**15,214,734**	**1,688,161**	**3,558,918**	**(500,398)**	-	**69,970,813**	**23,302,019**	**93,272,832**

* This item represents the net change in non-controlling interests resulting from the decrease in the non-controlling interests share in some of the subsidiary Companies' capital during the years 2014 and 2013.

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

- Retained earning include an amount of USD 1,594,075 as of of December 31, 2014 relating to deferred tax assets. (USD 1,693,522 as of December 31, 2013).

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

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

	Note	For the Year Ended December 31, 2014	2013
		USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the year before tax		14,744,091	15,312,188
Adjustments for:			
(Gains) from sale of property, plant and equipment	30	(135,293)	(171,233)
Depreciation of property, plant and equipment	15	7,733,682	7,364,558
Unrealized Gain from trading financial assets		(4,322)	-
Provision for doubtful debts	7	414,198	359,465
Provision for slow-moving inventory	8	315,899	524,422
(Gains) from sale of associate company		-	(68,059)
Impairment of available-for sale assets financial assets	29		158,767
Provision (returned) from contingent liabilities provision	30	615,485	(598,307)
Provision for employees end-of- service indemnity	24	2,104,007	1,430,320
Cash Flows from Operating Activities before Changes in Working Capital		**25,787,747**	**24,312,121**
Decrease (increase) in accounts receivable and other debit balances		1,225,443	(15,393,230)
(Increase) in inventory		(3,041,696)	(5,951,477)
(Decrease) in due from / to related parties		(783,103)	(764,161)
(Increase) in long-term checks under collection		(1,843,915)	(399,054)
Increase in accounts payable and other credit balances		3,408,457	9,416,020
Net Cash Flows from Operating Activities before Employees End-of-Service Indemnity Paid and Income Tax Paid		**24,752,933**	**11,220,309**
End-of-service indemnity paid	24	(1,743,489)	(188,712)
Income tax paid	31	(4,414,909)	(2,548,735)
Net Cash Flows from Operating Activities		**18,594,535**	**8,482,772**
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) Decrease in trading finanical assets		(155,817)	22,611
(Increase) in available-for-sale financial assets		(1,806,344)	(15,525)
Proceeds from sale of associate company		-	300,000
(Additions) of property, plant and equipment		(8,010,151)	(5,727,165)
Proceeds from sale of property and equipment		1,077,976	1,210,163
Additions of projects under construction	16	(4,950,486)	(932,183)
Net Cash Flows (used in) Investing Activities		**(13,844,822)**	**(5,142,099)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) in due to banks		(4,285,547)	(531,441)
Increase of loans, checks and notes payable		5,181,914	2,649,745
Foreign currencies translation differences		-	5,012
Net change in non - controlling interests		(516,267)	(2,172,980)
Net Cash Flows from (used in) Financing Activities		**380,100**	**(49,664)**
Net Increase in Cash		5,129,813	3,291,009
Cash on hand and at banks- beginning of the year		8,635,529	5,344,520
Cash on Hand and at Banks- End of the Year	6	**13,765,342**	**8,635,529**

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
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 extraordinary 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 was obtained from the supervising authorities in Palestine and the British Virgin Islands.

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

d. Head Office located in Mecca Street, P.O. Box 941489 Amman 11194 – Jordan.

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

f. The Board of Directors approved the Company's consolidated financial statements on March 25, 2015.

2. Basis of Preparation of the consolidated financial Statements

1. The consolidated financial statements includes the financial statements of the Company and its subsidiaries and entities. Control is achieved whereby the Company has the power to govern the financial and operating policies of the subsidiaries so as to obtain benefits from their activities. All intra-group transactions, balances, income, and expenses are eliminated.

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

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

	December 31, 2014		December 31, 2013			
	Paid-up Capital	Equity Share	Paid-up Capital	Equity Share	Ownership Date	Main Business
	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	Trading in medicine and medical supplies
Unipal General Trading Company	7,042,253	83/69	7,042,253	83/69	1998	General trade
National Aluminum and Profiles Company	9,718,310	72/76	9,718,310	72/14	1995	Manufacturing of aluminum
Palestine Automobile Company	5,600,000	100	5,600,000	100	1998	Trading in cars
Sky Advertising, Publication and Promotion Company	845,068	100	845,068	100	2000	Advertising and publication
Siniora Food Industries Company	21,156,559	61/18	17,764,230	57/99	1996	Manufacturing of food
Arab Palestinian Shopping Centers Company	9,877,240	86/55	9,877,240	68/91	1999	Establishing and owning commercial centers
Jericho Natural Mineral Water Factory Company	4,803,734	85	4,803,734	85	2001	Natural mineral water
Arab Palestinian Spare Parts and Vehicles Services Company **	-	-	165,000	80	2008	Trading in cars and spare parts
Central & West Africa for Commercial Agencies Companies *	2,824,858	50	2,824,858	50	2011	General trading
Arab Palestine Investment Company / Jordan (Exempted)	70,400	100	35,200	100	2011	Trading in cars and trading agency

The following is the most important financial information for the subsidiary Companies for the year 2014:

	December 31, 2014		For the year ended December 31, 2014	
	Total Assets	Total Liabilities	Total Revenue	Total Expenses
	USD	USD	USD	USD
National Aluminum and Profiles Company	32,317,184	17,792,707	22,593,632	20,388,610
Unipal General Trading Company	47,314,448	30,785,318	347,664,123	341,993,737
Medical Supplies and Services Company	40,627,650	29,618,546	42,933,836	40,071,875
Palestine Automobile Company	31,188,441	23,412,672	26,834,131	25,818,500
Siniora Food Industries Company	58,502,425	22,800,362	60,883,728	53,198,489
Arab Palestinian Shopping Centers Company	19,963,423	7,353,111	30,073,264	30,733,547
Sky Advertising, Publication and Promotion Company	3,194,886	1,696,913	5,594,719	5,364,495
Arab Palestinian Storage Company	1,474,313	2,531,620	224,287	501,009
Jericho Natural Mineral Water Factory Company	1,281	68,686	2,745	1,924
Central & West Africa for Commercial Agencies Companies	10,076,985	12,871,686	15,501,021	19,535,859
Arab Palestine Investment Company / Jordan (Exempted)	7,301,107	1,960,712	5,274,616	1,749,405

- Subsidiaries results of operations are included in the consolidated statement of income from the date of its ownership i.e. the date in which the actual control is transferred over to the Company. In addition the results of operations for 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 percentage of a subsidiary's owner equity not owned by the Company.

- All subsidiary companies, excluding Siniora Food Industries Company and Arab Palestine Investment Company / Jordan which operate in Jordan, and Central and West Africa for Commercial Agencies Companies which operates in Cameron and Gabon have their facilities in the Palestinian National Authority Territories.

* The Company has actual control over the Medical Supplies and Services Company and Central & West Africa for Commercial Agencies Company through controlling its Management Committee, and consequently, controlling the Company's financial and operating policies.

** During the year 2014, all procedures related to the liquidation of Arab Palestinian Spare Parts and Vehicles Services Company were completed and closed the entity.

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.

   The reporting currency of the consolidated financial statements of the Company and its subsidiaries is the US Dollar, which is also their 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, 2013 except for what is mentioned in note (5/a) to the consolidated financial statements.

The following are the most significant accounting policies adopted by the Company:

a. Trading Financial Assets

- Trading financial assets stated at Fair Value in the statement of income represent investments in companies shares traded on active markets. The objective of holding these assets is to generate income from the short-term market price fluctuations or trading profit margin.

