APIC أيبك

Driven by Excellence يَقودُنا التميُّز

Annual Report 2022

APIC أيبك

Driven by Excellence يَقودُنا التميُّز

Manufacturing

سنيوره Siniora

نابكو NAPCO Aluminum of Palestine

Trade & Distribution

UNIPAL يونيبال

Palestine Automobile Company
الشركة الفلسطينية للسيارات

Medical Supplies and Services Company
شركة التوريدات والخدمات الطبية

Services

Sky
Advertising • Public Relations • Events

Arab Leasing Company
الشركة العربية للتأجير التمويلي

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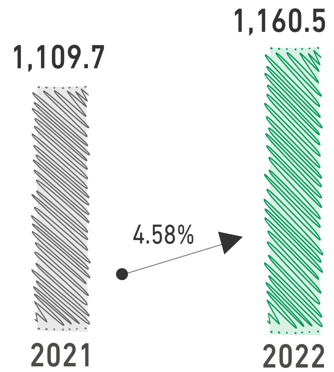
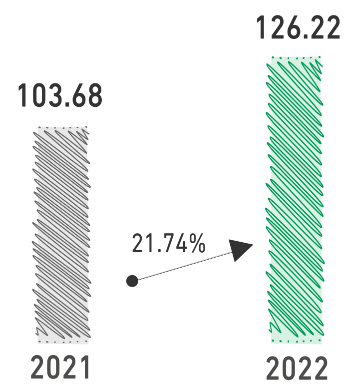
Key Performance Indicators

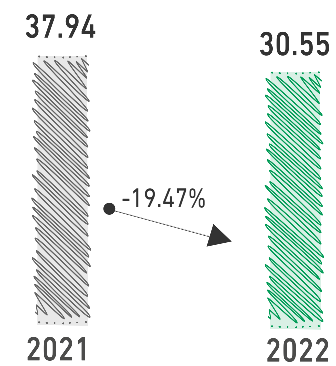
Revenues
(USD millions)



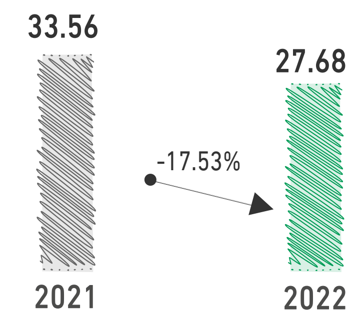
Expenses
(USD millions)



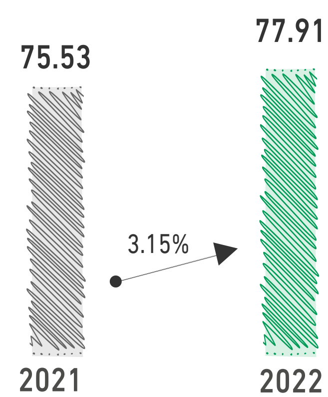
Net Profit After Tax
(USD millions)



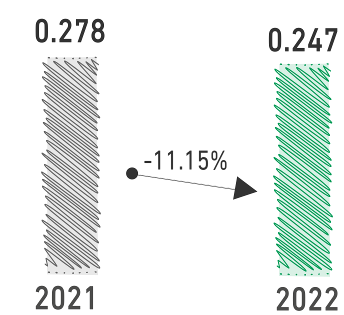
Net Profits Attributed to APIC Shareholders
(USD millions)



EBITDA
(USD millions)



Earnings Per Share
(USD)



Chairman's Statement

Dear Shareholders,

It is my pleasure to present the annual report of your company APIC, highlighting the progress we have made over 2022. I am pleased to inform you that despite the challenges faced by the global economy, I can report that our company has continued to grow and has achieved acceptable results. Our success is a result of the hard work and dedication of our talented employees, the loyalty of our customers, and the support of our shareholders.

Achieving USD 30.6 million in net profits in 2022

In 2022, total revenues amounted to USD 1.16 billion, a growth of 4.6% year on year. Net profits amounted to USD 30.6 million, a decline of 19.5% for the same period, while net profits attributed to APIC shareholders amounted to USD 27.7 million, a decline of 17.5%. Earnings per share amounted to USD 0.25, a decline of 11.2% year on year. This decline in the group's results in 2022 versus 2021 was caused by a number of factors:

1. 2021's results included a one-time non-operational profit of USD 4.67 million resulting from the sale of APIC's entire stake in Arab Palestinian Shopping Centers Company (Bravo).
2. Unprecedented regional and global economic challenges, which included a significant increase in supply chain costs worldwide involving the price of raw materials, production, shipping, energy, transportation, and storage due to the war in Ukraine among others.
3. A rise in the group's financing costs by 62%, partly due to a major hike in global interest rates, in addition to the increase in the cost of financing associated with expansions and working capital.
4. The company has been impacted by the presentation of the results of Siniora's Turkish subsidiary Polonez applying International Accounting Standard No. 29 because Turkey was classified by our auditors as a hyperinflationary country in April 2022.

Electing a new Board of Directors experienced in investment, governance, finance, energy, and entrepreneurship

During the company's general assembly in May 2022, a new Board of Directors was elected for the next four years, businesswomen and businessmen from Palestine, Saudi Arabia, Jordan, the United Arab Emirates, and the United Kingdom, whose expertise spans various fields including investment, governance, energy, manufacturing, trade, services, finance, and entrepreneurship.

Increasing APIC's paid-in capital to USD 112 million

In 2022, APIC raised its paid-in capital from USD 105 million to USD 112 million by increasing the number of the company's issued shares through the distribution of seven million in bonus shares to APIC shareholders.

The total value of distributed dividends amounted to USD 18 million, 17.14% of the company's paid-in capital

In conjunction with the distribution of bonus shares, which represented 6.666% of the company's paid-in capital, APIC distributed cash dividends to its shareholders amounting to USD 11 million, which represented 10.476%; accordingly, the total value of distributed dividends in cash and bonus shares amounted to USD 18 million, which represented 17.14% of the company's paid-in capital at the time.

APIC's market capitalization grew by 23%

APIC's share maintained good performance throughout 2022, closing at USD 3.8 by the end of the year, a growth of 15% versus 2021. APIC's market capitalization increased to USD 425.6 million by the end of 2022, a growth of 23% year on year.

Subsidiaries of the group achieved significant operational developments

In 2022, we achieved several milestones such as the launch of new products and services and the expansion of our business. Palestine Automobile Company (PAC) acquired the distribution rights for the MG automobile brand in Palestine from SAIC Motor Cooperation, the largest automotive manufacturer in China; the company is also a leader in manufacturing electrical vehicles. This latest acquisition will strengthen PAC's position by increasing total volume sales and bringing new technologies and diversification in terms of car offerings in the market.

In line with diversifying the product portfolio of Siniora Food Processing Company, Badeel the soy-free and gluten-free vegan meat alternative product was innovated and developed by the Siniora team in Jordan, Palestine, and the United Arab Emirates, and was launched in the Jordanian, Emirati, and Palestinian markets.

Medical Supplies and Services Company (MSS) obtained exclusive distribution rights in Palestine for several multinational brands in the field of medical and surgical equipment and hygiene. This move will enrich MSS's portfolio with more premium quality brands and significantly strengthen the company's position in the Palestinian market.

Following the increase of its authorized and paid-in capital by JD 3 million to finance part of its strategic expansion plans, National Aluminum and Profiles Company (NAPCO) began construction on new buildings in early 2022 to accommodate the new production lines, which will be installed during the second quarter of 2023, and will contribute to doubling the volume of production, reducing costs, enhancing competitiveness and diversifying products in the local market and neighboring markets alike. It is expected that the new production lines will operate at full capacity during the fourth quarter of 2023.

We will continue to build on the successes of our subsidiaries and always seize unique opportunities in new products, sectors, and geographies to maintain annual growth and a competitive market position. In addition, APIC will continue investing a portion of its excess profits according to a set investment strategy to achieve diversification and long-term capital preservation and growth.

New initiatives towards sustainability

Furthermore, we have prioritized sustainability initiatives, recognizing the importance of environmental, social, and governance (ESG) aspects in the success of our business. We have implemented numerous sustainable practices to reduce our environmental footprint, while also making significant contributions to the communities in which we operate. APIC also established the Sustainable Development and Social Responsibility Committee stemming from the Board of Directors, which will be responsible for setting the company's guidance and direction and overseeing policies and progress on the company's social, ethical, environmental, and community issues.

USD 2 million investment in corporate social responsibility by supporting more than 85 institutions

In 2022, APIC and its subsidiaries invested USD 2 million in corporate social responsibility (CSR), which represented 6.7% of the group's net profit. This comes in line with our belief that CSR and supporting others are humanitarian and national obligations to contribute to achieving social and economic sustainability. We provided financial, moral, and in-kind support for more than 85 charitable and humanitarian institutions that work with orphans, families, and people with special needs, among other institutions in the fields of education, youth, leadership and entrepreneurship, health and medical care, culture, and heritage among others.

Women's empowerment

APIC strives to achieve a gender-balanced workforce and actively balance the gender ratio in managerial positions by providing career support and guidance through employee development initiatives, training plans, and mentoring programs, in addition to supporting staff to achieve a better work-life balance by offering various facilities for all employees.

Lastly, despite this "perfect storm" of unprecedented external impact, the APIC group realized a good and acceptable bottom line that was led by the persistent motivation and loyalty of our 3,000 employees, and I am confident that the APIC family will bring about the growth and profitability we aspire to achieve in the future. On behalf of myself and the Board of Directors, I thank every one of our employees for continuing to deliver under very challenging conditions. I also thank APIC shareholders for your trust in your company and aspire to achieve more success with you.

Kindest regards,

Tarek Omar Aggad

CORPORATE GOVERNANCE

Board of Directors

APIC’s board of directors as of December 31, 2022, is:

Tarek Omar Aggad
Chairman

Tarek Shakaa
Vice Chairman

Hashim Shawa
Member

Dr. Mazen Hassounah
Member

Nashat Masri
Member

Lana Ghanem
Member

Maysa Baransi
Member

Leena Khalil
Member

Olga Aburdene
Member

Ahmad Atwan
Member

Khalid Kayyali
Member

Mohammad Abukhaizaran
Member

Committees of the Board of Directors

Audit Committee:

Responsibilities: Assist the board of directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the company’s process for monitoring compliance with laws and regulations.
Chair: Dr. Mazen Hassounah.
Committee members: Nashat Masri, Olga Aburdene, Mohammad Abukhaizaran.

Investment Committee

Responsibilities: Support the company’s growth agenda through mergers and acquisitions, and develop an investment strategy and execute on it.
Chair: Nashat Masri.
Committee members: Hashim Shawa, Olga Aburdene, Lana Ghanem, Ahmad Atwan, Leena Khalil.

Remuneration Committee

Responsibilities: Assist the board of directors in fulfilling its oversight responsibilities in relation to the appointments of directors and senior executives in APIC “e.g., CEO, CFO. As well as reviewing salaries and bonuses policies and retention plan, succession plans, ensuring the adequacy and reasonableness of total remuneration paid to the CEO and other APIC executives who report to the CEO, and the company’s process for monitoring compliance with laws and regulations relating to the Wages and Labor Act.
Chair: Tarek Shakaa.
Members: Dr. Mazen Hassounah, Khalid Kayyali.

Committee for Sustainable Development and Social Responsibility

Responsibilities: Set guidance and direction and oversee policies and progress on the company’s social, ethical, environmental, and community issues.
Chair: Maysa Baransi.
Members: Lana Ghanem, Tarek Aggad, Ali Aggad (advisor of the board).

Board Remuneration

The board remuneration policy stipulates that each board member receives the amount of USD 40,000 as annual compensation. The total board remuneration in 2022 amounted to USD 417,100. While the value of remuneration for members of the committees stemmed from of the board of directors amounted to USD 78,000 in 2022.

Regulatory Controls

Members of the board of directors 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 at all levels.

APIC and its subsidiaries operate within systems of governance that regulate the management of operations at all levels. The Internal Audit Department at APIC oversees the application of policies and procedures for all administrative, financial, and operational departments across APIC subsidiaries. Internal audit reports are reviewed by the board of directors of each subsidiary.

Moreover, independent internal auditing for APIC and its subsidiaries is undertaken by PricewaterhouseCoopers (PwC).

