

Arab Palestinian Investment Company
(Holding Company)
British Virgin Islands
Condensed Consolidated Interim Statement of Financial Position

<u>Assets</u>	<u>Note</u>	<u>September 30, 2021</u> <u>(Reviewed not audited)</u> <u>USD</u>	<u>December 31,</u> <u>2020</u> <u>(Audited)</u> <u>USD</u>
Current Assets			
Cash on hand and at banks		43,048,784	39,618,477
Accounts receivable and cheques under collection - net	5	181,089,675	128,889,540
Inventory - net	7	89,325,623	90,497,625
Due from related parties	16	3,137,936	348,702
Financial assets at fair value through profit or loss	18	340,144	695,433
Other debit balances	6	40,118,712	28,669,012
Leasing contracts receivable- short term		5,879,614	4,126,620
Total Current Assets		362,940,488	292,845,409
Non-Current Assets			
Leasing contracts receivable - long term		9,507,549	6,817,531
Checks under collection - long term		3,768,590	2,466,216
Deferred tax assets		2,459,153	2,275,287
Financial hedging instruments assets		8,106,000	8,551,200
Right of use assets - net		7,930,615	9,138,081
Financial assets at fair value through other comprehensive income	18	37,707,465	27,740,468
Investment in plots of land	18	819,127	819,127
Intangible assets - net	2	44,333,248	25,512,886
Investment in affiliates		7,941,880	8,382,511
Property and equipment - net		104,933,491	124,774,903
Project under construction		10,874,227	1,824,492
Total Non-Current Assets		238,381,345	218,302,702
Total Assets		601,321,833	511,148,111
Liabilities and Owner's Equity			
Current Liabilities			
Accounts payable		56,476,325	62,128,036
Due to Banks	9	47,341,208	29,837,118
Notes payable within one year and postdated cheques		6,637,061	8,227,998
Due to related parties	16	476,817	523,765
Lease liabilities - short term		3,104,077	2,643,846
Installments of loans maturing within a year	10	65,296,346	62,925,756
Other credit balances	8	37,255,644	29,810,851
Income tax provision	12	5,747,127	5,826,301
Total Current Liabilities		222,334,605	201,923,671
Non-Current Liabilities			
Provision for end of service indemnity		19,043,050	17,254,997
Long term bonds payable	11	74,212,000	75,102,400
Lease liabilities - long term		5,834,647	6,462,939
Financial hedging instruments liabilities		7,959,000	7,959,000
Long term loan installments	10	78,219,389	27,687,543
Total Non-Current Liabilities		185,268,086	134,466,879
Total Liabilities		407,602,691	336,390,550
Owners' Equity			
The authorized capital is 125,000,000 shares with a par value of US \$ 1 per share	1	125,000,000	100,000,000
Shareholders' Equity			
Paid up capital	1	105,000,000	95,000,000
Share premium	1	12,103,000	10,075,000
Retained earnings		27,946,434	36,935,837
Profit for the period		27,769,944	-
Cumulative change in fair value		2,357,049	(277,563)
Property and equipment revaluation reserve		8,753,276	15,636,052
Foreign currency translation effect		(811,408)	347,165
Difference on the purchase of non-controlling interest	2	(18,648,228)	(11,844,996)
Total Shareholders' Equity		164,470,067	145,871,495
Non - controlling interest		29,249,075	28,886,066
Total Owners Equity		193,719,142	174,757,561
Total Liabilities and Owners' Equity		601,321,833	511,148,111

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Arab Palestinian Investment Company
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British Virgin Islands
Condensed Consolidated Interim Statement of Profit or Loss

	Note	For the Three-Months Ended		For the Nine-Months Ended	
		September 30,		September 30,	
		2021	2020	2021	2020
		(Reviewed not audited)	(Not reviewed or audited)	(Reviewed not audited)	(Not reviewed or audited)
		USD	USD	USD	USD
Net sales		301,896,250	252,481,607	817,531,598	656,161,148
<u>Less:</u> Cost of sales		(262,682,262)	(223,542,600)	(711,776,030)	(578,263,978)
Net sales revenue		39,213,988	28,939,007	105,755,568	77,897,170
Services revenue		2,249,167	1,553,488	4,351,541	3,798,019
<u>Less:</u> Cost of services		(1,551,354)	(940,522)	(4,026,975)	(2,684,838)
Net services (loss) revenue		697,813	612,966	324,566	1,113,181
Profit from Sales and Services	17	39,911,801	29,551,973	106,080,134	79,010,351
<u>Less:</u> General and administrative expenses		(14,342,564)	(14,057,528)	(38,688,713)	(32,900,173)
Selling and distribution expenses		(8,010,878)	(6,783,169)	(22,798,615)	(19,263,249)
Profit from Operations		17,558,359	8,711,276	44,592,806	26,846,929
<u>Less:</u> Interest and borrowing cost		(4,435,661)	(3,760,139)	(11,409,270)	(8,782,954)
Other (loss) revenue - net		(546,265)	3,414,431	561,502	2,142,333
Profit for the Period before Income Tax		12,576,433	8,365,568	33,745,038	20,206,308
<u>Less:</u> Income tax expense	12	(2,427,698)	(1,480,715)	(6,721,228)	(4,322,099)
Profit for the Period		10,148,735	6,884,853	27,023,810	15,884,209
Add: Net (loss) profit from discontinued operations	19	-	44,642	(325,790)	61,775
Profit resulting from the sale of a subsidiary	19	-	-	4,669,423	-
Profit for the period		10,148,735	6,929,495	31,367,443	15,945,984
Attributable to:					
Company's shareholders		8,585,923	5,328,952	27,769,944	12,726,100
Non-controlling interest		1,562,812	1,600,543	3,597,499	3,219,884
		10,148,735	6,929,495	31,367,443	15,945,984
Earnings per share attributable to the Company's shareholders	13	0/082	0/051	0/265	0/123