- Trading financial assets 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 the changes in their fair values is taken to the consolidated statement of income.

b. Available-for-Sale Financial Assets

- These represent financial assets which the Company does not intend to classify as trading financial assets or held to maturity.

- Available-for-sale investments are stated at cost at the date of acquisition, and revalued to their fair values at 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 owners' equity. When these assets are fully or partially sold, or determined to be impaired, the income 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. Moreover, the impairment loss in the company's shares is recovered through the cumulative change in the fair value and for debt instruments through the consolidated statement of income. Furthermore, investments in 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 while any gains or losses are recognized upon completion of a sale and taken to the consolidated statement of income. Moreover, 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 a provision for expired 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.

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- Cars inventory is stated at the lower of cost or net realizable value on the basis of the actual cost of each car. Moreover, cost consists of all expenses incurred until the inventory reaches the Company's stores and showrooms or its stores at port (bonded).

- Spare parts inventory is 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 whereby the Company has significant influence over its financial and operating policies (but does not control it) and owns between 20% and 50% of its voting rights. Moreover, the Company reports its investments in the 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:

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

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

- It is probable that the economic benefits associated with the transaction will flow to the Company; and

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

- Revenue from services is recognized when services are preformed 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 Shopping Centers 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 the impairment loss (if any) is taken to the consolidated statement of income.

- Property, Plant and equipment useful lives are reviewed at the end of each year; and 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 on 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 the subsidiary companies is booked as a separate item within 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 on 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 Revenue and Expenses

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

k. Provision for Employees End-of-Service Indemnity

- Provision for employees' end-of-service indemnity 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 terminated employees is charged to the end-of-service indemnity provision. Moreover, the additional provision booked for the end-of-service indemnity 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.

- Deferred taxes are taxes expected to be paid or recovered as a result of the temporary timing differences between the value of assets or 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 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 fair value within the consolidated statement of comprehensive income and consolidated owners' equity. In particular, this requires the Company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, 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 the basis and estimates approved by management in conformity with the requirements of International Financial Reporting Standards (IFRSs).

- The fiscal year is charged with its portion of income tax expenditures in accordance with the regulations, 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 tangible and intangible assets for the purpose of calculating 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. Moreover, the study highlights 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 value. 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 categorised in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. 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. Adoption of New and Revised International Financial Reporting Standards (IFRSs)

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

The following new and revised IFRSs have been adopted in the preparation of the consolidated financial statements for which they did not have any material impact on the amounts and disclosures of the consolidated financial statements; however, they may affect the accounting for future transactions and arrangements.

Amendments to IAS 32: Financial Instruments	Presentation relating to application guidance on the offsetting of financial assets and financial liabilities.
Amendments to IAS 36: recoverable amount disclosures	The amendments restrict the requirements to disclose the recoverable amount of an asset or CGU to the period in which an impairment loss has been recognised or reversed. They also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal.
Amendments to IAS 39: Financial Instruments, Recognition and Measurement, Novation of Derivatives and Continuation of Hedge Accounting	The amendments provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.
Amendments to IFRS 10, IFRS 12 and IAS 27 – Guidance on Investment Entities	On 31 October 2012, the IASB published a standard on investment entities, which amends IFRS 10, IFRS 12, and IAS 27 and introduces the concept of an investment entity in IFRSs.

b. New and Revised IFRSs issued but not yet effective

The following new and revised IFRSs have been issued but are not effective yet:

The Company has not applied the following new and revised IFRSs that are available for early application but are not effective yet:

	Effective for Annual Periods Beginning On or After
IFRS 15: Revenue from Contracts with Customers	1 January 2017
Amendments to IFRS 7 Financial Instrument: Disclosures relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
IFRS 7 Financial Instrument: 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
Amendments to IFRS 11 to clarify accounting for acquisitions of Interests in Joint Operations.	1 January 2016
Amendments to IAS 16 and IAS 38 to clarify the acceptable methods of depreciation and amortization.	1 January 2016
Amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16.	1 January 2016
IFRS 9 Financial Instruments (2014) In July 2014 the final standard of IFRS 9 was issued introducing: a) New classification for debt instruments that are held to collect contractual cash flows with the ability to sell, to be classified under the “fair value through other comprehensive income (FVTOCI) category. b) Impairment of financial assets applying expected loss model through 3 phases, starting by 12 month expected impairment loss to be initiated on initial recognition of the credit exposure, and life time impairment loss to be recognized upon significant increase in credit risk prior to the date the credit exposure is being impaired, and phase 3 when the loan is effectively impaired.	1 January 2018
Amendments to IFRS 10 and IAS 28 clarify that the recognition of the gain or loss on the sale or contribution of assets between an investor and its associate or joint venture depends on whether the assets sold or contributed constitute a business.	1 January 2016
Amendments to IAS 27 allow an entity to account for investments in subsidiaries, joint ventures and associates either at cost, in accordance with IAS 39/IFRS 9 or using the equity method in an entity’s separate financial statements.	1 January 2016

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Amendments to IFRS 10, IFRS 12 and IAS 28 clarifying certain aspects of applying the consolidation exception for investment entities.	1 January 2016
Amendments to IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.	1 January 2016
Annual Improvements to IFRSs 2012 - 2014 Cycle.	1 January 2016
Annual Improvements to IFRSs 2010 - 2012 Cycle that includes amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 38 and IAS 24.	1 July 2014
Annual Improvements to IFRSs 2011 - 2013 Cycle that includes amendments to IFRS 1, IFRS 3, IFRS 13 and IAS 40.	1 July 2014
Amendments to IAS 19 Employee Benefits 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.	1 July 2014

Management anticipates that each of the above standards and interpretations will be adopted in the consolidated financial statements by its date mentioned above without having any material impact on the Company's consolidated financial statements, except for IFRS 15 and IFRS 9. Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's consolidated financial statements for the annual period beginning 1 January 2017 and 1 January 2018 respectively. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Company's consolidated financial statements in respect of revenue from contracts with customers and the Company's consolidated 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.

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6. Cash on Hand and at Banks

This item consists of the following:

	December 31,	
	2014	**2013**
	USD	**USD**
Cash on hand	160,261	686,849
Current accounts	11,562,166	7,948,680
Time Deposits *	2,042,915	-
	13,765,342	**8,635,529**

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

7. Accounts Receivable and Cheques under Collection- Net

This item consists of the following:

	December 31,	
	2014	**2013**
	USD	**USD**
Trade receivables	51,882,762	57,078,467
Less: Provision for doubtful debts	3,143,361	3,998,747
	48,739,401	53,079,720
Checks under collection *	13,788,409	11,617,787
Employees receivable	1,854,000	1,215,170
	64,381,810	**65,912,677**

* Cheques under collection mature up to the end of the year 2015.

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

	2014	**2013**
	USD	**USD**
Balance - beginning of the year	3,998,747	3,693,421
Additions to the provision	414,198	359,465
Written-off of debts	(1,096,349)	(168,199)
Currency exchange difference	(173,235)	114,060
Balance - End of the Year	**3,143,361**	**3,998,747**

- 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. Moreover, the Company takes a provision for receivables not collected for more than 365 days. Due but not impaired receivables amounted to USD 48,739,401 as of December 31, 2014 (USD 53,079,720 as of December 31, 2013). The following are the details of due but not impaired receivables:

	December 31,	
	2014	2013
	USD	USD
Up to 90 days	26,181,437	24,726,229
91 days up to 180 days	4,996,359	6,087,816
181 days up to 365 days	17,561,605	22,265,675
	48,739,401	**53,079,720**

Due and impaired receivables amounted to USD 3,143,361 as of December 31, 2014 (USD 3,998,747 as of December 31, 2013).