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

Executive Management

APIC's executive management team as of December 31, 2022, is:

Tarek Omar Aggad
Chief Executive Officer

Nader Hawari
VP - Corporate Operations and Business Development

Khaled Baradei
Chief Financial Officer

Maher Awartani
Chief Strategy and Investment Officer

Fida Musleh/Azar
Investor Relations and Corporate Communication Manager

Ramez Abu Ghazaleh
Internal Audit Manager

Legal Advisor

A. F. & R Shehadeh - Law Firm

www.shehadehlaw.com

External Auditor

Deloitte & Touche Middle East - Jordan

www.deloitte.com

About APIC... 28 Years of Excellence

Milestones

Growth

Today

- Public shareholding listed and traded on Palestine Exchange (PEX: APIC)
- Paid-in capital of USD 112 million
- Authorized capital of USD 125 million
- 3,000 employees in Palestine, Jordan, Saudi Arabia, the United Arab Emirates, Iraq and Turkey

2014

- Listed its shares on the Palestine Exchange (PEX) on March 2, 2014 (PEX: APIC)
- Established Arab Leasing Company, Palestine

2013

- Became a public shareholding company

Milestones

2000

- Acquired Sky Advertising and Promotion Company, Palestine

1998

- Acquired Unipal General Trading Company, Palestine
- Acquired Palestine Automobile Company, Palestine
- Acquired Medical Supplies and Services Company, Palestine

1996

- Acquired Siniora Food Industries, Palestine and Jordan
- Registered in Palestine as a foreign private shareholding company

1995

- Acquired National Aluminum and Profiles Company (NAPCO), Palestine

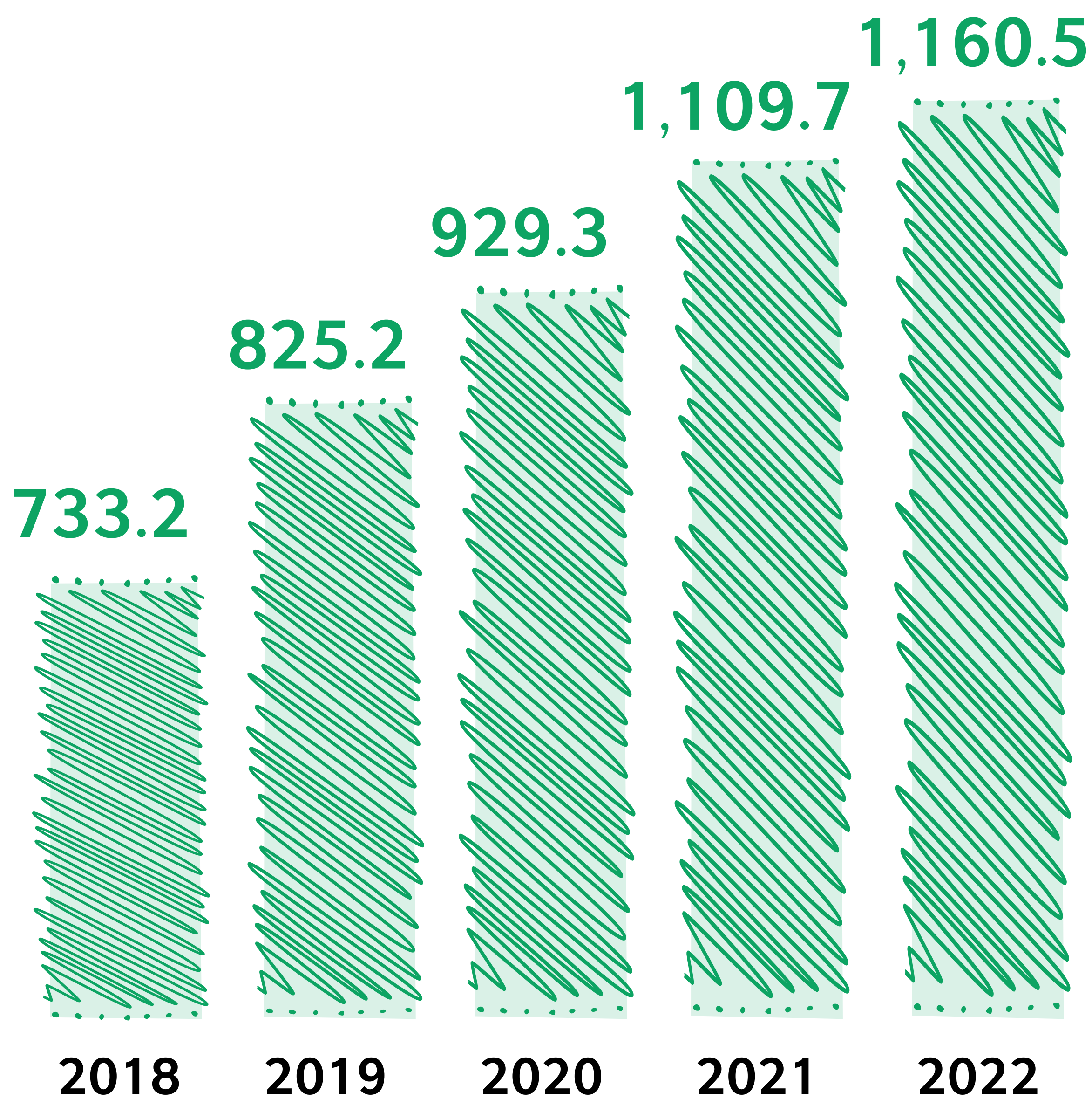
1994

- Established and registered in BVI as a private investment holding company with a capital of USD 70 million

Inauguration

Total Revenues 2018-2022

(USD Million)



Establishment

Arab Palestinian Investment Company (APIC) was founded by a group of Arab businessmen for the purpose of channeling funds and investments to Palestine, paving the way to greater development and creating new jobs in the country.

The company was established and registered on September 20, 1994, in the British Virgin Islands (BVI registration number 128626). On May 8, 1996, APIC was registered with the Ministry of National Economy in Palestine as a foreign private shareholding company (registration number 563600634).

APIC was 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 USD 125 million divided into 125 million shares (USD 1.00 per share); while its paid-in capital is USD 112 million as of December 31, 2022.

Vision

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

Mission

To achieve business and financial success by investing in market-leading companies, thereby elevating the community through resources, 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's investments are diverse, spanning across the manufacturing, trade, distribution and service sectors, with a presence in Palestine, Jordan, Saudi Arabia, the United Arab Emirates, Iraq and Turkey through its group of subsidiaries, which include National Aluminum and Profiles Company (NAPCO); Siniora Food Industries Company; Unipal General Trading Company; Palestine Automobile Company; Medical Supplies and Services Company; Sky Advertising and Promotion Company; Arab Leasing Company; and the Arab Palestinian Storage and Cooling Company employing over 3,000 staff. Subsidiaries of APIC offer a wide array of products and services through distribution rights agreements with multinational companies.

Global Partners

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 everyone 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

Women's empowerment

Equality at the workplace is a basic labor principle that APIC ensures to uphold for all employees, males, and females. This includes employment, promotion, salaries, and professional development.

APIC ensures women's empowerment by adhering to the following pillars:

Employment: Strive to achieve a gender-balanced workforce and actively balance the gender ratio in managerial positions.

Empowerment: Increase the investment in the capabilities and competencies of employees by providing career support and guidance through employee development initiatives, training plans, and mentoring programs.

Work and Life: Support employees to achieve a better work-life balance.

Shareholders

APIC's share

APIC's share performance	2022	2021	% Change
Share close (USD) as of December 31 (USD)	**3.80**	3.30	15.2%
Trading volume (shares)	**21,090,689**	19,016,894	10.9%
Trading value (USD)	**75,286,729**	58,527,539	28.6%
Market capitalization as of December 31 (USD)	**425,600,000**	346,500,000	22.8%
Number of shareholders	**1,388**	1,184	17.2%
Free Float	**75.2%**	53.4%	40.9%

High: USD 3.9 | Low: USD 3.2

Shareholders who own 5% and above

Shareholder	Ownership % as at December 31, 2022
Aggad International Investment CO LTD	18.51%

Main Decisions of the General Assembly 2022

Decisions of the Extraordinary General Meeting

The general assembly resolved amending Article 44 of the Company's bylaws regarding the number of the members of the Board of Directors to become as follows: "Subject to any subsequent amendment to change the number of directors, the number of the directors shall range from eight to fourteen".

Decisions of the Ordinary General Meeting

- The report of the APIC Board of Directors for the year 2021 was approved.
- The auditor's report and the financial statements for the year ending December 31, 2021 were approved.
- Deloitte & Touche Middle East was elected as the Company's auditor for the year 2022 and the Board of Directors was authorized to set the company's remuneration.
- The General Assembly approved and ratified the Board of Director's recommendation in relation to a dividend distribution of around 17.14% of APIC's paid-in capital amounting to USD 105 million for shareholders of record (who were registered as of May 8, 2022, COB) as follows:
  - ◊ Cash dividends amounting to USD 11 million, representing around 10.476%.
  - ◊ Share dividends amounting to 7 million shares, representing around 6.666%.
- Members of the Board of Directors were exonerated for the fiscal year ending December 31, 2021.
- A new Board of Directors was elected for a 4-year term.

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 by email, via its website and through social media channels.

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

Share Information: Share data and performance (instant and historical).

Financial Data: Periodic financial statements and annual reports.

Investor Brief: Periodic publications that highlight APIC's share and financial performance, as well as other major business developments.

General Assembly: GA information, invitations, meeting minutes and approved dividend distribution.

Investor Relations Contact Information

Dividend Policy

There is no written policy dedicated to dividend distribution at APIC. The following table shows dividend distribution in the past five years:

Fiscal year	General assembly resolution date	Dividend type	% of paid-in capital		Paid- in capital (USD)	Amount of distributed cash dividends	Number of distributed bonus shares
2021	May 9, 2022	Cash & bonus shares	17.14%	Cash: 10.476% Bonus shares: 6.666%	105,000,000	USD 11,000,000	7,000,000 shares
2020	May 5, 2021	Cash & bonus shares	16.647%	Cash: 7.5% Bonus shares: 9.147%	96,200,000	USD 7,215,000	8,800,000 shares
2019	May 21, 2020	Cash & bonus shares	13.48%	Cash: 6.74% Bonus shares: 6.74%	89,000,000	USD 6,000,000	6,000,000 shares
2018	May 2, 2019	Cash & bonus shares	12.8%	Cash: 6.1% Bonus shares: 6.7%	82,000,000	USD 5,000,000	5,500,000 shares
2017	May 2, 2018	Cash & bonus shares	14.28%	Cash: 7.14% Bonus shares: 7.14%	70,000,000	USD 5,000,000	5,000,000 shares

APIC Investments

Competitive Position

It is difficult to determine the overall competitive position of APIC given the diversity of its investments as well as the diversity of the sectors and 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, 2022	Country of Registration	Country of Operations	Main Activities and Operations
Manufacturing Sector				
Siniora Food Industries Company PLC	65.63%	Jordan	Jordan, Palestine, Saudi Arabia, UAE, Turkey	Manufacturing of cold cuts, luncheon canned meat and frozen meat
National Aluminum and Profiles Company PLC	77.02% (1)	Palestine	Palestine, Jordan	Manufacturing of aluminum and profiles
Trade and Distribution Sector				
Unipal General Trading Company PSC	100% (2)	Palestine	Palestine, Jordan	Distribution of consumer products
Palestine Automobile Company PSC	100%	Palestine	Palestine	Distribution of cars and after-sales services
Medical Supplies and Services Company PSC	100%	Palestine	Palestine, Jordan, Iraq	Distribution of medical supplies, equipment, and healthcare products
Services Sector				
Sky Advertising and Promotion Company PSC	100%	Palestine	Palestine	Advertising, public relations and event management
Arab Leasing Company PSC	100%	Palestine	Palestine	Leasing of vehicles, equipment, and machines
Arab Palestinian Storage and Cooling Company PSC	71.11% (3)	Palestine	Palestine	Storage and cooling

(1) This percentage represents APIC's direct ownership of 74.85% in addition to its indirect ownership of 2.17 % through its subsidiary Unipal.
(2) This percentage represents APIC's direct ownership of 97.5% in addition to its indirect ownership of 2.5% through its subsidiary Palestine Automobile Company.
(3) This percentage represents APIC's direct ownership of 31.11% in addition to its indirect ownership of 40% through its subsidiary Unipal.

Other Investments

APIC's total investment portfolio in listed and unlisted shares, affiliate companies and investment funds amounted to USD 67.4 million as at December 31, 2022.

Future Objectives

APIC aims to sustain the performance, success, and competitive position it has acquired. 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 while maintaining its focus on its core values and principles.

ABOUT APIC "SUBSIDIARIES"

Siniora Food Industries Company

The leader in the region's meat manufacturing sector

Siniora Food Industries own two brands, Siniora Al-Quds and Union, which are both recognized as leaders in manufacturing cold cuts, luncheon meat and frozen meat. Siniora is one of the first and largest meat manufacturing companies in the region, producing its lines in four state-of-the-art processing plants built using the latest technologies, one located in East Jerusalem, Palestine, the second located in King Abdullah II Industrial Estate in Jordan, the third in Dubai, the United Arab Emirates and the fourth in Istanbul, Turkey.

The company was founded in Jerusalem, Palestine, in 1920, established its factory in Jordan in 1992, and was acquired by APIC in Palestine and Jordan in 1996. Siniora's subsidiary in the UAE, Diamond Meat Processing Company, is the owner of the Al Masa brand, and its subsidiary in Turkey Polonez Meat Manufacturing Company, owns the Polonez brand.

Siniora factories in Jordan, Palestine, and the United Arab Emirates have been awarded certificates in Food Safety Management System FSSC 22000, which are approved by Global Food Safety Initiative. Moreover, all Siniora factories in Jordan, Palestine, the UAE, and Turkey have been awarded certificates in Food Safety Management System ISO 22000:2018, quality management certificates, and halal certifications. Furthermore, Siniora factories in Palestine, Jordan, and Turkey hold certificates in safety and occupational health management and environmental management, while the factory in Palestine holds the Palestinian Standard Certificate. In addition, the company has been awarded the information security certificate in Jordan and Palestine.