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British Virgin Islands

Condensed Consolidated Interim Statement of Comprehensive Income

	For the Three-Months Ended September 30,		For the Nine-Months Ended September 30,	
	2021	2020	2021	2020
	(Reviewed not audited)	(Not reviewed or audited)	(Reviewed not audited)	(Not reviewed or audited)
	USD	USD	USD	USD
Profit for the period	10,148,735	6,929,495	31,367,443	15,945,984
Other comprehensive income items that might be transferred to the statement of profit or loss later:				
Change in fair value - financial assets at fair value through other comprehensive income	2,202,506	112,251	2,634,612	(1,382,937)
Change in fair value - property, plant and equipment / Land	-	-	142,821	-
Foreign currency translation	(333,173)	(60,097)	(1,946,280)	(59,328)
Total comprehensive income	12,018,068	6,981,649	32,198,596	14,503,719
Total Comprehensive Income Attributable to:				
Company's shareholders	10,811,277	5,379,827	29,388,804	11,283,835
Non-controlling interest	1,206,791	1,601,822	2,809,792	3,219,884
	12,018,068	6,981,649	32,198,596	14,503,719

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Condensed Consolidated Interim Statement of Changes in Owners' Equity

Notes	Paid-up Capital	Share Premium	Retained Earnings	Profit for the Period	Cumulative Change in Fair Value	Property and Equipment Revaluation Reserve	Foreign Currency Translation Effect		Difference of Non-controlling Interest	Total Shareholders' Equity		Non-controlling Interest		Total Owners' Equity
							USD	USD		USD	USD	USD	USD	
For the Nine-Months Ended September 30, 2021. (Reviewed not audited)														
	95,000,000	10,075,000	36,935,837	-	(277,563)	15,636,052	347,165	(11,844,996)	28,886,066	145,871,495	28,886,066	174,757,561		
Balance - beginning of the period					2,634,612					2,634,612		2,634,612		
Change in fair value - financial assets at fair value through other comprehensive income						142,821				142,821		142,821		
Change in fair value - property, plant and equipment							(1,158,573)			(1,158,573)		(1,158,573)		(1,946,280)
Foreign currency translation														
Profit for the Period			27,769,944						3,597,489	27,769,944	3,597,489	31,367,433		
Total comprehensive income				27,769,944	2,634,612	142,821	(1,158,573)		2,809,792	29,388,804	2,809,792	32,198,596		
Increase in paid up capital **	10,000,000		(8,800,000)							1,200,000		1,200,000		
Share premiums resulting from the increase in paid up capital ***		2,028,000								2,028,000		2,028,000		
Dividends distributed ***			(7,215,000)							(7,215,000)		(7,215,000)		
Net change in the revaluation reserve of Property and Equipment/ Land			7,025,597			(7,025,597)						(15,591)		(15,591)
Net change in non-controlling interest *								(6,803,232)		(6,803,232)	(2,431,192)	(9,234,424)		
Balance - End of the Period	105,000,000	12,105,000	27,946,434	27,769,944	2,357,049	8,759,276	(811,408)	(18,648,238)	29,249,075	164,470,067	29,249,075	193,719,142		
For the Nine-Months Ended September 30, 2021. (Not reviewed or audited)														
	89,000,000	10,075,000	28,922,918	-	1,826,014	14,829,284	110,655	(11,876,656)	24,955,801	132,887,215	24,955,801	157,843,016		
Balance - beginning of the period					(1,382,937)					(1,382,937)		(1,382,937)		
Change in fair value - Financial assets at fair value through other comprehensive income							(59,328)			(59,328)		(59,328)		
Foreign currency translation														
Profit for the Period				12,726,100			(59,328)		3,219,884	12,726,100	3,219,884	15,945,984		
Total comprehensive income				12,726,100	(1,382,937)				3,219,884	11,283,835	3,219,884	14,503,719		
Increase in paid up capital **	6,000,000		(6,000,000)											
Dividends distributed ***			(6,000,000)							(6,000,000)		(6,000,000)		
Net change in Property and Equipment revaluation reserve / Land						(39,458)				(39,458)		(39,458)		
Net change in non-controlling interest *								31,677		31,677	(203,732)	(172,055)		
Balance - End of the Period	95,000,000	10,075,000	16,922,918	12,726,100	443,077	14,789,826	51,327	(11,844,979)	27,971,963	138,163,269	27,971,963	166,135,232		