- Receivables include amounts due from The Palestinian Authority at an amount of approximately USD 21/4 million.

8. Inventory - Net
This item consists of the following:

	December 31,	
	2014	2013
	USD	USD
Finished goods	12,575,833	10,046,590
Medication	3,578,807	4,891,246
Medical materials	1,042,209	727,629
Consumable materials	17,636,764	16,936,559
Laboratory tools and materials	488,185	587,083
Medical equipment and machinery	1,374,548	1,043,066
Total Finished Goods	**36,696,346**	**34,232,173**
Raw materials	8,420,016	7,856,318
Scrap and other	1,885,627	606,919
Other materials	105,182	1,383,395
Cars and spare parts*	2,810,905	4,134,823
Total Inventory	**49,918,076**	**48,213,628**
Less: Provision for slow-moving inventory items**	1,102,387	947,251
Net Inventory	**48,815,689**	**47,266,377**
Goods in transit	4,541,727	2,615,619
Goods at bonded *	728,468	1,478,091
	54,085,884	**51,360,087**

* As stated in Note (19), inventory includes mortgaged vehicles in favor of banks against commercial loans.

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

	2014	2013
	USD	USD
Balance - beginning of the year	947,251	486,005
Additions to the provision during the year	315,899	524,422
Inventory written-off during the year	(160,763)	(63,176)
Balance - End of the Year	**1,102,387**	**947,251**

9. Trading Financial Assets
This item consists of the following:

	December 31,	
	2014	2013
	USD	USD
Quoted Shares in Palestine Stock Exchange	173,755	13,616
	173,755	**13,616**

10. Other Debit Balances
This item consists of the following:

	December 31,	
	2014	2013
	USD	USD
Receivables and claims	2,392,143	1,521,970
Value added tax	1,008,094	1,895,488
Prepaid expenses	2,108,331	2,955,928
Refundable deposits against LGs', LCs and others	2,818,234	1,642,868
Accrued revenue	372,490	454,000
Korean Hyundai Company claims	-	829,652
Finance lease contracts	727,235	-
Advance payments to Suppliers	6,442,203	6,611,087
Other debit balances	1,013,685	1,080,196
	16,882,415	**16,991,189**

11. Long-term Cheques Under Collection
This item consists of the following:

	December 31,	
	2014	2013
	USD	USD
Palestine Automobile Company	2,392,292	605,915
Medical Supplies and Services Company	92,950	-
Arab Palestinian Shopping Centers Company	-	35,412
	2,485,242	**641,327**

- The maturities of long-term Cheques under collection extends to December 2019.

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12. Available-for-Sale Financial Assets

This item consists of the following:

	Number of Shares	December 31, 2014	Number of Shares	December 31, 2013
		USD		USD
Listed Shares:				
Bank of Palestine Limited	2,528,300	7,079,240	1,675,006	6,000,019
		7,079,240		**6,000,019**
Unlisted Shares:				
Palestine Electricity Company *	3,654,550	3,654,550	3,654,550	3,654,550
Technology Acceladator Investment Company Limited	275,000	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	233,333	233,333
		4,517,547		**4,350,880**
Unlisted Bonds:				
Bonds of Palestine Commercial Bank *	100 Bond	100,000		-
		100,000		**-**
		11,696,787		**10,350,899**

* Most of the shares are mortgaged against bank credit facilities as stated in Note (19) and include 702,460 shares restricted against the Board of Directors membership.

** During the year 2013 an impairment loss was recorded against these assets for USD 158,000.

13. Investment in Lands

The fair value of these land amounted to USD 1,371,240 as of December 31, 2013 noting that part of these lands are mortgaged against bank credit facilities.

14. Intangible Assets - Net

This item consists of the following:

	2014	2013
	USD	USD
Goodwill - net*	5,635,021	5,635,021
Trademark**	2,273,171	2,273,171
	7,908,192	**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 subsidiaries, which stated at net of USD 5,635,021, after deducting the provision for the impairment in goodwill of USD 6,934,699 throughout prior years.

** This item includes the value of the trademark bought from the Specialty Food Company for Siniora Food Industries Company (Subsidiary Company) and ownership transfer fees.

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15. Property, Plant and Equipment

a. This item consists of the following:

	Lands	Buildings and Constructions	Furniture and Fixtures	Computers	Vehicles	Leasehold Improvements	Machines and Equipment	Tools	Total
2014	USD	USD	USD	USD	USD	USD	USD	USD	USD
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**
2013									
Cost:									
Beginning balance	9,565,547	30,716,511	4,959,900	2,684,998	8,617,166	3,752,469	48,309,188	3,615,247	112,221,026
Additions / transfers	140,925	2,388,500	416,922	178,356	1,529,121	191,298	1,984,355	422,940	7,252,417
Disposals	-	(260,000)	(98,804)	-	(1,227,717)	(15,320)	(797,805)	-	(2,399,646)
Ending 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**
Accumulated Depreciation:									
Beginning balance	-	9,913,705	3,216,764	1,496,669	3,203,860	964,731	18,266,283	1,903,074	38,965,086
Additions	-	1,101,228	423,694	581,119	901,745	322,729	3,602,232	431,811	7,364,558
Disposals	-	(41,641)	(93,221)	-	(675,122)	(15,320)	(535,412)	-	(1,360,716)
Ending 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**
Net Book Value as of December 31, 2013	**9,706,472**	**21,871,719**	**1,730,781**	**785,566**	**5,488,087**	**2,656,307**	**28,162,635**	**1,703,302**	**72,104,869**
Annual Depreciation Rates %	-	2-4	6-15	15-25	20	15-25	10-20	6-10	

b. Part of the Company and the subsidiary companies' property, plant and equipment is mortgaged against bank facilities (Notes 18, 19 and 23).

c. Part of the subsidiary companies' buildings is constructed on lands leased from others.

d. Arab Palestinian Shopping Centers Company revalued the land owned by the Company and stated in the financial statements at its fair value, difference in revaluation of USD 3,552,540 are recorded in the revaluation reserve within owners' equity as of December 31,2014 and 2013.

e. National Aluminum and Profiles Company revalued the land owned by the Company and stated it in the financial statements at its fair value, difference in revaluation of USD 669,525 are recorded in the revaluation of property and equipment reserve within owners' equity as of December 31, 2014 and 2013.

16. Projects under Construction

This item represents costs of works 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 Manufacturing Company, Siniora Food Industries Company and Arab Palestinian Shopping Centers Company, which were not yet completed as of December 31, 2014 and 2013.

The movement on the projects under construction is as follows:

	2014	2013
	USD	USD
Balance - beginning of the year	642,505	1,235,574
Additions	4,950,486	932,183
Transferred to property and equipment	(401,982)	(1,525,252)
Balance - End of the Year	**5,191,009**	**642,505**

17. Short–term Notes Payable

This item represents notes payable to the following companies:

	December 31	
	2014	2013
	USD	USD
Unipal for General Trade Company	193,264	590,561
	193,264	**590,561**

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. Note 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 a grade mortgage which is not less than 125% of the nominal value of the bonds. These mortgages include shares and plots of lands.