Siniora produces over 100 types of cold cuts, canned luncheons, and frozen meat. Moreover, in 2022, the company began production on the plant-based product Badeel, a vegan meat alternative that is soy-free and gluten-free and comes in four types - burgers, minced, sausages, and nuggets.

The company markets its products through mass merchandisers, grocery stores, high-frequency stores and department stores in Jordan, Palestine, Saudi Arabia, the UAE, and Turkey as well as in many other countries in the Middle East. Siniora also has distribution centers in Saudi Arabia, and the UAE and a dedicated export department covering the Gulf and the Levant. Siniora is a public shareholding company and is listed on the Amman Stock Exchange (ASE: SNRA).

CEO: Majdi Al Sharif

Contact Information

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National Aluminium and Profiles Company (NAPCO)

The first aluminum profiles manufacturer in Palestine

Founded in 1991, and acquired by APIC in 1995, NAPCO is the first aluminum profiles manufacturer in Palestine. It is a public shareholding company and is listed on the Palestine Exchange (PEX: NAPCO). Located in Nablus, and originally launched to serve the needs of the local market, NAPCO's state-of-the-art 40,000-square-meter plant has an annual production capacity of over 7,000 tons of high-quality products that comply with international standards and specifications. NAPCO's innovative and enduring product solutions have penetrated regional markets and the company's profile systems serve numerous architectural and industrial branches.

NAPCO has a branch office in Jordan for the purpose of seizing opportunities in the Jordanian market, as well as making the country a foothold for expansion in neighboring Arab markets. NAPCO also has two representative offices, one in Ramallah and one in Gaza.

In line with NAPCO's vision to offer integrated engineering solutions, and in order to keep up with the latest global trends of utilizing renewable energy and environmentally-friendly natural resources, it offers integrated solar energy solutions through its affiliate Qudra Energy Solutions Company, including design, supply, installation, supervision, quality assurance inspections as well as after-sales services through a team of highly-qualified engineers and experts who use the latest systems with the best international standards.

NAPCO holds the highest technical and administrative certificate issued by the Palestinian Standards Institution, the Quality Certificate PS30 based on the latest international references, the ISO 45001:2018 Occupational Health and Safety Certificate, and the ISO9001:2015 certificate, in addition to a number of technical conformity reports and certificates from various standards institutes and scientific research centers.

General Manager: Anan Anabtawi

Contact Information

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Website: www.napco.ps

Headquarters

Beit Iba, Qusin Junction, Nablus

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Fax: +970 9 234 7616

Unipal General Trading Company

The leading fast-moving consumer goods distributor in Palestine

Founded in 1994 as a private shareholding company and acquired by APIC in 1998, Unipal General Trading Company is by far the leading fast-moving consumer goods (FMCG) distributor in Palestine and a rising star in distribution in Jordan. The company possesses and services sole distribution rights for major multinationals across both countries. Unipal's highly efficient distribution system delivers leading quality products that fulfill the consumer's needs.

Unipal can effectively drive its product portfolio to a leading market position in a short time span due to its extensive distribution network of over 10,000 retail outlets throughout both countries. Moreover, Unipal owns state-of-the-art distribution centers with a capacity of over 18,000 pallets.

Unipal services include a full route to market management, managing distribution, supply chain, and logistics, leading to best-in-class in-store execution. Unipal services are delivered by the most professional teams supported by operational excellence, solid financial management, brand management, a focus on innovation, and the use of the latest technologies.

Unipal
يونيبال

CEO: Imad Khoury

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Tel: +970 2 298 1060
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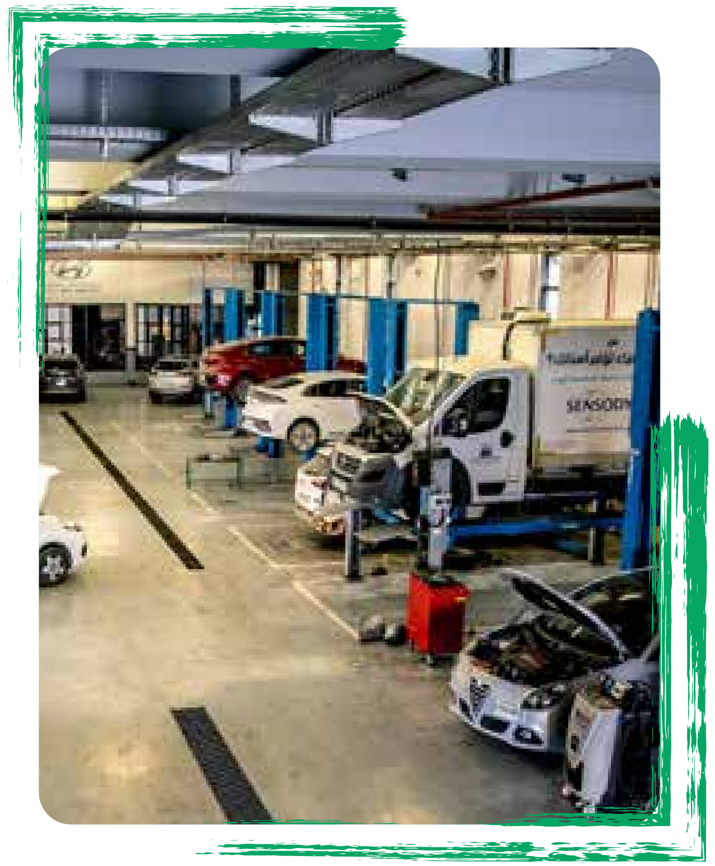

Palestine Automobile Company
الشركة الفلسطينية للسيارات

Palestine Automobile Company

Excellence in after-sales services via state-of-the-art service centers

Founded in 1995 as a private shareholding company, and acquired by APIC in 1998, Palestine Automobile Company (PAC) is the sole distributor for the Hyundai Motor Company's entire line-up of passenger cars, trucks, and vans, in addition to Fiat Chrysler Automobiles, which include the Fiat, Fiat Professional, Alfa Romeo, Chrysler, Jeep, Dodge and Ram brands.

Moreover, in 2022 PAC acquired the distribution rights for the MG automobile brand in Palestine from SAIC Motor Cooperation, the largest automotive manufacturer in China and a leader in manufacturing electrical vehicles.

PAC's guiding principle is to provide its customers with numerous options of high-quality vehicles and top-notch after-sales services. In all of its main sales showrooms, customers have the choice of wide variety of brand-new cars, and the company also operates several large state-of-the-art service, parts and body and paint facilities, staffing them with qualified engineers and technicians. Moreover, PAC's Customer Relationship Management (CRM) protocol seeks to increase customer satisfaction and retention through a number of initiatives and activities.

PAC owns and operates four sales showrooms, three service centers, two body and paint shops, and four spare parts warehouses in major Palestinian cities, along with its network of authorized dealers across Palestine.

General Manager: Rami Shamshoum

Contact Information

E-mail: info@pac-pal.com

Website: www.pac.ps

Headquarters
Ramallah, Al-Ayyam Street, Industrial Zone, Beitunia
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Fax: +970 2 298 0662

Medical Supplies and Services Company

The exclusive distributor of various pharmaceuticals, FMCG, healthcare products, and medical equipment in Palestine

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 Palestinian companies in its field.

As the most diversified healthcare product supplier in Palestine, MSS distributes human and veterinary 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 in this sector.

MSS subsidiary in Jordan Taleed Medical Supplies Company also operates a branch in Iraq.

General Manager: Samer Kreitem

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Headquarters
Ramallah, Palestine
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Sky Advertising and Promotion Company

A pioneer in advertising, public relations, and event management

Founded in 1996 as a private shareholding company and acquired by APIC in 2000, Sky provides a wide range of advertising, promotion, and communication services. The company dedicates its wide expertise to providing professional facilities that bridge classic services and contemporary digital and electronic ones, in addition to social media as well as content creation and management. Sky services include developing, planning, and executing public relations and communication strategies, event management, design and printing, among other consultancy services while partnering with its clients to assist them in achieving their goals and expanding their media presence.

Today, the company is the main provider of advertising services through the widest network of billboards and advertising LED screens, which are distributed in vital and strategic areas in various Palestinian cities.

Since its establishment, the company has had a significant footprint in the advertising and promotion industry in Palestine and has been recognized as a pioneer in this sector through its qualified staff in addition to keeping up with the latest developments and attention to detail.

Sky subsidiary in Palestine, Oyoun Media Company, specializes in providing digital media services, including digital communications and social media management.

General Manager: Nader Maree

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Headquarters

Al-Bireh, Palestine

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Arab Leasing Company

Developing innovative solutions in the field of financial leasing

Established by APIC in 2014 as a private shareholding company, Arab Leasing Company’s (ALC) operations are in the field of leasing Hyundai, Jeep, Fiat, Dodge, Chrysler, and Alfa Romeo vehicles and financial leasing of equipment and machines. ALC aims to expand its services in the future to include the development of innovative solutions in the field of financial leasing. Moreover, ALC seeks to maintain a leading position in the leasing sector and excellence in customer service.

General Manager: Sufian Deriah

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ENVIRONMENTAL RESPONSIBILITY

Environmental Responsibility

The group's companies work in line with exacting policies concerned with public safety and occupational health that include the application of local laws, legislations, regulations, and international standards relevant to occupational, health, and environmental safety, risk management, and providing a safe and healthy work environment, including providing personal protective equipment to safeguard employees from injuries, reducing potential risks during work, and preventing work injuries and occupational diseases.

The group's companies also prioritise preserving the environment and contributing to its protection from pollution in line with the laws, policies, and instructions issued by the relevant authorities related to environmental quality. The group's companies also invest in innovative technology and best practices to reduce any impact on the environment, in addition to conducting regular environmental checks to avoid any cases of non-conformity.

In accordance with global trends towards the use of environmentally friendly renewable energy sources, the group's companies have installed power generation systems using solar cells with a total production capacity of up to 2.5 megawatts to date. This is part of a comprehensive plan aimed at entirely covering the needs of subsidiaries for energy in the future.

Furthermore, the group's companies have upgraded a significant portion of their fleets to environmentally friendly hybrid cars. The group is also working towards achieving a paper-free environment using the latest technologies. Additionally, the companies use a building management system that contributes to reducing the impact on the environment and decreasing costs by improving the use of heating, ventilation, air conditioning, lighting, and other systems, as well as the provision of information that supports informed decisions on how to advance systems management and improve the overall performance of buildings.

The group's companies operating in the industrial sector, particularly NAPCO and Siniora Food Industries, have increased their reliance on renewable energy sources to operate

their production lines, and operate in accordance with international best practices, including in reducing gas emissions, reducing water consumption, treating industrial waste, managing solid waste, recycling, wastewater treatment, and disaster risk management.

The most significant practices that Siniora Food Industries applies in the field of environmental responsibility are:

Energy

- Solar energy production in Jordan and Palestine, with a total production capacity of 1.1 megawatts, of which 1 megawatt is in Jordan.
- Utilisation of sensor units for four refrigeration units, where both the temperature inside the refrigerator room and inside the food are measured to achieve energy efficiency, saving 78,763 kWh per year.
- Using light-emitting diode (LED) lighting units to increase energy efficiency. Periodic measurement of lighting levels is carried out in all locations of the company to improve the lighting levels for the comfort and safety of workers.
- Awareness posters are distributed next to light and operating switches for air conditioning units, reminding the company's employees to reduce wasted energy.
- The use of energy-saving machinery such as the installation of a new energy-saving air compressor.

Solid Waste

- Solid waste management entails collection and compression to reduce its size, in a designated area, and disposal by qualified contractors authorized by the relevant environmental authorities. Used and damaged containers and crates are also sold to contractors authorized by the relevant environmental authorities.
- Separation of glass, cardboard, paper, wood, and metal from solid waste for recycling by companies specialized in these fields.
- Collection of solid waste such as nylon and damaged wood pallets by specialized companies to reduce pressure on landfills and consumption of natural resources.
- Collection of hazardous waste in designated areas and disposal through a company approved by labour authorities in designated landfills, in accordance with the requirements of the environmental authorities.
- The use of reusable plastic crates saves 8,000 cardboard boxes per month, and a central oil tank (1 cubic meter) that is refilled by the supplier to reduce the amount of plastic solid waste.
- Collection of used food and industrial oils and selling them to companies licensed by the environmental authorities for use in soap making.

Water

- Standard working methods to monitor and prevent excessive water consumption.
- Use of specialized cleaning substances to increase the efficiency of sterilization and cleaning without excessive water consumption
- Utilisation of control systems in all water sprinklers that save large amounts of water.

Wastewater

- Recycling and utilizing non-sewage wastewater for the cooling of suction pumps.
- Separation of rainwater drains from soak pits to avoid pit floods during heavy rains, in addition to making available irrigation water for the surrounding areas.
- Increasing sewerage and the number of drains to four instead of two, to limit sewer exfiltration.
- Wastewater treatment that meets industry regulations concerned with pH, total dissolved solids (TDS), biological oxygen demand (BOD), and chemical oxygen demand (COD) measurements.