Retained earnings include USD 2,459,453 as of September 30, 2021, which represents amounts booked by the Company's subsidiaries against deferred tax benefits (USD 2,275,278 as of December 31, 2020).

* This item represents the net change in non-controlling interest resulting from the increase or decrease in the share of non-controlling interest in the share capital of some of the subsidiaries during the period.

** The general assembly has decided in its non-ordinary meeting held on December 22, 2020 to increase the Company's paid up capital by USD 1.2 million through the distribution of stock dividends to the Non-controlling shareholders in Unipal General Trading Company, the legal procedures were completed on at January 14, 2021.

*** The general assembly has decided in its meeting held on May 5, 2021, approved the increase in the Company's capital by USD 6.8 million through the distribution of stock dividends, in addition to a cash dividends of USD 7.215 million, or 7.5% of the Company's paid up capital on that date.

**** The General assembly has decided in its meeting held on May 21, 2020, approved a USD 6 million increase in the Company's capital by distributing stock dividends to shareholders in addition to a cash dividend of USD 6 million, or 6.74% of the Company's paid up capital on that date.

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Condensed Consolidated Interim Statement of Cash Flow

	Note	For the Nine-Months Ended September 30,	
		2021 (Reviewed not audited)	2020 (Not Reviewed or audited)
		USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before tax from continuing operations		33,745,038	20,206,308
Net profit from discontinued operations		4,343,633	61,775
Adjustments for:			
Provision for expected credit loss	5	636,785	605,906
Depreciation expense for the period		6,835,970	8,024,208
Financial hedging instruments losses for the period		445,200	-
Provision for slow moving inventory	7	415,330	484,133
Profit from investment in affiliates		440,631	(823,330)
Provision for end of service indemnity		2,694,268	2,134,000
(Profit) Loss on sale of property and equipment		(126,592)	889
Cash Flows from Operating Activities before Changes in Working Capital		49,430,263	30,693,889
(Increase) in accounts receivable, leasing contracts and other debit balances		(52,261,239)	(29,507,626)
Decrease (increase) in inventory	7	5,176,118	(18,498,202)
(Increase) in long -term cheques under collection		587,661	(2,546,203)
Change in related parties balance		(2,836,182)	(3,812,864)
(Decrease) in accounts payable and other credit balances		(4,348,783)	4,796,471
Net Cash Flows (used in) Operating Activities before End-of-Service Indemnity and Income Tax Paid		(4,252,162)	(18,874,535)
Paid from end of service indemnity provision		(611,127)	(358,107)
Paid from income tax provision		(7,131,483)	(4,341,321)
Net Cash Flows (used in) Operating Activities		(11,994,772)	(23,573,963)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Decrease in financial assets at fair value through Profit & Loss		354,626	566,330
(Increase) in financial assets at fair value through other comprehensive income		(8,020,717)	(3,515,975)
Change in investing in subsidiaries		-	901,636
Paid against subsidiaries acquisition arrangements	2	(23,059,839)	-
Change in intangible assets - net	2	1,394,107	(6,360,408)
Paid in cash to acquire non - controlling interest	2	(10,071,684)	-
Cash Received from sale of subsidiary	19	23,000,000	-
Change in Property and equipment and project under construction		(5,366,275)	(7,095,238)
Net Cash Flows (used in) Investing Activities		(21,769,782)	(15,503,655)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in due to banks		17,504,090	22,528,745
Increase in bonds payable	11	(890,400)	39,409,400
Increase in loans, checks and notes payable		39,597,933	(17,373,222)
Dividends distributed		(7,215,000)	(6,000,000)
Net change in non - controlling interest and foreign currency translation		(11,180,704)	(203,722)
Net Cash Flows from Financing Activities		37,815,919	38,361,201
Net Increase (Decrease) in Cash		4,051,365	(716,417)
Increase in cash as a result of subsidiary acquisition		143,120	-
(Decrease) in cash as a result of sale of subsidiary		(764,178)	-
Cash on hand and at banks- beginning of the period		39,618,477	27,115,988
Cash on Hand and at Banks - End of the Period		43,048,784	26,399,571
Non Cash Items			
Increase in share premium		2,028,000	-

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