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19. Loans

a. **The details of this item are as follows:**

	Short-term	Long-term	Short-term	Long-term
	December 31, 2014		December 31, 2013	
	USD	USD	USD	USD
APIC				
National Bank loan	375,000	2,625,000	-	-
Siniora Food industires Company				
Bank of Palestine loan	292,599	692,032	-	984,621
Amman Cairo Bank Loan	1,911,193	7,644,762	-	9,555,955
Natioanl Aluminum and profiles Company				
Jordan Ahli Bank loans	3,096,234	227,178	2,866,013	581,169
Arab Islamic Bank loan	3,057,176	-	2,964,097	-
Bank of Palestine for Investment loan	1,306,075	1,132,011	352,439	815,608
Cairo Amman Bank loans	1,287,351	122,673	1,084,290	200,000
Palestinian Commercial Bank loan	-	700,987	-	-
Palestine Automobile Company				
National Bank loans	2,329,630	146,561	1,764,511	19,875
The Housing Bank for Trade and Finance loan	535,283	-	267,769	-
Jordan Kuwaiti Bank	884,172	-	704,911	-
Egyptian Arab Land Bank loan	-	-	-	1,569,508
Arab Bank Loan	530,677	-	-	-
Al Quds Bank loan	-	-	158,867	-
Jordan Ahli Bank loans	1,542,491	1,090,663	660,480	128,306
Arab Palestinian shopping centers company				
Arab Islamic Bank Loan	147,386	97,673	401,697	245,007
Palestinian Commercial Bank loan	23,499	-	238,538	23,649
The Housing Bank for Trade and Finance loans	38,196	1,310,897	123,042	38,283
	17,356,962	**15,790,437**	**11,586,654**	**14,161,981**

b. The following schedule shows the necessary information about creditor banks:

	Credit Facilities			
	Credit Facilities Ceiling	Date of Last installement maturity	Settelment Method	Guarantees
	USD			
*** Credit Facilities Granted to arab palestanian investment company**				
- Natioanl Bank	3,000,000	During 2019	6 months grace period + quarterly installements	Mortgaged a 1,500,000 shares of bank of palestine
*** Credit Facilities Granted to Siniora Food Industries Company**				
- Cairo Amman Bank	5,324,655	During 2019	Quarterly installements	Guarantee of Siniora Food Industries Company and mortgaged the factory land and it's equipment
- Cairo Amman Bank	4,231,312	During 2019	Quarterly installements	
- Bank of Palestine Limited	984,609	During 2019	Quarterly installements	Guarantee of Siniora Food Industries Company and APIC
*** Credit Facilities Granted to National Aluminum and Profiles Company**				
- Jordan Ahli Bank	1,408,451	During 2017	Quarterly	Guarantee of APIC (Holding company) and a first class mortgage of the factory's land and it's building . A possessory mortgage on the tools and equipments , an edoresement of an insurance policy to bank's favor
- Jordan Ahli Bank	600,000	During 2015	Quarterly	Guarantee of APIC (Holding company) and a first class mortgage of the factory's land and it's building . A possessory mortgage on the tools and equipments , an endoresement of an insurance policy to bank's favor
- Jordan Ahli Bank	3,000,000	During 2015	9 Monthly installements	Guarantee of APIC (Holding company) and a first class mortgage of the factory's land and it's building . A possessory mortgage on the tools and equipments , and endoresement of insurance policy to bank's favor
- Arab Islamic Bank	3,000,000	During 2015	8 Monthly installements	Guarantee of the company and APIC (Holding Company) , Motgage and possessory mortgage of the factory's equipment
- Cairo Amman Bank	1,500,000	During 2015	8 Monthly installements	Gurantee of APIC (Holding Company)
- Cairo Amman Bank	300,000	During 2016	Quarterly	Gurantee of APIC (Holding Company)
- Bank Of Palestine	2,160,000	During 2019	Quarterly	Gurantee of APIC (Holding Company)
- Bank Of Palestine	1,000,000	During 2015	12 Monthly installements	Gurantee of APIC (Holding Company)
- Palestine Commercial Bank	700,000	During 2020	Quarterly	Gurantee of APIC (Holding Company)
*** Palestinian Automobile Company**				
- National Bank	600,000	During 2017	36 Monthly installement	Guarantee of Arab Palestinian Investment Company (holding company) and mortgage of financed cars with it's insurance policies to the bank favor
- National Bank	3,000,000	During 2016	12 Monthly Installements	Guarantee of Arab Palestinian Investment Company (holding company)
- Jordan Kuwaiti Bank	750,000	During 2016	12 Monthly Installements	Guarantee of Arab Palestinian Investment Company (holding company)
- The Housing Bank for Trade and Finance	1,100,000	During 2016	9 monthly installements	Guarantee of Arab Palestinian Investment Company (holding company)
- Arab Bank	1,500,000	During 2016	12 Monthly Installements	Guarantee of Arab Palestinian Investment Company (holding company)
- Jordan Ahli Bank	3,500,000	During 2016	12 Monthly Installements	Guarantee of Arab Palestinian Investment Company (holding company) , Mortgage of financed vehichles for the bank's favor Until the company settel the loan cash , or by depositing checks which covers 100 % of the loan
- Jordan Ahli Bank	600,000	During 2016	36 Monthly installement	Guarantee of Arab Palestinian Investment Company (holding company) , Mortgage of financed vehichles for the bank's favor Until the company settel the loan cash , or by depositing checks which covers 100 % of the loan
- Jordan Ahli Bank	1,254,481	During 2020	62 Installements	Until the company settel the loan cash , or by depositing checks which covers 100 % of the Real estate Mortgage
*** Arab Palestinain Shopping Centers Company**				
- Arab Islamic Bank	910,000	During 2020	Montly Installements	Guarantee of Arab Palestinian Investment Company (holding company)
- Palestine Commercial Bank	1,000,000	During 2018	Montly Installements	Guarantee of Arab Palestinian Investment Company (holding company)
- The Housing Bank for Trade and Finance	5,301,449	During 2020	Quarterly installements	Guarantee of Arab Palestinian Investment Company (holding company)
*** Credit Facilities Granted to Medical Supplies and Services Company**				
- Bank of Jordan	12,000,000	During 2015	Depends on Ministry of health and renewed on annyal basis	Guarantee of Arab Palestinian Investment Company (holding company) & personal guarantee of Dr. Waleed Kayali & transfer from ministry of Health by transferring all the company's worth in Bank of Jordan , In which the amount will not be less than USD 22,000,000 Of the previous and future claims

The average interest rates on the credit facilities granted to the companies mentioned above are as follows:

US Dollar	LIBOR + 1/5% - LIBOR + 3%
JOD	9 %

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20. Other Credit Balances

This item consists of the following:

	December 31,	
	2014	2013
	USD	USD
Accrued expenses	6,441,772	3,881,255
Payments for capital increase in subsidiary company *	2,760,426	-
Accrued interest	589,422	536,684
Unearned revenues	307,331	1,189,164
Accrued salaries and bonuses	2,547,666	1,975,532
Accrued vacations	746,632	682,890
Social security deposits	54,531	40,979
Sales tax deposits	68,952	188,987
Income tax deposits – employees	116,281	383,964
Commitment against maintenance after sale	350,000	432,663
Customers advances **	960,948	34,461
Other	1,547,796	1,396,125
	16,491,757	**10,742,704**

* This amount represents the advance payments made by non-controlling interest to increase the paid in capital of central and West Africa Commercial Agencies Companies, All procedures related to the capital increase were completed at the beginning of the year 2015.

** This amount contains USD 824,071 related to Palestinian Automobile Company.

21. Postdated Cheques

This item consists of the following:

	December 31,	
	2014	2013
	USD	USD
National Aluminum and Profiles Company	1,041,504	1,293,020
Arab Palestinian Shopping Centers Company	1,574,200	1,148,190
Siniora Food Industries Company	1,199,817	1,964,786
Medical Supplies and Services Company	3,679,595	5,436,422
	7,495,116	**9,842,418**

- The maturities of postdated cheques extend to the end of the year 2015.