Air Quality

- Installation of carbon filters on chimneys to reduce gases and odours.
- Reduction of gas emissions by regularly testing and measuring the emissions from water heaters by an accredited body and conducting periodic preventive maintenance on the heaters to prevent the emission of gases above the permissible level to avoid air pollution.

Noise Pollution

- Adjusting noise and lighting levels by conducting periodic checks to maintain a noise level within the internationally permitted limits. Workers are provided with personal protective equipment in areas with high noise levels.

Disaster Risk Reduction

- The application of environmental protection policies is supervised by senior management, covering all forms of risk management including those related to climate, based on approved international systems and procedures in this field.

The most significant practices that NAPCO applies in the field of environmental responsibility are:

Energy

- Installation and operation of a solar energy system on the roofs of the company's buildings with a production capacity of 1 megawatt, replacing of 25% with energy sources free emissions. As a result of the company's dedication to the latest technologies in this field, an area that it has been focusing on for several years, it has established a subsidiary company, Qudra Renewable Energy Solutions, specialized in alternative energy systems and solar energy.
- Improvement on the scheduling of the production process for the purposes of energy efficiency, which has resulted in the reduction of the amount of energy needed.

Solid Waste

- Separating different types and classifications of non-industrial and non-hazardous waste in sub-collection containers distributed along the production processes and facilities, which are then collected in a main container designated for shipment to licensed landfills.
- Ensuring the separation and treatment of industrial waste resulting from production processes such as the powder and the oxidation lines, where they are processed in accordance with international, local, and licensed landfill requirements. Waste is declared and coordinated through specialized environmental companies to be transported and buried in compliance with the Basel Convention and in line with the requirements of the Environmental Quality Authority in Palestine.

- NAPCO has invested in an integrated production line aimed at remelting and smelting the scraps and filings from the production processes, in addition to scraps from the local market. The scraps are sorted and separated according to the requirements of the production process, entering the production stages to become a final product of aluminium alloys that are compatible with the purposes of hot extrusion, which constitute a main tributary to the forming lines of aluminium profiles. These are called hot direct extrusion production lines, with the annual production rate of this facility being 1,200 tons of recycled and ready-to-use aluminium for subsequent production processes.
- Some of the by-products of the aluminium smelting and recycling process are aluminium oxide solids, which are collected and sold for export (about 200 tons annually) by specialized intermediary companies, given the importance and rarity of this material, as it is used in many industries and can only be produced in processes that require high operating temperatures. Added to this classification are metal wastes other than aluminium, such as iron and copper, which are also collected and sold to specialized recycling companies outside the country.

Water

- Management of water and the use of innovative technology produce different levels of reusable water (DI/soft water). Rainwater is collected in an area of about 10,000 m2, in addition to reducing water consumption by modifying equipment and work processes, and the use of environmentally friendly alternatives.

Wastewater

- NAPCO excels in this field by owning and operating a specialized industrial water treatment unit equipped with the latest technologies, which enables it to recycle industrial water and produce water suitable for irrigation in accordance with relevant international standards and local specifications (No. 227). As a result of a complex process, which involves the treatment of acidic and basic liquids, industrial solid waste (sludge) is formed, which is then classified according to its components and collected in bags designated for this purpose. The same procedure for burying solid waste is applied in line with the requirements of the Environmental Quality Authority in Palestine.

Air quality

- Reduction of greenhouse gas emissions by installing filters on all furnaces, especially for the aluminium melting furnace, which works to purify emitted gases and suspended solid particles by 99%, substantiated by complex laboratory tests carried out in two stages by an independent and licensed third party. The furnace is also equipped with an internal collection system to improve the environment inside the production hall, ensuring that the emissions and flue outputs completely comply with specifications 803 and 801.
- Utilisation of systems and measurement devices in line with the approved public safety standards in the company. Their aim is to measure the indoor air quality, the intensity of lighting, noise, heat stress and other indicators and standards related to the quality of the internal work environment, and in the application of the relevant local legislations to ensure a safe internal environment for workers.

Disaster Risk Reduction

- The application of environmental protection policies is supervised by senior management, covering all forms of risk management including those related to climate, based on approved international systems and procedures in this field.

The most significant practices applied by Palestine Automobile Company in the field of environmental responsibility are:

Energy

- Optimal energy consumption through the installation of solar energy systems in Palestine with a total production capacity of 178 kilowatts.
- Using LED lighting units to reduce energy consumption. Awareness posters are strategically placed next to lighting switches and operating switches for air conditioning units, reminding the company's employees to reduce wasted energy.
- Supplying the local Palestinian market with hybrid and electric cars and providing dedicated maintenance points, with hybrid cars constituting 70% of the sales of the Palestinian Automobile Company
- Providing a charging station for electric cars in Ramallah, Palestine.

Solid Waste

- Donating damaged batteries to educational institutions where they are used for the purposes of training.
- Separating metals from solid waste for recycling by a company specialized in this field.

The most significant practices applied by Medical Supplies and Services Company in the field of environmental responsibility are:

Energy

- Programming lighting, heating, ventilation, and air conditioning systems to turn off when they are not needed, reducing consumption by more than 30%.
- Automation of lighting needs based on the amount of natural light for the indoors, and sunrise and sunset information for outdoors. This reduces the need for artificial lighting and results in energy savings.
- Building management systems monitor energy consumption and provide real-time data on energy use, identifying inefficiencies and their causes.
- Building management systems track the performance of building processes and equipment, alerting maintenance personnel to potential complications before they become major issues. This proactive maintenance prevents energy-wasting equipment failures, improves energy efficiency, and reduces downtime.

Air Quality

- Building management systems monitor air quality and provide real-time data on levels of pollutants such as carbon dioxide and volatile organic compounds. Ventilation systems are tuned to improve air quality, making the environment more comfortable for employees.
- Building management systems monitor and control humidity levels to prevent mould growth, maintain product quality and safety, and improve air quality, resulting in a more comfortable and safer environment.
- Building management systems monitor and control greenhouse gas emissions by reducing the building's energy use.

Water

- Building management systems monitor irrigation and plumbing systems to reduce water usage and conserve natural resources. Water leakage is also monitored, so maintenance personnel are alerted to potential complications before they cause damage, threaten safety, or wastewater.

Disaster Risk Reduction

- Building management systems monitor fire alarms and provide real-time data on the location and severity of fires, allowing the building's fire response system to react to any fire incidents quickly and effectively.
- Building management systems monitor generators to ensure their safe and efficient operation, reducing the risk of power outages or other safety incidents.

The most significant practices applied by Unipal General Trading Company in the field of environmental responsibility are:

Energy

- Efforts to reduce the use of non-renewable energy, especially for transportation vehicles, where upgrading to hybrid electric vehicles that operate with the support of an electric motor has reduced the cost of fuel consumption by about 46% per car, reducing carbon emissions.
- Installation and operation of a solar energy system on the roofs of the company's buildings with a production capacity of 140 kilowatts, which has contributed to the replacement of traditional electric energy by 35% with energy sources free of emissions.
- Programming lighting, heating, ventilation, and air conditioning systems when they are not needed, reducing energy consumption.

Solid Waste

- Disposing of batteries in line with international standards, including expired rechargeable batteries, to avoid their disposal in landfills where their chemicals leak into and pollute the soil, groundwater, and air.

Air Quality

- Building management systems monitor air quality and provide real-time data on levels of pollutants such as carbon dioxide and volatile organic compounds. Ventilation systems are tuned to improve air quality, making the environment more comfortable for employees.
- Building management systems monitor and control humidity levels to prevent mould growth, maintain product quality and safety, and improve air quality, resulting in a more comfortable and safer environment.

"SOCIAL RESPONSIBILITY"

Social Responsibility

A national and humanitarian duty, and a long-term investment

APIC invests 6.7% of its net profits for the year 2022 in Corporate Social Responsibility, amounting to USD 2 million

APIC group continues its support for the communities within which it operates through its proactive funding of institutions with a meaningful and effective vision in the charitable and humanitarian fields, with a focus on orphans, persons with disabilities, low-income families, and institutions of education, health, youth, and entrepreneurial sectors. In 2022, APIC contributed, through financial and in-kind support for eighty-five organizations, approximately USD 2 million, which is equal to 6.7% of the company's net profit.

APIC's strategic and effective Corporate Social Responsibility program stems from its understanding of the importance of participating and contributing as a national and humanitarian duty and as a long-term investment to achieve social, economic, and environmental sustainability, and to build and empower resilient societies able to face all circumstances and challenges.

Noor Al Ain

Start of support	Purpose of support	Category of beneficiaries
2022	Supporting the organization in its educational, social, and cultural programs and services	Blind and visually impaired in Jerusalem

Noor Al Ain for the visually impaired is based in Jerusalem and is the sole organization providing modern services customized to the needs of its beneficiaries including educational, social, cultural, vocational, and recreational fields for all ages and both sexes. It is a non-profit organization that is also registered in accordance with Palestinian law for nongovernmental organisations and has an administrative body elected by members of the general assembly.

Rawan Association for Child Development

Start of support	Purpose of support	Category of beneficiaries
2022	Supporting the development of tools for diagnosing learning disabilities, speech disorders, and attention deficiency, for the purposes of mitigating their negative impact on the lives and futures of Palestinian children	Children ages 3 to 18 years

Rawan Association for Child Development is a non-profit charitable association registered with the Ministry of Interior. It was established in 2008 by a group of experts in special education, mental and neurological health, and learning and speech disabilities. The association works on diagnosing and treating children in the age group of 3-18 years who suffer from learning and speech disabilities, attention deficiency, and excessive movement, providing psychological support for them and their families. Since its inception, Rawan Association has diagnosed and treated thousands of children, whether through direct services within the association or indirect services through national awareness programs in Palestine in cooperation with its partners. The association also partners with specialized international institutions to apply comprehensive integration programs in public schools, where staff of public and private schools and parents are trained on the mechanisms of early detection and dealing with learning disabilities in the classroom.

Persons with Disabilities

Badwa Center for Special Education

Start of support	Purpose of support	Category of beneficiaries
2022	Supporting a safe environment for persons with disabilities through the provision of educational and vocational programs	Persons with disabilities from vulnerable Jordanian families

Badwa Center for Special Education is a non-profit educational and rehabilitation institute established in 1970 as one of the first centers for special education in Jordan, originally established under the name Jordanian Mental Health Association. The center provides services for persons with simple to moderate intellectual disabilities from the most vulnerable Jordanian families in Eastern Amman. Its mission is to provide a safe environment for persons with disabilities through educational and vocational programs, as well as rehabilitation by specialized trainers.

Effeta Paul VI

Start of support

2020

Purpose of support

Supporting the school in rehabilitating deaf children and students and developing them linguistically, academically, and socially

Category of beneficiaries

Persons with hearing and speech disabilities

Effeta Paul VI is a specialized school for deaf and hard of hearing children and youth, providing services related to rehabilitation through linguistic, academic, and social integration in Palestine since 1971. The school was established after His Holiness Pope Paul VI visited the Holy Land as a pilgrim in 1964. On 6 September 1971, the audio-phonetic rehabilitation and academic program began for 24 deaf children until the sixth grade. Now, after 49 years, the school has 190 deaf students from the age of one year to the age of 18, from the early intervention stage to the secondary stage (Tawjihi). The school adopts the oral method (lip reading and auditory training) in the rehabilitation and education of the deaf and hard of hearing from early childhood (first year of age). The deaf are taught the language and lip-reading by utilizing their remaining auditory abilities.

Jasmine Charitable Society

Start of support

2020

Purpose of support

Supporting the association in performing its humanitarian work in the care, rehabilitation, and treatment of autistic children and children with disabilities through systematic and rehabilitative work in childhood

Category of beneficiaries

Autistic children and children with disabilities

Jasmine Charitable Society is a non-profit Palestinian civil society organization that cares for children with disabilities. The society was founded in 2002 in Ramallah and Al Bireh, Palestine, and works on the care, rehabilitation, and treatment of children with disabilities in order to integrate them into the local community, helping them become self-dependent in their daily lives. Currently, the society supports 120 children.

Children with Autism and Learning Disabilities Society

Start of support

2020

Purpose of support

Supporting the association in its mission to integrate children with autism and those who have learning disabilities into society, and to develop their creative abilities and talents

Category of beneficiaries

Autistic children and children with disabilities

The Children with Autism and Learning Disabilities Society is a non-profit humanitarian charity founded in 2009 in Palestine, registered with the Ministry of Interior and affiliated with the Ministry of Social Development. The society works in the charitable, social, academic, and health fields, providing services for autistic children, children with disabilities, and children in general, through treatment, rehabilitation and care services in accordance with global scientific and professional standards and methods in the fields of therapeutic and rehabilitation interventions, aiming to support social justice, protect basic rights and facilitate their integration into Palestinian society.

The society provides its aforementioned services through its affiliated Wojood Centres for treatment and rehabilitation, licensed by the Palestinian Ministry of Health, and another centre for culture and education licensed by the Ministry of Education.