22. Non - Controlling Interests

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

	Non-Controlling Interest Share as of December 31, 2014	Paid-up Capital	Assets Revaluation Reserve	Statutory Reserve	Voluntary Reserve	Foreign Currencies Translation Differences	Accumulated (Losses) Gains	Profit (Loss) for the Year	Total Shareholders' Equity	December 31, 2014 Non-Controlling: Non - Controlling Interests	December 31, 2014 Non-Controlling: Interest Share of Profit (Loss) for the Year	December 31, 2013 Non - Controlling: Non-Controlling Interest	December 31, 2013 Non - Controlling: Interests Share of Profit (Loss) for the Year
Company's Name	%	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Arab Palestinian Storage Company	35/41	4,500,000	-	-	-	-	(5,280,585)	(276,722)	(1,057,307)	(374,440)	(98,000)	(276,440)	(79,778)
Medical Supplies and Services Company	50	3,227,990	-	1,192,483	-	-	4,308,340	2,280,290	11,009,103	5,504,551	1,140,145	4,364,406	1,117,426
Unipal General Trading Company	16/31	7,042,253	-	4,050,437	-	(43,813)	(190,133)	5,670,386	16,529,130	2,714,530	948,434	2,636,053	964,001
National Aluminum and Profiles Company	27/24	9,718,310	669,525	2,258,949	22,410	-	752,770	1,102,511	14,524,475	3,956,378	300,317	3,871,099	293,096
Siniora Food Industries Company	38/82	21,156,559	-	3,733,511	-	-	3,126,755	7,685,238	35,702,063	13,861,326	2,983,794	11,222,521	1,835,133
Arab Palestinian Shopping Centers Company	13/45	9,873,061	3,552,540	71,578	-	-	(226,584)	(660,283)	12,610,312	1,696,301	(88,819)	1,785,751	(58,435)
Jericho Natural Mineral Water Factory Company	15	4,803,734	-	-	-	-	(4,871,960)	821	(67,405)	(10,111)	(123)	(10,234)	74
Arab Palestinian Spare Parts and Vehicles Services Company	-		-		-	-	-	-	-	-	-	42,209	(735)
Centeral & West Africa for Commercial Agencies	50	4,936,530	-	105,932	-	-	(3,802,324)	(4,034,839)	(2,794,701)	(1,397,350)	(2,017,419)	(333,346)	(1,005,879)
		65,258,437	4,222,065	11,412,890	22,410	(43,813)	(6,183,721)	11,767,402	86,455,670	25,951,185	3,168,329	23,302,019	3,064,903

23. Due to Banks

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

	December 31, 2014	December 31, 2013
	USD	USD
National Aluminum and Profiles Company	615,230	1,735,658
Medical Supplies and Services Company	15,973,675	17,209,719
Unipal General Trading Company	11,859,625	13,636,510
Palestinian Automobiles Company	561,649	345,728
Siniora Food Industries Company	-	368,111
	29,010,179	33,295,726

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b. The following schedule shows the necessary information on these loans:

	Nature	Credit Ceiling	Guarantee
	USD		
Credit facilities to Siniora Food Industries Company			
Arab Islamic Bank	Purchases Ceiling	USD 500,000	Guarantee of Siniora Food Industries company
Jordan Ahli Bank	Purchases Ceiling	USD 600,000	Guarantee of Siniora Food Industries company
Jordan Ahli Bank	Overdraft	SHEKEL 800,000	Guarantee of Siniora Food Industries company
Bank of Palestine	Overdraft	USD 500,000	Guarantee of Siniora Food Industries company
Bank of Palestine	Overdraft	SHEKEL 1,000,000	Guarantee of Siniora Food Industries company
Arab Bank	Overdraft	USD 1,000,000	Guarantee of Siniora Food Industries company
Arab Bank	Overdraft	SHEKEL 600,000	Guarantee of Siniora Food Industries company
Bank of Jordan	Overdraft	JD 800,000	Guarantee of Siniora Food Industries company
Bank of Jordan	Letter of Guarantees	JD 300,000	Guarantee of Siniora Food Industries company
Audi Bank	Overdraft	JD 100,000	Guarantee of Siniora Food Industries company
Audi Bank	Letter of Guarantees	JD 450,000	Guarantee of Siniora Food Industries company
Housing Bank	Overdraft	USD 350,000	Guarantee of Siniora Food Industries company
Housing Bank	Overdraft	JD 300,000	Guarantee of Siniora Food Industries company
Invest Bank	Overdraft	JD 200,000	Guarantee of Siniora Food Industries company
Invest Bank	Letter of Guarantees	JD 300,000	Guarantee of Siniora Food Industries company
CITI Bank	Letter of Guarantees	JD 213,000	Guarantee of Siniora Food Industries company
CITI Bank	Letter of Guarantees	USD 700,000	Guarantee of Siniora Food Industries company
Societe General	Letter of Guarantees	JD 300,000	Guarantee of Siniora Food Industries company
Societe General	Letter of Guarantees	USD 600,000	Guarantee of Siniora Food Industries company
Arab Bank	Overdraft	JD 500,000	Guarantee of Siniora Food Industries company
Arab Bank	Letter of Guarantees	JD 400,000	Guarantee of Siniora Food Industries company
Al Rajehi Bank	Letter of Guarantees	USD 2,800,000	Guarantee of Siniora Food Industries company
Al Rajehi Bank	Letter of Guarantees	JD 1,000,000	Guarantee of Siniora Food Industries company
Jordan Dubai Bank	Letter of Guarantees	USD 3,000,000	Guarantee of Siniora Food Industries company
Credit facilities to National Aluminum and profiles company			
Jordan Ahli Bank	Overdraft	Shekel 4,000,000	Guarantee of APIC(Holding), Mortgage of the factory's land ,building and equipments
Arab Bank	Overdraft	Shekel 800,000	Guarantee of APIC (Holding)
Bank of Palestine	Overdraft	Shekel 3,000,000	Guarantee of APIC (Holding)
Credit Facilities to arab palestanian storage medical supplies and services company			
Housing Bank	Overdraft and letter of Guarantees	USD 3,000,000	Guarantee of APIC Holding , assignment of an insurance policy in against of fire , steal for the bank's favor with an amount of USD 1,000,000
Housing Bank	Overdraft	Shekel 2,000,000	
Cairo Amman Bank	Overdraft and letter of Guarantees	USD 1,500,000	Guarantee of APIC , Reserving an amount of USD 90,000 + Depositing a real commercial cheques
Cairo Amman Bank	Overdraft	Shekel 500,000	Guarantee of APIC (holding) , Pledge not to reduce equity
Arab Islamic Bank	Letter of Guarantees (Morabaha selling)	USD 3,100,000	Guarantee of APIC(Holding) and assignment of an insurance policy in against of fire and stealing on the warehouses for the bank's favor with a total amount of USD 667,000
Arab Islamic Bank	Letter of Guarantees (Morabaha selling)	Shekel 1,000,000	
Bank of Jordan	Overdraft and letter of Guarantees	USD 2,350,000	Guarantee of APIC (Holding) , personal guarantee of doctor waleed al Kayyali, depositing a real commercial cheques , assignment an insurance policy With an amount of 3,500,000
Bank of Jordan	Overdraft and letter of Guarantees	Shekel 3,500,000	
Arab Bank	financing of purchases and letter of credits	USD 1,000,000	Guarantee of APIC (holding) , Pledge not to reduce equity
Palestine Commercial Bank	Overdraft	SHEKEL 4,000,000	Guarantee of APIC(Holding) + guarantee of the financial net worth
Al Quds Bank	Overdraft and financing of purchases	USD 2,000,000	Guarantee of APIC (Holding)
Credit Facilities to unipal for general trading			
Housing Bank	Overdraft and purchases financing	USD 6,000,000	
Housing Bank	Overdraft	Shekel 2,500,000	Guarantee of APIC (Holding) and assigning of a part of insurance policy
Cairo Amman Bank	Overdraft and purchases financing	USD 5,500,000	Guarantee of APIC (Holding)
Cairo Amman Bank	Overdraft	Shekel 2,500,000	Guarantee of APIC (Holding)
Bank of Jordan	Overdraft and purchases financing	USD 4,500,000	Guarantee of APIC (Holding)
Arab Bank	Purchases financing	USD 3,300,000	Guarantee of APIC (Holding) and assigning of a part of insurance policy
Arab Bank	Overdraft	Shekel 2,500,000	Guarantee of APIC (Holding) and assigning of a part of insurance policy
Palestine Commercial Bank	Overdraft	shekel 2,000,000	Guarantee of APIC (Holding)
Jordan Commercial Bank	Overdraft and purchases financing	USD 2,750,000	Guarantee of APIC (Holding)
Jordan Commercial Bank	Overdraft	Shekel 1,000,000	Guarantee of APIC (Holding)
Credit Facilities to palestine Autombile Company			
Jordan Ahli Bank	Overdraft	USD 300,000	Guarantee of APIC (Holding)
Housing Bank	Overdraft	USD 250,000	Guarantee of APIC (Holding)
Jordan Kuwait Bank	Overdraft	USD 100,000	Guarantee of APIC (Holding)
Credit Facilities to Arab palestinian shopping centers			
Arab Islamic Bank	Overdraft	USD 700,000	Guarantee of APIC (Holding)
Bank of Palestine	Overdraft	Shekel 1,000,000	Guarantee of APIC (Holding)
Palestine Commercial Bank	Overdraft	Shekel 7,000,000	Guarantee of APIC (Holding)
Palestine Commercial Bank	Overdraft	USD 700,000	Guarantee of APIC (Holding)