Star Mountain Rehabilitation Centre

Start of support

2017

Purpose of support

Supporting the centre in its mission in the field of rehabilitation, training, and integration of persons with intellectual disabilities into society

Category of beneficiaries

Persons with intellectual disabilities

Star Mountain Rehabilitation Centre is an institution of the Worldwide Moravian Church working to secure dignified lives for persons with intellectual disabilities, through the provision of rehabilitation and training, integration and inclusion, awareness raising, and community mobilization, based on love, dignity, justice, and equality. The centre's four programs include an inclusive kindergarten, the school, the vocational training and community mobilization. Star Mountain Rehabilitation Centre works with people with intellectual disabilities, their families, the community, as well as national and governmental organizations, local councils and schools to raise awareness on disability rights, issues and inclusion so that they can become change agents who support the process of creating an inclusive, disability-responsive Palestinian state and community. The centre is a member of several networks and forums to exercise pressure on policymakers to claim the rights of persons with disabilities and change negative attitudes. The centre also provides support services to people with intellectual disabilities including physiotherapy, speech therapy, psychosocial support, art, music, and sports education, as well as drama, acrobatics, and dabkah. The centre currently supports 126 persons with intellectual disabilities from early childhood to the age of 40.

SOS Children’s Villages Palestine

Start of support	Purpose of support	Category of beneficiaries
2016	Supporting the organization and its activities, as well as sponsoring a family of five children in SOS Children’s Villages Palestine in the city of Bethlehem	Children who have lost family care or who are at risk of losing it in Palestine

SOS Children’s Villages Palestine is a member association of SOS Children’s Villages International, which works in 138 countries around the world, providing loving homes and families to children who have lost their parents or are at risk of losing parental care. SOS Children’s Villages Palestine is the first SOS Children’s Village to open in the Middle East in 1966, to provide loving homes with mothers who take care of children along with their brothers and sisters in a loving family environment. It also runs a family strengthening program in cooperation with local communities, government agencies, and other organizations to help and empower marginalized and fragile families to protect their children, build their capacities, and care for them. The program provides educational supplies, health, psychological and social support, and helps establish income-generating projects for these families. SOS Children’s Villages enables children and youth integration into Palestinian society, which includes the community homes project placed outside the boundaries of SOS Children’s Villages and children reintegration into their original families with the continuous follow-up of SOS Children’s Villages’ staff.

SOS Children’s Villages Jordan

Start of support	Purpose of support	Category of beneficiaries
2020	Tuition fees in Jordanian schools for 15 children of the association, with the aim of improving their chances in life and supporting their integration into society	Children who have lost family care or who are at risk of losing it in Jordan

SOS Children’s Villages Jordan is a national non-profit organization established in 1983. The association cares for around 250 orphaned children and those who lack parental care in 32 houses in three villages and nine youth houses in Amman, Irbid, and Aqaba. The SOS Children’s Villages concept is based on four main pillars: a mother, brothers and sisters, a home, and a village. An SOS mother cares for five to seven children in a house that replicates the setting of a family. Children are provided with care, accommodation, education, skills, protection, social inclusion, food, security, physical health, social and emotional well-being, and livelihood. SOS Children’s Villages Jordan works in the spirit of the United Nations Guidelines for the Alternative Care of Children and the United Nations Convention on the Rights of the Child and promotes these rights around the world. Central to its strategy and work are the United Nations Sustainable Development Goals.

Tkiyet Um Ali

Start of support	Purpose of support	Category of beneficiaries
2020	Monthly food parcels for 166 families in the governorates of southern Jordan	Vulnerable families living below the food poverty line in Jordan

Tkiyet Um Ali was established in 2003 by Her Royal Highness Princess Haya Bint Al Hussein in memory of her late mother, Her Majesty Queen Alia. Tkiyet Um Ali is the first non-governmental organization of its kind specialized in the eradication of food poverty in Jordan. Since its establishment, Tkiyet Um Ali has never shied away from its vision towards a "hunger-free Jordan".

Tkiyet Um Ali delivers sustainable food aid to 20,000 families living in extreme poverty in Jordan through its Sustainable Food Aid Program. Tkiyet Um Ali also implements various other programs that aim to secure people in need with their daily food such as the Wayfarer Program, Mawa'ed Al Rahman Program, and the Adahi Program. Also, throughout the year, it offers various volunteering programs that aim to preserve the dignity of beneficiary families and improve their living conditions

"Had it not been for Tkiyet Um Ali, we would have been in a difficult situation, and my kids would have all had to leave schooling to secure something to eat."

Um Tamam - A beneficiary of Tkiyet Um Ali's Monthly Food Parcels (Sustainable Food Aid Program)

Give Palestine Association

Start of support	Purpose of support	Category of beneficiaries
2018	Replace with: Supporting the association's relief and vocational programs. In 2022, 100 benefited from vocational training, and 1,000 children and 1,000 mothers benefited from psychosocial support	Orphans, vulnerable families, and the marginalized in the Gaza Strip

The Give Palestine Association is a national, independent, and non-profit humanitarian organization that was founded in the city of Ramallah in 2010 and is a continuation of the Gaza Volunteer Efforts for Quick Aid (Give Gaza) association, which was established in Gaza City in 2003. It covers all Palestinian areas in the Gaza Strip, Jerusalem, and nearby West Bank villages near the Israeli separation wall. The focus is on the Gaza Strip, where it targets poor families, particularly women and their children and families. The association works in partnership with the private sector and has implemented dozens of innovative projects since its inception in many fields, including humanitarian aid, cultural empowerment for Palestinian children, psychological support, and sustainable development projects, to promote social, economic, environmental, and cultural justice in Palestine. Over the past 20 years, the association has benefited more than 1.5 million people.

Inash AlUsra Association

Start of support	Purpose of support	Category of beneficiaries
2016	Supporting the association in its work in the fields of humanitarian and development services	Vulnerable and marginalised women and groups

Inash AlUsra Association is a non-profit, developmental, charitable women's organization, established in the city of Al-Bireh in 1965 as an initiative led by a group of volunteer Palestinian women, headed by the late Ms. Sameeha Khalil. Its general assembly consists of about 170 members, all women. The association provides 56 full-time jobs for both sexes (81% women), and approximately 85 part-time lecturers. It strives to provide more humanitarian, social, economic, and academic services. The association works in the field of preserving the Palestinian identity by preserving Palestinian cultural heritage and provides educational scholarships to university students on a quarterly basis, sponsoring more than 1,000 orphans on a monthly basis, and managing and supervising the Palestinian Girl's House, which houses a group of Palestinian girls from vulnerable socio-economic conditions. The association is also active in the field of academic and vocational education, with hundreds of female and male students graduating annually from the College of Family Revival and the Vocational Training Department. The association also manages several self-sustainable production and service projects that provide job opportunities for women and act as a source of income for the association.

Jordan Education for Women Empowerment and Learning Society (JEWELS)

Start of support	Purpose of support	Category of beneficiaries
2022	Educational scholarships for high-achieving female university students	High-achieving female students from vulnerable families

Jordan Education for Women Empowerment and Learning Society (JEWELS) empowers women through education by providing university level scholarships to exceptional and high-achieving female high school graduates who exhibit a deep commitment to learning and who hope to give back to their communities. JEWELS is registered with the Ministry of Social Development as a non-profit organization in jordan. Through the generous support of Jordanians, individuals and corporates, JEWELS has supported a group of young women from low-income families who graduated and are currently part of the Jordanian workforce, contributing and flourishing.

"I still remember when I finished high school in 2015, carrying with me my passion and dream of studying medicine, which would help me to continue serving my country and its children, because I believe that what you offer to others will benefit you first."

Sondos Al-Najjar, a graduate with distinction of the Faculty of Medicine from the University of Jordan for the year 2021.

Right to Play

Start of support	Purpose of support	Category of beneficiaries
2022	Renovation of school classrooms	Palestinian students

Right to Play is a global organization committed to improving the lives of children and youth affected by conflict, disease, and poverty. Established in 2000 with headquarters in Canada, Right to Play has pioneered a unique play-based approach to learning and development that focuses on quality education, life skills, health, gender equality, child protection, and building peaceful communities, within the framework of the United Nations Convention on the Rights of the Child. Working on both the humanitarian and development contexts of societies by training community leaders to implement its programs in 15 countries affected by war, poverty and disease in Africa, Central Asia, the Middle East, and North America. Right To Play was established in Palestinian Territories in 2003 in partnership with the United Nations Relief and Works Agency for Palestine Refugees in the Near East, expanded to include a partnership with the Palestinian Ministry of Education and Higher Education in 2008. That same year, community programming was launched to promote child engagement and leadership development. In 2019, Right to Play's work in Palestine was extended to all 370 United Nations schools in the West Bank and Gaza Strip.

"Our class has become very beautiful, the chairs are colorful and beautiful, and I love to come to school in the morning to sit in my wonderful class."

Bayan Hisham Alshaloodi– female first grade student at Aisha Om Al Momeneen Elementary School for Girls, Hebron, Palestine.

Education

Chevening Master's Scholarship

Start of support	Purpose of support	Category of beneficiaries
2019	Full scholarship coverage for a student for a master's degree at a UK university	High achieving Palestinian students

Chevening is the British Government's international scholarship program, funded by the United Kingdom's Foreign, Commonwealth and Development Office and partner organizations, operating in 160 countries, including Palestine, and awarded to outstanding leaders with leadership potential from all over the world to complete their master's studies at UK universities. The program provides fully funded study for one year for a master's degree, on any subject and at any UK university of the student's choice.

Dar Al-Tifel Al-Arabi Organization – Jerusalem

Start of support

2017

Purpose of support

Covering educational grants for 20 high achieving girls at Dar Al-Tifel Al-Arabi School in Jerusalem

Category of beneficiaries

Orphan students from vulnerable families in Jerusalem

Dar Al-Tifel Al-Arabi Organization was founded in Jerusalem in 1948 by the late Hind Husseini, a pioneer in philanthropy and voluntary work in Palestine. It is a forerunner in community work in Jerusalem, and its services span various sectors including education, orphan care, culture, and heritage. It runs and supervises Dar Al Tifel Al-Arabi elementary and secondary school, a nursery and seven kindergartens, and a boarding section for orphan girl students and social cases. It also manages two cultural centres, the Palestinian Heritage Museum and Dar Isaaf Al-Nashashibi for Culture, Arts, and Literature.

The Industrial Secondary School - Jerusalem (Arab Orphan Committee)

Start of support

2017

Purpose of support

Sponsoring 25 educational grants for grades 11 and 12

Category of beneficiaries

Orphans and high achieving students from vulnerable families

The Industrial Secondary School - Jerusalem was established in 1965 by the Arab Orphan Committee in Beit Hanina, Jerusalem. The German government has equipped the school with professional educational training equipment and supplies, as well as resident experts. Since its establishment, the school has targeted orphaned and vulnerable Palestinian students aged between 15 and 18 years to provide them with all required theoretical and practical competencies in their trades, fully preparing them to enter the labor market, build their careers, and support their families. The school offers vocational training in several distinguished professions, including metal work, plumbing, central heating and air conditioning systems, carpentry, computers and network maintenance, programming mobile applications, graphic design, electricity, auto mechatronics, and hotel management including food processing and presenting.

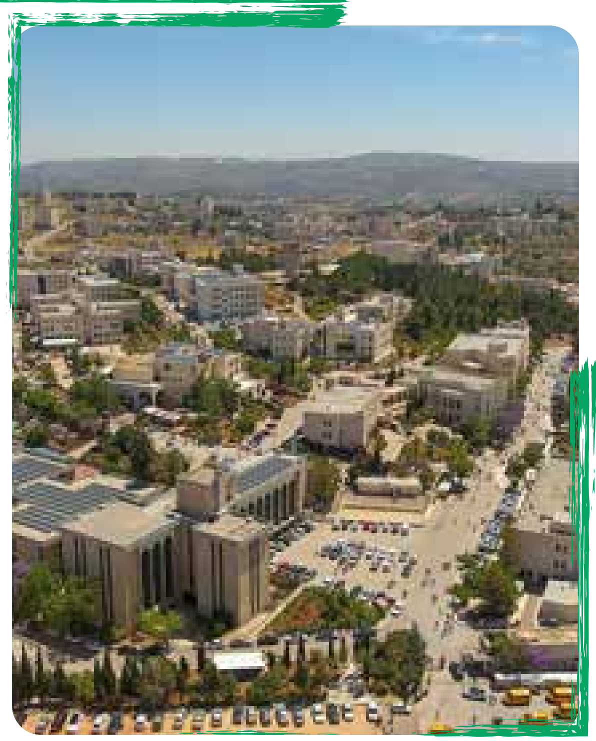
"I would like to express my overwhelming thanks for the educational grant sponsored by APIC group that I received based on my academic and professional excellence. This sponsorship continues to enhance my motivation, self-confidence, and ability to excel. I would like to extend my thanks to everyone who offered me and others like me the opportunity to learn and build our professional future at JISS."