- The average interest rates on the loans granted to the Arab Palestinian Investment Company (holding company) and its subsidiary companies are as follows:

US Dollar	LIBOR + 1.5% - LIBOR + 4.75 %
Israielian shekel	Prime+ 2 % - Prime + 5%
Euro	5 %

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24. Provision for End-of-Service Indemnity

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

	December 31,	
	2014	**2013**
	USD	**USD**
Medical Supplies and Services Company	1,352,457	1,329,629
Unipal General Trading Company	2,267,006	2,084,519
National Aluminum and Profiles Company	790,415	770,339
Palestine Automobile Company	684,687	624,585
Arab Palestinian Shopping Centers Company	315,546	433,414
Arab Palestinian Investment Company (Holding Company)	624,892	524,020
Sky Advertising, Publication and Promotion Company	354,225	339,437
Siniora Food Industries Company	1,326,188	1,249,877
Arab Palestinian Storage Company	59,035	58,113
	7,774,451	**7,413,933**

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

	2014	**2013**
	USD	**USD**
Balance - beginning of the year	7,413,933	6,172,325
Additions	2,104,007	1,430,320
Paid from the provision	(1,743,489)	(188,712)
Balance - End of the Year	**7,774,451**	**7,413,933**

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25. Revaluation of Property and Equipment Reserve

This item consists of the following:

	December 31,					
	2014				2013	
	Revaluation Reserve	Ownership	Company's Share	Minority Interest Share	Ownership	Minority Interest Share
	USD	%	USD	USD	%	USD
Arab Palestinian Shopping Centers Company *	3,552,540	86/55	3,074,663	477,877	86/55	3,075,748
National Aluminum and Profiles Company **	669,525	72/76	487,151	182,374	72/17	483,170
	4,222,065		**3,561,814**	**660,251**		**3,558,918**

* **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 its presentation in the financial statements at fair value. The land was revalued by two licensed real estate assessors at a price ranging from USD 480 to USD 500 per square meter. Accordingly, the Board of Directors resolved 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 International Financial Reporting Standards, the lands have been revalued as of December 31, 2008, as the price per meter was revalued from USD 660 to USD 680. Moreover, 90% of the lower valuation was taken and the accounting treatment was effected according to IAS (8), whereby 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 stated in owners' equity amounted to USD 3,553,540. Furthermore, the Company reassessed the value of the lands as of December 31, 2013, according to the management opinion the fair value of the land is close to its book value, therefore, no adjustments 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 its presentation in the financial statements at fair value. The revaluation difference was stated in the revaluation reserve account in owners' equity for an amount of USD 669,525. Furthermore, the Company reassessed the value of the lands as of December 31, 2013, according to the management opinion the fair value of the land is approximate to the book value, therefore, no adjustments 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	2014 Sales Gross Income	2013 Sales Gross Income
	USD	USD	USD	USD	USD	USD	USD
Medical Supplies and Services Company	41,866,708	7,843,665	29,802,660	6,848,945	30,797,380	11,069,328	10,841,399
Unipal General Trading Company	341,782,530	16,233,057	321,030,563	14,967,476	322,296,144	19,486,386	16,747,846
National Aluminum and Profiles Company	21,355,601	6,115,156	19,032,480	8,176,214	16,971,422	4,384,179	4,301,334
Palestine Automobile Company	25,799,868	2,697,876	22,879,255	3,773,497	21,803,634	3,996,234	2,785,373
Siniora Food Industries Company	50,429,267	9,757,827	33,502,007	11,421,348	31,838,486	18,590,781	13,209,334
Arab Palestinian Shopping Centers Company	29,944,415	2,227,024	24,195,657	2,304,092	24,118,589	5,825,826	7,599,114
Central and West Africa for Commercial Agencies	15,501,021	3,339,023	11,581,007	2,426,504	12,493,526	3,007,495	2,634,241
	526,679,410	**48,213,628**	**462,023,629**	**49,918,076**	**460,319,181**	**66,360,229**	**58,118,641**

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27. General and Administrative Expenses

This item consists of the following:

	2014	2013
	USD	USD
Salaries and wages	11,711,453	10,399,875
Bonuses and employees benefits	1,700,661	1,621,806
Provision for end-of-service Indemnity	1,513,993	1,149,183
Rents	1,780,595	1,603,366
Stationery and printing	259,131	241,269
Maintenance and cleaning	708,085	780,600
Communication	702,394	732,315
Hospitality	239,495	278,789
Donations	410,917	122,981
Transportation and travel expenses	1,397,843	1,033,714
Consultation, legal and professional expenses	1,661,990	925,571
Subscriptions, governmental expenses and fees	344,678	49,041
Board of Directors' expenses	807,447	547,408
Bank expenses	35,451	232,748
Insurance	691,771	639,151
Vehicles expenses	920,778	943,574
Utilities expenses	1,010,146	1,089,354
Advertising & publications	87,600	75,033
Property, plant and equipment depreciation	3,438,486	3,494,890
Provision for doubtful debts (Note 7)	414,198	359,465
Goods storage and security expenses	376,440	82,374
Provision for slow-moving inventory items (Note 8)	315,899	524,422
Training	404,143	135,791
Other *	3,452,555	1,552,915
	34,386,149	**28,615,635**

* Most of these miscellaneous expenses are related to Palestine Automobile Company in the amount of USD 348,129, Central & West Africa for Commercial Agencies Companies in the amount USD 872,708, Arab Palestinian Shopping Centers Company in the amount USD 468,068 and other companies.

28. Selling and Distribution Expenses
This item consists of the following:

	2014	2013
	USD	USD
Salaries and wages	4,905,350	4,458,948
Social security contributions	153,000	128,649
Advertising & publication	728,201	790,365
Sales bonuses and commissions	2,020,810	1,385,830
Cars and fuel expenses	3,185,896	2,067,845
Utilities expenses	35,757	36,499
Communication	122,674	155,426
Insurance	705,933	318,476
Depreciation of property, plant and equipment	422,470	405,160
Maintenance	47,319	97,742
Marketing	1,238,273	680,482
Transportation	515,662	238,332
Export expenses	439,477	425,775
Provision for end-of-service indemnity	314,953	168,000
Showrooms	-	86,230
Governmental expenses	4,243	-
Portage expenses	-	564,928
Hospitality	1,532	531
Rent	256,224	182,323
Stationery	9,385	19,464
Other	678,456	423,276
	15,785,615	**12,634,281**

29. Gains from Available-for-Sale Financial Assets:
This item consists of the following:

	2014	2013
	USD	USD
(Losses) of impairment of financial assets	-	(158,767)
Dividends income	241,328	411,768
	241,328	**253,001**

30. Other (Expenses) Revenue - Net
This item consists of the following:

	2014	2013
	USD	USD
Gains from sale of property, plant and equipment	135,293	171,233
Currency exchange differences	(156,402)	44,537
(Provision) returned from contingent liabilities provision	(615,485)	598,307
Other (expenses) – net	(86,249)	(38,665)
	(722,843)	**775,412**

31. Income Tax – Subsidiary Companies
a- Deferred Tax Assets
This item consists of the following:

	2014					2013
	Beginning Balance	Additions	Released Amounts	Ending Balance	Deferred Tax	Deferred Tax
Accounts Included	USD	USD	USD	USD	USD	USD
Provision for doubtful debts	3,211,113	386,612	1,178,871	2,418,854	479,697	578,058
Provision for slow-moving inventory items	931,158	315,899	240,891	1,006,166	157,529	128,157
Provision for employees end-of-service indemnity	5,676,933	1,156,696	952,778	5,880,851	954,993	985,451
Lawsuits provision	13,258	-	-	13,258	1,856	1,856
	9,832,462	**1,859,207**	**2,372,540**	**9,319,129**	**1,594,075**	**1,693,522**

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

  Sky Advertisement, Publicity and Promotion Company, Arab Palestinian Spare Parts and Vehicles Services Company, Arab Palestinian Storage Company, Jericho Natural Mineral Water Factory Company and Central & West Africa for Commercial Agencies.

  The movement on deferred tax assets is as follows:

	2014	2013
	USD	USD
Balance - beginning of the year	1,693,522	1,531,908
Additions	125,675	231,682
Disposals	(225,122)	(70,068)
Balance- End of the Year	**1,594,075**	**1,693,522**

b. Income Tax Provision
The movement on the income tax provision is as follows:

	2014	2013
	USD	USD
Balance - beginning of the year	4,216,767	2,272,395
Income tax paid	(4,414,909)	(2,548,735)
Accrued income tax	3,297,662	4,493,107
Balance – End of the Year	**3,099,520**	**4,216,767**

c. Income Tax expense

The income tax shown in the consolidated statement of income represents the following:

	2014	2013
	USD	USD
Accrued income tax for the year	3,297,662	4,493,107
Deferred tax assets for the year	(125,675)	(231,682)
Deferred tax assets amortized	225,122	70,068
	3,397,109	**4,331,493**

- The Arab Palestinian Investment Company (Holding Company) performed 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	2011
Sky Advertising, Publication and Promotion Company	2013
Medical Supplies and Services Company	2013
National Aluminum and Profiles Company	2013
Palestine Automobiles Company	2011
Arab Palestinian Storage Company	2005
Arab Palestinian Shopping Centers Company	2011
Siniora Food Industries Company (Jordan-Palestine)	2011 except 2008 *
Jericho Natural Mineral Water Factory Company	Tax exempted up till 2003
Arab Palestinian Spare Parts and vehicles services Company	Liquidated

* There are claims from the Income and Sales Tax Department in the amount of JD 531,031 related to the year 2008. The court of cassation issued its opinion on the legal case by reversal the court of appeal decision and return the case to the court of appeal. The case still being looked at in the court of appeal of income tax. In the opinion of the management and its tax advisor, the provisions are sufficient to settle any liabilities that may arise from these claims as the Company contingently recorded a full provision against these claims.

In the management's opinion, the provisions recorded as of December 31, 2014 are sufficient to settle the tax liabilities.

On February 9, 2012, Siniora Food Industries Company - Palestine obtained from the Palestine 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 statement of financial position date, the Company was contingently liable for the following:

	December 31,	
	2014	2013
	USD	USD
Letters of credit	1,803,453	4,998,987
Bank guarantees	9,072,482	12,725,440
Guarantees	-	1,266,187
Outstanding bills	100,150	400,096
Contractual commitments	5,413,476	-

33. Segmental Reporting

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

	Industrial	Trade	Service	Other	December 31, 2014	December 31, 2013
	USD	USD	USD	USD	USD	USD
Total revenues	71,784,868	454,894,542	9,475,313	-	536,154,723	445,669,952
Less: Cost of sales and services	48,809,907	411,509,274	5,081,570	-	465,400,751	383,777,966
Gross Profit	**22,974,961**	**43,385,268**	**4,393,743**	**-**	**70,753,972**	**61,891,986**
Expenses allocated to sectors	16,512,125	33,368,256	606,392	-	50,486,773	41,582,086
Less: Expenses not allocated to sectors	-	-	-	5,523,108	**5,523,108**	**4,997,712**
Profit before Tax	**6,462,836**	**10,017,012**	**3,787,351**	**(5,523,108)**	**14,744,091**	**15,312,188**
Less: Income tax	(699,145)	(2,420,421)	(177,543)	(100,000)	(3,397,109)	4,331,493
Profit for the Year	**5,763,691**	**7,596,591**	**3,609,808**	**(5,623,108)**	**11,346,982**	**10,980,695**

	December 31, 2014	December 31, 2013
Total assets	250,909,979	237,212,264
Total liabilities	147,266,888	143,939,432

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

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

Company Name	Geographical Location	For the Year Ended December 31, 2014 Revenues	For the Year Ended December 31, 2014 Expenses	December 31, 2014 Assets	December 31, 2014 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	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

Company Name	Geographical Location	For the Year Ended December 31, 2013 Revenues	For the Year Ended December 31, 2013 Expenses	December 31, 2013 Assets	December 31, 2013 Liabilities
		USD	USD	USD	USD
Siniora Food Industries Company	Jordan	53,886,801	49,160,123	53,651,896	24,746,496
Central and West Africa for Commercial Agencies	Cameron	12,952,924	14,964,685	9,609,682	8,263,464
Arab Palestinian Investment Company / Jordan	Jordan	2,905,349	1,151,544	2,826,366	1,037,361

34. Lawsuits

a. Siniora Food Industries Company

There are lawsuits held against Siniora Food Industries Company with an amount of USD 197,461 and other suits 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 in the amount of USD 648,944, 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 Mineral Water Factory Company

During the year 2008, the shareholder owning 15% of the Company's capital "Ahli Group Insurance Company" raised a lawsuit against Mr. Ali Al-Aggad himself and against him as the chairman of Jericho Natural Mineral Water Factory Company and against the Arab Palestinian Investment Company (APIC) as a shareholder and a board member in Jericho Natural Mineral Factory Company, represented by Mr. Tarek Omar AL-Aggad, claiming a compensation for JD 511,598, representing the plaintiff's shares in the Company's capital. Moreover, the plaintiff objected against the Company's management which incurred losses as well as against its previous sale contract 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 appeals accepting its principal and accordingly the Company's lawyer appealed this decision.