Adel Abu Shukr, student at JISS

Birzeit University

Start of support	Purpose of support	Category of beneficiaries
2018	Providing annual scholarships to five students from the Omar Aggad College of Engineering	Engineering students at Birzeit University

Founded on the principles of excellence and opportunity for all, Birzeit University (BZU) has become Palestine's leading academic institution. It is an academic powerhouse with a clear focus on excellence that has secured its national and international recognition unparalleled with other established institutions. Birzeit University is a vibrant community of scholarship and learning that stands in the service of the country and the community. The university has been a thorn in the side of the occupation, insisting on playing its role of enlightenment and creating a multicultural Palestinian society on the campus grounds. Additionally, BZU constantly works to meet today's standards and the expectations of 14,743 students attending its faculties of science, arts, business and economics, education, engineering and technology, graduate studies, law and public administration, pharmacy, nursing and health professions, and art, music, and design.



Education

Dual Studies – Al-Quds University

Start of support	Purpose of support	Category of beneficiaries
2016	Practical training for 13 students from APIC affiliated companies during their four-year university studies	Students of dual studies in the Faculties of Electrical Engineering, Information Technology, and Business Administration at Al-Quds University

Dual Study is an educational system that combines theoretical study with practical application. Al-Quds University launched the Dual Studies program in 2015, designed to contribute to raising the professional level of Palestinian youth and supplying good jobs for students after graduation. Moreover, it aims to bridge the gap between the academic educational outcomes and the needs and requirements of the Palestinian labor market. The program follows a German approach, which focuses on the integration of academic study and linking students with the work environment from the start. This methodology provides students with the opportunity to study at Al-Quds University as well as have the chance to practice in the field of their study at a specialized Palestinian company until they complete their bachelor's degree.

"My experience with the Dual Studies program was and always will be exceptional, through it I started my journey with Oyoun Media two years ago. I have learned so much, and I am still learning. The Dual Studies program sent me on a road of self-discovery, on both the professional and the personal aspects. I've learned the importance of discipline, commitment, responsibility, and accountability. I've also learned the significance of healthy communication, time management, problem solving, and teamwork"

Mohammed Jawareesh, web application development student at Dual Studies program.

Mahmoud Abbas Foundation

Start of support

2015

Purpose of support

Scholarships for Palestinian students in Lebanon

Category of beneficiaries

Palestinian students in Lebanese universities

Mahmoud Abbas Foundation is a non-profit organization registered in Palestine and Lebanon, founded in 2011 in response to the difficult situation Palestinian people face in refugee camps in the Diaspora, especially in Lebanon. The foundation helps refugees through three programs: the student's scholarship program that provides scholarships to Palestinian students, to date, around 10,000 students have benefited from this program; the family interdependence program (Takaful), which provides symbolic aid to around 390 families; and the Palestine program, which provides various educational, health, social, and relief services to families in need, and implements many projects, especially in vulnerable and marginalized areas, which benefits nearly 7,000 beneficiaries annually since 2018.

INJAZ Palestine

Start of support

2007

Purpose of support

Supporting the organization in financing its activities, as well as volunteering the cadres of APIC group to enhance the leadership capabilities of Palestinian youth to contribute to economic development

Category of beneficiaries

Palestinian university school and students

Injaz Palestine is an independent, non-governmental Palestinian organization established in 2007, is managed and sponsored by a group of leading Palestinian companies seeking to enhance the capabilities of Palestinian youth to contribute to economic development. Injaz provides programs delivered by experienced volunteers to inspire and motivate young people regarding innovation in the field of project management and business. Injaz plays a prominent role in creating innovative economic awareness among youth at the global level through its active membership with Injaz Al-Arab Network and Junior Achievement Worldwide. Injaz aims to enhance economic opportunities for Palestinian youth by providing a series of educational and economic courses of a practical and scientific nature to Palestinian schools and universities.

Injaz programs are distinguished by their ability to develop students' leadership capabilities, which accelerate their creativity, prepare them for the business world, and enable them to employ knowledge to create new paths that ultimately reduce unemployment, provide opportunities, and open promising horizons for new entrepreneurial projects.

Human Supporters Association

Start of support	Purpose of support	Category of beneficiaries
2022	Supporting the Global Goals World Cup - Sustainable Development Goals	Palestinian girls from the age of 18 in football teams of five to eight players with the purpose of raising awareness about the 17 Sustainable Development Goals through sports

Human Supporters Association is a grassroots organization officially established 2006. It offers the youth of Palestine a non-violent and proactive alternative to dealing with the given political realities, and it aims to be a gathering point for activists promoting justice and social change within Palestinian society. It works to strengthen and serve the local community, with a focus on children, youth, and women. Moreover, the association teaches young people how to become proactive in their community to pave the way for future community leaders through psychosocial programs that serve children and youth from vulnerable and marginalized groups, specifically refugee camps, remote villages and the old town of Nablus.

Palestinian Football Association

Start of support	Purpose of support	Category of beneficiaries
2018	Supporting the Palestinian Olympic Team and sponsoring games with the Jordanian football team	Palestinian Olympic Team

The Palestine Football Association (PFA) was established in 1998, when FIFA accepted its membership. It holds several male leagues for the first, second, and third divisions, in addition to professional, age-group, women's football, futsal, beach soccer, and special needs leagues. In 2016, the Palestinian national team reached its highest rank in FIFA, coming in at 72nd internationally. PFA offers its services to all Palestinians in the West Bank, Jerusalem, Gaza Strip and the Diaspora.

The Palestinian Initiative for the Promotion of Global Dialogue and Democracy – MIFTAH

Start of support	Purpose of support	Category of beneficiaries
2017	Supporting the Strengthening Young Palestinian Leaders program for empowering and building the abilities of young leaders and enhancing their role at all levels to play an influential role in the sustainable development process	Young men and women in Palestine

The Palestinian Initiative for the Promotion of Global Dialogue and Democracy - MIFTAH is a non-governmental non-profit organization that was established in Jerusalem in 1998. It seeks to promote the principles of democracy and good governance within various components of Palestinian society; it further seeks to engage local and international public opinion and official circles on the Palestinian cause. To that end, MIFTAH adopts the mechanisms of active and in-depth dialogue, the free flow of information and ideas, as well as local and international networking. One of MIFTAH's strategic objectives is to promote good governance through enhancing the role and participation of women and youth in policy- and decision-making within the public sector and local government organizations. This participation is increased through empowering potential women and youth political leadership in the West Bank and Gaza Strip for national and local government elections and supporting women and youth to be well prepared to take on political roles and to become involved in political and public spheres.

Augusta Victoria

Start of support	Purpose of support	Category of beneficiaries
2022	Supporting periodic testing and awareness campaigns on the importance of early detection of breast cancer in women	Palestinian women

The Augusta Victoria Hospital is a medical center of excellence that has been providing health care services and other health programs since 1950. The hospital was established in partnership between the Lutheran World Federation and the United Nations Relief and Works Agency as a major medical facility to care for Palestinians. It is one of the most prominent members of the East Jerusalem Hospital Network, one of the largest projects of the Lutheran World Federation in the Middle East, and the second-largest hospital in Jerusalem

Al-Malath Hospice for Humanistic Care

Start of support	Purpose of support	Category of beneficiaries
2020	Supporting palliative care for patients in the late stages of terminal illness	Patients in the late stages of terminal illness

The first of its kind in the Middle East, Al Malath Hospice is a non-profit, voluntary organization established in February 1993 that supplies holistic support and home care for patients in the late stages of a terminal illness. Al-Malath provides a sound palliative approach to the relief of physical and emotional symptoms that neither hastens nor postpones death. The service exists in the hope and belief that through providing appropriate care and the promotion of a caring community that is sensitive to their needs, patients and their families may be free to attain a degree of physical, mental, and spiritual preparation for death that will ease the way for them.

Aid and Hope Program for Cancer Patients Care

Start of support	Purpose of support	Category of beneficiaries
2018	Supporting psychological and social support, medical aid, and awareness campaigns on the importance of early detection of breast cancer in women	Women with breast cancer and their families in Gaza

Aid and Hope Program for Cancer Patients Care is a Palestinian non-governmental non-profit organization that was established in 2010 in the Gaza Strip and is the first of its kind in the Gaza Strip to provide awareness workshops and psychosocial support for breast cancer patients and their families. Its vision is to collaborate with primary and secondary health facilities and other organizations to maximize the effectiveness of their activities while avoiding the duplication of efforts, as well as breast cancer prevention and early detection programs.

King Hussein Cancer Foundation

Start of support	Purpose of support	Category of beneficiaries
2010	Supporting the center, the Dream Realization Program, and Charity Fund dedicated to covering the costs of accommodation for Palestinian cancer patients who are referred by the Palestinian Ministry of Health for treatment	Cancer patients

The King Hussein Cancer Center is a pioneering medical institution in the Middle East that supplies the latest scientific developments in holistic cancer care for patients, both children and adults. The center is accredited by the Joint Commission International as specialized in comprehensive cancer care and is the only medical center outside the United States of America to be awarded the Joint Commission International Clinical Care Program Certificate for its oncology program.

Jordan National Gallery of Fine Arts

Start of support	Purpose of support	Category of beneficiaries
2022	Supporting several cultural and educational activities	Upcoming artists, school children, and youth

The Jordan National Gallery of Fine Arts was founded in 1980, and is the region's leading art museum. Its permanent collection comprises over 2,800 works including drawings, paintings, sculptures, ceramics, video art, installations, graphic art, and photography, by artists from the Arab and developing worlds, mainly Asia, Africa, Europe, Latin America and Australia.

Film Lab

Start of support

2022

Purpose of support

Supporting Palestine Cinema Days, an international film festival organized annually in October by Filmlab Palestine

Category of beneficiaries

Supporters of the Palestinian cultural scene

Established in 2014, Filmlab Palestine has set the goal of promoting and reviving cinema culture in Palestine, with its vision of a professional, creative, and innovative film industry landscape. Filmlab's philosophy is to create a new sustainable hub for creative local film production with a program contributing to networking, training, and educating film professionals and talents, realizing diverse, high-quality films and content for children. The accumulation of efforts is gathered in the annual Palestine Cinema Days festival, connecting Palestine with the regional and international professional film industry, promoting Palestinian cinema culture and building an active local cinema audience.

Culture and Heritage

Centre for Architectural Conservation – RIWAQ

Start of support

2021

Purpose of support

Supporting the Tashgeel program, which aims to create job opportunities through restoration in various sites in Palestine

Category of beneficiaries

Palestinian workers and historical buildings

Riwaq was set in motion in 1991 when a group of enthusiasts came together in an organized effort to save historic buildings in Palestine. RIWAQ's mission is to protect, restore, and rehabilitate the architectural and cultural heritage in Palestine through its main programs: the Restoration Program, the Regeneration of the 50 Most Significant Historic Centers, and the Community and Cultural Program. Riwaq contributes to the production and dissemination of knowledge about heritage through its Research and Publications Program including the Registry of Historic Buildings in Palestine, and works, in collaboration with other actors, on building a conducive institutional and legal environment. Since 2001, Riwaq has restored more than 130 community centers and has provided more than 500,000 direct days of work on-site for Palestinian workers.

El-Funoun Palestinian Popular Dance Troupe

Start of support

2016

Purpose of support

Funding the dance troupe's activities to contribute to preserving Palestinian cultural heritage

Category of beneficiaries

Promising Palestinian male and female dancers

El-Funoun Palestinian Popular Dance Troupe is an independent, non-profit organization that is entirely volunteer-based. El-Funoun was established in 1979, by several talented and committed artists. Since then, the troupe has been recognized as the leading Palestinian dance group with an impressive track record of over 1,500 performances locally and internationally, 15 productions, and tens of dance pieces. El-Funoun has won several awards from local and international festivals for its presentation of Palestinian folklore and contemporary culture through elaborate choreographed forms that embody its unique vision of Palestinian dance. The troupe is widely recognized as the cultural entity that has played the most significant role in reviving and reinvigorating Palestinian dance and music folklore

Other organisations

Throughout 2022, APIC and its subsidiaries supplied financial and in-kind support to various other groups and organizations, including:

- Dunya Women's Cancer Clinic
- Thalassemia Patients' Friends Society
- Early Intervention Association for Children with Disability
- Palestine Economic Policy Research Institute (MAS)
- Sareyyet Ramallah First Ramallah Group
- Caritas Baby Hospital
- Palestine Taekwondo Federation
- AlSawahreh Charity Organization
- Jerusalem Forum
- Young Muslim Women Association
- Jordan Valley Orphans Association
- Palestinian Civil Defence
- Balata Youth Center
- Nabi Elias Youth Sports Club
- Douban Professional Dance
- Municipalities and village councils
- Various schools and universities
- Sports, youth, and cultural centers and clubs
- Organizations working to raise awareness on social, economic, and cultural aspects in Palestine

Financial Performance 2022

Audit Committee Statement

Dear Shareholders,

In my capacity as chairman of the Audit Committee, I am pleased to present you with an overview of the committee›s activities during 2022 regarding financial reports, internal controls, risk management, and the work done by the Internal Audit Department, in addition to our interactions with the company›s internal and external auditors.

The role of the Audit Committee is to follow up on the following:

- Monitoring and evaluating the company›s financial position.
- Proposing amendments to the financial and regulatory systems in the company.
- Overseeing the accuracy of the company›s consolidated financial statements and financial reports.
- Overseeing the performance of internal controls and ensuring their efficiency and effectiveness.
- Overseeing the internal auditing and risk management functions.
- Overseeing the company›s compliance with statutory and regulatory requirements.
- Overseeing the qualifications of the company›s internal auditors and evaluating their performance.

At APIC, we believe that effective risk management is crucial to the success of the company, and we have focused our efforts on identifying and assessing risks, and developing strategies to mitigate and limit them. To achieve this, we have conducted a comprehensive risk assessment of the group›s operations and have identified key areas that require additional controls and monitoring. Consequently, an annual audit plan has been developed based on the assessment of these risks.

During the previous audit cycle, we continued our annual audit plan, which assessed the effectiveness of the company›s internal controls and risk management systems. A total of 35 audits were conducted, covering various areas such as financial control and operational, compliance, and information security. The committee also reviewed reports on the summary of the internal audit work on a quarterly basis during 2022.

During 2022, the Audit Committee approved the following:

- The consolidated audited financial statements of the group for 2021.
- The consolidated interim (quarterly) financial reports of the group for 2022.
- The Internal Audit Committee charter.
- The appointment of PricewaterhouseCoopers as the group›s internal auditor instead of Ernst & Young.
- Implementing an electronic platform to provide educational lectures to increase the awareness of all employees regarding risks related to information security.
- Implementing a new electronic system to manage internal audit operations.

The committee also provided support to the Board of Directors in monitoring the company›s affairs, financial reporting process, and disclosures. It also reviewed the group›s risk management and internal control system, supervised internal audit operations, and reviewed the adequacy of internal controls and the company›s financial risk management system and its effectiveness. It has ensured that the company›s internal and financial controls and risk management systems are effective and efficient.

Additionally, the committee was responsible for ensuring the integrity, effectiveness, and accuracy of the group›s consolidated financial statements and financial reports, monitoring compliance with legal requirements and regulations, as well as whistleblowing issues.

We are committed to the continuous improvement and development of APIC and strive to continue enhancing auditing processes and all methodologies. During 2022, we obtained and implemented a new electronic system to manage internal auditing operations more effectively.

Looking ahead to 2023, our key priorities include maintaining supervision over the group's risk management and internal control operations, continuing to monitor changes and taking a proactive approach to anticipate organizational changes related to internal control, audit reports, and responding to them, in addition to enhancing cybersecurity controls within APIC and its subsidiaries.

In conclusion, I would like to express my gratitude to the Board of Directors, the executive management team, and my colleagues on the Audit Committee for their continued cooperation. Through our constant focus on risk management and our commitment to excellence, I am confident that the company will continue to thrive and deliver value to its shareholders.

Dr. Mazen Hassouna

Chairman of the Audit Committee

CFO Statement 2022

Dear Shareholders,

We are pleased to present the audited consolidated financial statements of APIC for 2022. The data shows that the group achieved total revenues of USD 1,160.5 billion in 2022, a growth of 4.6% compared to 2021. The profit from operations amounted to around USD 58.1 million, a growth of 1.8% year on year. The group›s earnings before interest, taxes, depreciation, and amortization (EBITDA) for 2022 amounted to approximately USD 77.9 million, an increase of 3.2% year on year.

The group›s net profits for 2022 amounted to around USD 30.6 million, representing a decrease of 19.5% compared to 2021. This is due to non-recurring operating profits of USD 4.67 million in 2021 from the sale of APIC›s entire stake in the Palestinian Arab Shopping Centers Company (Bravo), as well as a significant increase in financing costs during 2022. Consequently, the attributed net profits to APIC shareholders from the group›s consolidated net profits was USD 27.7 million in 2022, a decrease of 17.5% year on year.

It is worth noting that the group›s administrative and general expenses and selling and distribution expenses for 2022 increased by 15.2% compared to 2021, while the value of depreciation expenses increased by 22.4%. Financing expenses and borrowing costs also witnessed a significant increase of 52.6%, partly due to the exceptional increase in global interest rates in 2022, and partly due to the additional borrowing costs associated with expansions and working capital financing. The net administrative and general expenses for 2022 also included social responsibility donations of approximately USD 2 million.

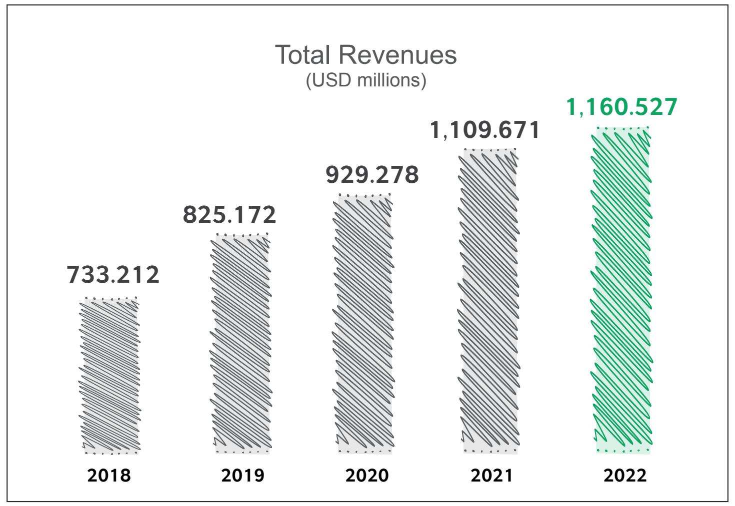
Consolidated Financial Position

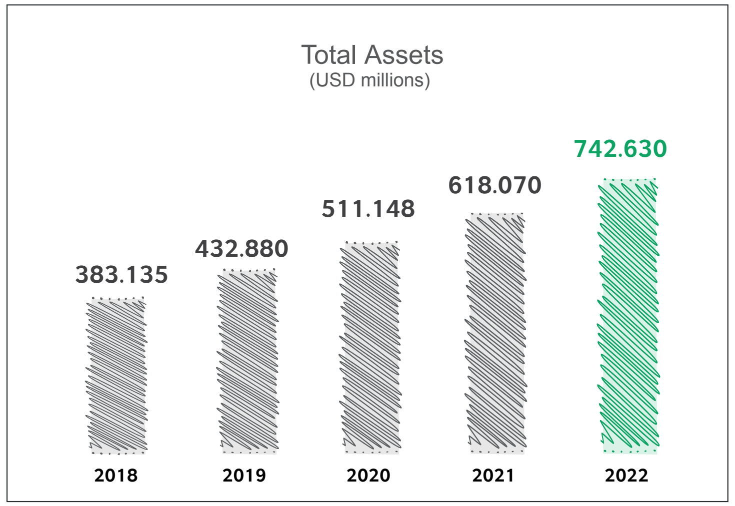
At the end of 2022, the group›s total assets reached USD 742.6 million, an increase of 20.2% compared to the end of 2021. Current assets reached USD 436.4 million, an annual increase of 16.1%. Short-term liabilities amounted to approximately USD 343.9 million, an annual increase of 29.9%. As a result, the group›s liquidity ratio at the end of 2022 was 1.3.

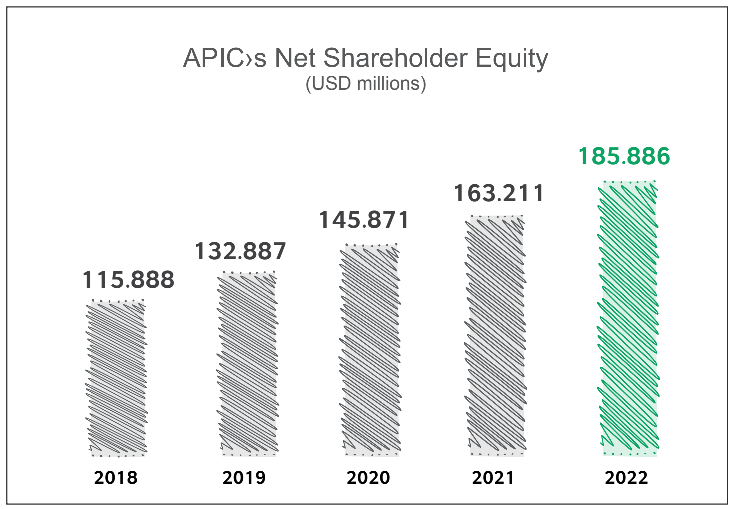
The group›s bank borrowing increased by 27.9% over 2021›s closing and reached USD 344.6 million by the end of 2022. Around 25% of this increase was related to financing expansions in the group›s working capital, while the remaining increase in borrowing was related to finance capital expenditures and investment expansions.

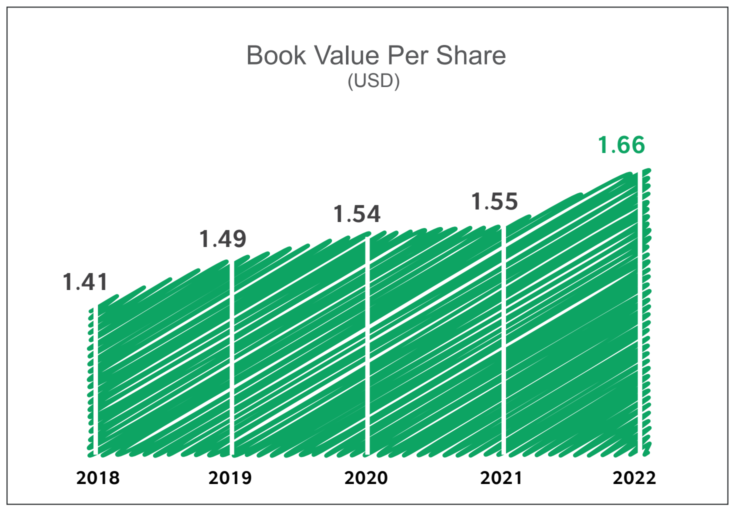
As for net ownership equity rights, including non-controlling rights, at the end of 2022, it amounted to USD 217.1 million, an increase of 13.4% compared to 2021. Owner equity attributed to APIC shareholders reached USD 185.9 million, an increase of 13.9% compared to 2021. It should be noted that in 2022, cash dividends amounting to USD 11 million were distributed to the company›s shareholders. The company›s capital was also increased by 7 million shares by increasing the number of issued shares from 105 million to 112 million shares through the distribution of 7 million as bonus shares to APIC shareholders.

The following charts show the main indicators and financial data for the company between 2018 and 2022:









Discrepancy Between Initial Disclosure and Final Audited Results

In February 2023, APIC disclosed its consolidated preliminary financial statements for 2022 before being audited by the external auditor. Since the audited consolidated financial statements have been released, no significant differences or variances have been observed in the results compared to the primary disclosed financial statements, with the exception of some classifications of accounts and the representing of some figures in the income statement and balance sheet according to the classification criteria accredited by the auditor, in addition to the amending of some numbers related to the final reconciliation in the group companies, and the elimination of the commercial transactions that occurred between the group companies and that appeared in the final settlements.

Also, for the effects resulting from the application of International Accounting Standard # 29 related to hyperinflation in Turkey on the financial statements related to the Turkish company Polonez, a subsidiary of Siniora, where the auditors, in accordance with the requirements of accounting standards, re-presented the impact numbers to apply this standard to all monetary items that were affected by the application of this standard both in the income statement and balance sheet, while the impact of applying this standard in the interim financial statements was presented in a separate item at the bottom of the income statement. On the other hand, the statement of other comprehensive income has been amended in line with the requirements of IFRS in presenting the fair valuation of investments and lands and the impact of foreign currency differences resulting from the investment cost in the Turkish company Polonez and the impact resulting from the application of International Accounting Standard No. 29.

Khaled Baradei

Chief Financial Officer

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022 TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

AM / 001 / 006655

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

Report on the Audit of the Consolidated Financial Statements

Opinion
We have audited the consolidated financial statements of Arab Palestinian Investment Company (Holding Company) and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as of December 31, 2022, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in owners' equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').

Basis for Opinion
We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the Company's consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters
Key audit matters, in our professional judgment, are the most significant matters in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have performed the tasks mentioned in the auditor's responsibility paragraph related to the audit of the consolidated financial statements, in addition to all matters related thereto, our audit includes the implementation of procedures designed to respond to our assessment of the risks of material misstatement in the consolidated financial statements. The results of our audit procedures, including procedures to address the matters below, provide a basis for our opinion on the audit of the accompanying consolidated financial statements.

Deloitte.