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 at the Companies Controller's Office.

d. Unipal General Trading Company

There are lawsuits held against Unipal General Trading Company in the amount of USD 71,598 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 Unipal General Trading Company in the amount of USD 88,149 representing labor claims. In the opinion of the Company's lawyer and its management, no obligations shall arise against the Company therefrom.

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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 Liabilities of the Company are evaluated at fair value at the end of each fiscal period, the following table 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	Note	Fair Value December 31, 2014	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						
Trading financial assets		173,755	Level One	Market Price	Doesn't apply	Doesn't apply
Available for sale securities		7,079,240	Level One	Market Price	Doesn't apply	Doesn't apply
Available for sale securities		4,617,547	Level Two	Compared with similar financial instruments	Doesn't apply	Doesn't apply
Total Financial Assets at Fair Value		11,870,542				

There were no transfers between level 1 and level 2 during the year 2014.

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

Except what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the financial statements of the Company approximate their fair value:

	December 31, 2014		The Level of
	Book value	Fair Value	Fair Value
	JD	JD	JD
Financial Assets of non-specified Fair Value			
Investment in land	776,239	1,371,240	Level Two
Total Financial Assets of non-specified Fair Value	**776,239**	**1,371,240**	
Financial Liabilities of non-specified Fair Value			
Long-term bonds	20,000,000	20,589,422	Level Two
Loans	33,147,399	33,484,150	Level Two
Total Financial Liabilities of non-specified Fair Value	**53,147,399**	**54,073,572**	

The fair value for the financial assets and liabilities for the level 2 were determined in accordance to an agreed pricing models, which reflects the credit risk of the parties that are dealing with it.

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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	**2014**	**2013**
	USD	USD
Aggad Investment Company – major Shareholder	128,592	140,894
Related parties receivables for subsidiary companies	-	40,719
	128,592	**181,613**

	December 31,	
Due to related parties	**2014**	**2013**
	USD	**USD**
Shareholders' payables – subsidiary Companies	112,835	984,959
	112,835	**948,959**
Payments for capital increase in subsidiary company (Note 20)	**2,760,426**	**-**

Transactions:

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

Year 2013	Nature of Transaction	Amount
		USD
Al- Aggad Investment Company – Major Shareholder	Travel and insurance expenses paid on behalf of the Company	234,221

b. The salaries, bonuses and other benefits of the executive management of the holding company and its subsidiaries amounted to USD 3,664,751 for the year 2014 (USD 3,343,179 for the year 2013).

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 debts. Moreover, the Company manages and adjusts capital based on the changes in the economic conditions. Also, the capital is revised on a continuous basis upon the Board of Directors recommendations and the approval of the Company's General Assembly.

The following table shows the ratio of liabilities to equity as of December 31, 2014 and 2013:

	December 31,	
	2014	2013
	USD	USD
Due to banks	29,010,179	33,295,726
Accounts payable	29,942,367	31,139,729
Short – term notes payable	193,264	590,561
Due to related parties	112,835	948,959
Postdated Cheques	7,495,116	9,842,418
Short–term loans installments	17,356,962	11,586,654
Other credit balances	16,491,757	10,742,704
Tax provision	3,099,520	4,216,767
Total Current Liabilities	103,702,000	102,363,518
Provision for end-of-service indemnity	7,774,451	7,413,933
Long-term Bonds	20,000,000	20,000,000
Long-term loans installments	15,790,437	14,161,981
Total Liabilities	147,266,888	143,939,432
Total Owners' Equity	103,643,091	93,272,832
Ratio of Debt to Owners' Equity	142 %	154%

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b. Liquidity Risk

Liquidity risk, also referred to as funding 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, banks facilities and continuously monitoring forecast and actual cash flows, and matches the maturities of financial assets with financial liabilities. Moreover, part of the Company's funds is invested in balances at banks, trading financial assets, accounts receivable and cheques 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 the following:

	December 31,	
	2014	2013
	USD	USD
Current Assets	149,417,798	143,094,711
Less: Current liabilities	(103,702,000)	(102,363,518)
	45,715,798	**40,731,193**

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, cheques 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 geographic areas.

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

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 carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the statement of financial position date are as follows:

	Assets		Liabilities	
	December 31,		December 31,	
	2014	2013	2014	2013
	USD	USD	USD	USD
Jordanian Dinar	46,256,987	47,941,430	24,521,271	10,355,857
Sheikel	41,217,248	39,311,653	33,229,841	40,120,413
Euro	1,778,218	768,346	2,445,180	2,913,357
Central Africa Frank	7,127,721	5,833,914	181,890	4,111,702
Saudi Riyal	3,173,691	2,286,124	2,934,319	197,561

The sensitivity analysis of the accounts exposed to foreign currency exchange risk according to currency for the years 2014 and 2013 that impacts the statement of income and owners' equity is as follows:

	+1%		-1%	
	2014	2013	2014	2013
	USD	USD	USD	USD
Asset				
Shekel	412,172	393,116	(412,172)	(393,116)
Euro	17,782	7,683	(17,782)	(7,683)
Central Africa Frank	71,277	58,339	(71,277)	(58,339)
Saudi Riyal	31,737	22,861	(31,737)	(22,861)
Liabilities				
Shekel	(332,298)	(401,204)	332,298	401,204
Euro	(24,452)	(29,133)	24,452	29,133
Central Africa Frank	(1,819)	(41,117)	1,819	41,117
Saudi Riyal	(29,343)	(1,975)	29,343	1,975

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 for banks borrowings at the consolidated financial statements date. The analysis is prepared assuming that the amount of the liability outstanding at the statement of financial position date was outstanding for the whole year. An increase or decrease amounting to 1% is used which represents management's assessment of the probable and acceptable change in market interest rate:

	+1%		-1%	
	2014	2013	2014	2013
	USD	USD	USD	USD
Statement of income	825,298	796,349	(825,298)	(796,349)

f. Shares Prices Risk

Shares prices risk is the result of the change in the shares fair value. 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 on the Palestinian Stock Market.

	December 31, 2014		
	Change in Indicator	Effect on Statement of Income	Effect on Equity
Indicator	USD	USD	USD
Palestinian Stock Market	- + 5 %	- + 9.185	+- 353,962

	December 31, 2013		
	Change in Indicator	Effect on Statement of Income	Effect on Equity
Indicator	USD	USD	USD
Palestinian Stock Market	- + 5%	- + 681	- + 517,545

g. Occupation and Sovereignty Risks

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

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

38. Earnings per Share for the Company's Shareholders

	For the Year Ended December 31,	
	2014	**2013**
	USD	**USD**
Profit for the year	8,178,653	7,915,792
	Share	**Share**
Weighted average number of shares	60,000,000	50,009,398
	USD/Share	**USD/Share**
Earnings per share for the year relating to the Company's shareholders / basic and diluted	0/136	0/132
Profit for the year	8,178,653	7,915,792
	Share	**Share**
Weighted average number of shares	60,000,000	60,000,000
	USD/Share	**USD/Share**
Earnings per share for the year / diluted	0/136	0/132

- Weighted average of outstanding shares was computed on diluted returned for the Company's shareholders on the basis of the number of authorized shares for the years ended as of December 31, 2014 and 2013, as the comparative figures were recomputed according to the adjusted paid-up capital after distributing free shares in accordance to the requirements of IAS (33).

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