Key audit matter	How our audit addressed the key audit matter
1. Expected Credit Losses of Financial Assets The Group held total receivables and cheques under collection with a carrying amount of USD 202 million and the related allowance for expected credit losses ('ECL') amounted to approximately USD 8.4 million as of December 31, 2022. We have considered the determination of the allowance for expected credit losses as detailed above to be a key audit matter as the measurement thereof requires significant estimates to be made and judgements to be applied including the determination of loss scenarios and the associated loss weights on outstanding balances, definition of loss given default, probability of default (PD) calculation and the assignment of management overlays to specific debtors. Refer to notes 2, 6 and 11 on the consolidated financial statements for the accounting policy and the related disclosures.	Our procedures included, but were not limited to, the following: • We understood the Group's key processes used in preparing the assumptions and estimates used in the determination of the allowance for expected credit losses. • We identified the relevant controls over the determination of the allowance for ECL, assessed the design of these controls and determined if they had been implemented appropriately. • We reviewed the Group's policy on determining the allowance for expected credit losses and compared it to the requirements of IFRSs. • We agreed the data used in the calculation of the allowance for expected credit losses to the Group's accounting records and other supporting documentation, where applicable. • We assessed the Group's determination of when a significant increase in credit risk occurs and the basis for classifying exposures into different stages against the requirements of IFRSs. • We assessed the Group's method of determining exposure when default occurs, and the probability of default and loss in the event of default used in calculating the expected credit loss of a sample of exposures. • We reperformed the mathematical accuracy of the calculations of the allowance for expected credit losses. • We agreed the results of the calculations used to calculate the allowance for expected credit losses to the amounts reported in the consolidated financial statements. • We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Key audit matter	How our audit addressed the key audit matter
2. Inventory The Group held inventories with a carrying amount of USD 145 million representing 20% of the total assets amount as of December 31, 2022. Inventories are stated at the lower of cost and net realizable value. An allowance for slow moving and obsolete inventories is made by the Group's management, where necessary. Management estimates the level of obsolescence of inventories considering the nature, ageing and other sales expectation factors and reviews the valuation of inventories for the purpose of writing-off the cost of inventories which are in excess of their expected net realizable value. We considered this to be a key audit matter due to the level of significant judgments applied and estimates made by management in determining the inventory's net realizable value and the allowance for slow moving inventories and inventories written off based on the assessment of their net realizable value. Refer to notes 2 and 7 for accounting policy the related disclosures.	Our procedures included, but were not limited to, the following: • Assessed the design and implementation of the Group's controls over the estimation and monitoring of the allowance of slow moving and obsolete inventories; • Assessed the methodology used to determine the measurement of the allowance for slow moving and obsolete inventories. • Evaluated the Group's policies for slow moving and obsolete inventories by comparing historical estimations to actual results, assessing the consistency of the policy with prior years and our knowledge of industry practice; • Tested the accuracy and completeness of the inventory ageing reports used by management in the assessment of the allowance for slow moving and obsolete inventories and arithmetical accuracy of the computations; • Inquired about the existence of any obsolete or slow moving inventories during our attendance at physical inventory counts and determined that these items were included in the determination of the allowance for slow moving and obsolete inventories; and • Assessed if the disclosures in the financial statements relating to this area against the requirements of IFRSs.

Key audit matter	How our audit addressed the key audit matter
3. Impairment of goodwill and trademarks As of December 31, 2022, the book value of goodwill and trademarks amounted to approximately USD 40.8 million, which represents 5% of the total assets. It is considered that the useful life of the trademarks is indefinite. In accordance with International Accounting Standard (36) Impairment of Assets, the Group annually assesses the impairment of goodwill that has been acquired through the merger of businesses and intangible assets that have indefinite useful lives, regardless of whether there is any indication of impairment. Impairment charges are recognized in the consolidated statement of profit or loss when the recoverable amount is less than the carrying amount. As disclosed in note (15) of the consolidated financial statements, the determination of the recoverable amount is based on discounted future cash flows. We considered impairment of goodwill and trademarks as a key audit matter, considering the method for determining the recoverable amount and the significance of the amount in total for the group's consolidated financial statements. In addition, the calculation of the recoverable amount requires the management to apply significant judgements and make significant estimates, in particular, expectations of future cash flows and an estimate of the discount rate and long-term growth rate. Refer to notes 2 and 15 for more details relating to this matter.	We familiarized ourselves with the process implemented by the Group to determine the recoverable amount of goodwill and trademarks allocated to Cash-Generating Units (CGU). Our work consisted of: • evaluating the design and implementation of controls over the Group's testing of goodwill and trademarks for impairment; • assessing the principles and methods used for determining the recoverable amounts of the CGU to which the goodwill and trademarks are allocated and assessing that the methods used are in accordance with requirement of IAS 36; • reconciling the net carrying amount of the goodwill and trademarks allocated to the CGU with the Group's accounting records; • engaging our internal valuation specialist to assess the discount rate applied by benchmarking against independent data, the valuation methodology, value in use calculations, and terminal growth rate; • substantiating by interviews with management the key assumptions on which budget estimates underlying the cash flows used in the valuation models are based. For this purpose, we also compared the estimates of cash flow projections of previous periods with actual corresponding results, to assess the pertinence and reliability of the process for making forecasts; • substantiating the results of sensitivity analyses carried out by management by comparing them to those realized by us; • verifying the arithmetical accuracy of the valuations used by the Company. • We also assessed the disclosures in the consolidated financial statements relating to this area against the requirements of IFRSs.

Key audit matter	How our audit addressed the key audit matter
Hyperinflation accounting of Turkish subsidiary	
As disclosed in note 2 in the consolidated financial statements, the economy of the Republic of Turkey was deemed a hyperinflationary economy in accordance with the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies ("IAS 29"). The Group performed the hyperinflation calculations which included utilizing the consumer price indexes as a key input into the calculations. The financial results of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products, a subsidiary located in the Republic of Turkey, are translated to the Group's reporting currency using the official exchange rate published by the Central Bank of the Republic of Turkey as at 31 December 2022. The loss on the monetary position is calculated as the difference resulting from the restatement of net non-monetary assets, equity and items in the statement of profit or loss and other comprehensive income and the adjustment of index linked assets and liabilities. The application of IAS 21 The Effects of Changes in Foreign Exchange Rates ("IAS 21") in conjunction with the application of IAS 29 resulted in a net monetary loss of USD 518 thousand, which was recognized in profit or loss, and other comprehensive income of USD 12.4 million. The application of the requirements of IFRSs relative to hyperinflation and the assessment of the applicable exchange rate were areas that required significant auditor attention. Given the significance of the quantitative impact, the complexities associated with hyperinflationary accounting and the extent of audit effort required, the application of hyperinflation accounting for the Group's operations located in the Republic of Turkey and the related disclosures were deemed to be a Key Audit Matter.	Our audit procedures performed included, but were not limited to, the following: • We obtained an understanding of the process implemented by the Group to determine the hyperinflation adjustments and disclosures. • We assessed the controls over this area to determine if they had been designed and implemented appropriately. • We utilized our internal IFRS accounting specialists to conclude on the appropriate application of IAS 21 and IAS 29. • We assessed the inputs into the hyperinflation calculations with specific emphasis on the consumer price indices used by agreeing them to independent sources. • We reperformed the mathematical accuracy of the hyperinflation adjustments. • We determined if the exchange rates used to translate the results of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products financial statement were determined in accordance with the requirements of IFRSs. We assessed the disclosure in the consolidated financial statements relating to this area against the requirements of IFRSs.

Other Matter
The accompanying consolidated financial statements are a translation of the statutory financial statements which are in the Arabic Language to which references should be made.

Other Information
Management is responsible for the other information. The other information comprises the other information in the annual report excluding the consolidated financial statements and the independent auditor's report thereon, which is expected to be made available to us after the date of our audit report. Our opinion on the consolidated financial statements does not cover the other information, and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information mentioned above when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control of the group.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on effectiveness of internal control.

- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidences obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain appropriate and suitable evidence regarding the financial information and the workplace activities within the group "The company and its subsidiaries" to present an opinion on the consolidated financial statement. We are responsible for the coordination, supervision and performance of the group's audit. We are solely responsible regarding our audit opinion.

  We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard procedures.

From the matters communicated with those charged with governance, we determine those matters of most significance in the audit of the consolidated financial statements of the current year, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
The Group maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Amman - Jordan
March 30, 2023

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
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ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Note	December 31 2022	December 31 2021
Current Assets		**USD**	**USD**
Cash on hand and at banks	5	32,637,610	46,564,274
Accounts receivable and short term cheques under collection - net	6	190,129,334	187,489,956
Inventory - net	7	144,998,681	98,494,959
Due from related parties	36	1,448,966	1,821,007
Financial assets at fair value through profit or loss	8	4,126,669	369,669
Other debit balances	9	56,142,478	33,687,059
Leasing contracts receivable - short term	10	6,938,028	7,380,290
Total Current Assets		**436,421,766**	**375,807,214**
Non-Current Assets			
Leasing contracts receivable - long term	10	13,560,695	8,888,028
Cheques under collection - long term	11	11,916,022	3,488,782
Deferred tax assets	23	2,725,757	2,633,284
Financial hedging instruments assets	39	7,493,500	7,959,000
Right of use assets - net	12	12,988,515	8,664,765
Financial assets at fair value through other comprehensive income	13	51,302,462	41,774,188
Investment in land	14	1,040,845	819,127
Intangible assets - net	15	45,020,966	34,528,828
Investment in associates	16	11,958,597	10,789,513
Property and equipment - net	17	133,624,797	115,461,216
Projects under construction	18	14,575,706	7,256,318
Total Non-Current Assets		**306,207,862**	**242,263,049**
Total Assets		**742,629,628**	**618,070,263**
Liabilities and Shareholders' Equity			
Current Liabilities			
Accounts payable		86,436,948	66,834,318
Due to banks	19	66,747,424	59,236,974
Notes payable and postdated cheques - short term	20	5,617,464	7,091,047
Due to related parties	36	601,459	440,478
Lease liabilities - short term	12	4,311,501	2,825,271
Loans installments - short term	21	135,868,629	83,322,538
Other credit balances	22	37,483,443	38,604,039
Income tax provision	23	6,789,808	6,404,870
Total Current Liablilities		**343,856,676**	**264,759,535**
Non Current Liabilities			
End of service indemnity provision	24	20,504,457	19,839,855
Bonds payable - long term	25	72,987,000	73,918,000
Notes payable and postdated cheques - long term		-	1,021,044
Deferred tax liabilities	2	2,645,663	-
Lease liabilities - long term	12	8,513,782	6,163,091
Financial hedging instruments liabilities	39	7,959,000	7,959,000
Loans installments - long term	21	69,040,894	52,961,967
Total Non-Current Liabilities		**181,650,796**	**161,862,957**
Total Liabilities		**525,507,472**	**426,622,492**
Owners' Equity			
Authorized capital is 125,000,000 shares			
at a par value of $1 per share	1	**125,000,000**	**125,000,000**
Shareholders' Equity			
Paid up capital	1 / B	112,000,000	105,000,000
Share premium	1 / F	12,103,000	12,103,000
Retained earnings		69,917,158	61,228,638
Cumulative change in fair value		4,744,252	2,505,828
Property and equipment (Land) revaluation reserve	26	11,395,587	9,479,203
Foreign currency translation effect		(5,648,729)	(8,480,229)
Difference on the purchase of minority interest	2	(18,625,172)	(18,625,172)
Total shareholders' equity		**185,886,096**	**163,211,268**
Non controlling interest	27	31,236,060	28,236,503
Total Owners' Equity		**217,122,156**	**191,447,771**
Total Liabilities and Owners' Equity		**742,629,628**	**618,070,263**

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

ARAB PALESTINIAN INVESTMENT COMPANY

(HOLDING COMPANY)

BRITISH VIRGIN ISLANDS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended December 31 2022	2021
		USD	USD
Net sales		1,153,986,155	1,104,518,165
Less: Cost of sales		(996,851,426)	(961,160,353)
Gross Profit from sales	28	**157,134,729**	**143,357,812**
Services revenue		6,540,384	5,153,026
Less: Cost of services		(6,363,621)	(5,521,903)
Net Service revenue		**176,763**	**(368,877)**
Gross Profit from sales and service		**157,311,492**	**142,988,935**
Less: General and administrative expenses	29	(56,330,123)	(54,220,614)
Selling and distribution expenses	30	(42,851,078)	(31,646,913)
Profit from Operations		**58,130,291**	**57,121,408**
Unrealized (loss) gain from financial assets at profit or loss		879,446	(296,927)
Depreciation of right of use assets	12	(4,956,302)	(3,110,049)
Interest on lease liabilities	12	(615,308)	(439,131)
Gain from financial assets at fair value through other comprehensive income	31	1,286,180	559,453
Interest and borrowing cost		(21,467,491)	(14,029,530)
Company's share of associate companies (loss) profit	16	2,959,737	(455,677)
Other revenue (expenses) - net		2,068,095	3,455,405
Profit for the period before income tax and monetary gain resulting from hyperinflation		**38,284,648**	**42,804,952**
Income tax expense - the Company and its subsidiaries	23	(8,251,549)	(9,208,676)
Profit for the period from continuing operations before monetary gain resulting from hyperinflation		**30,033,099**	**33,596,276**
Add: Net monetary gain resulting from hyperinflation		518,601	-
Profit for the period from continuined operations		30,551,700	33,596,276
Add: Net (loss) profit from discontinued operations		-	(325,790)
Profit resulting from the sale of a subsidiary company		-	4,669,423
Profit for the period		**30,551,700**	**37,939,909**
Attributable to:			
Company's shareholders		27,677,501	33,560,835
Non-controlling interest	27	2,874,199	4,379,074
Profit for the Year		**30,551,700**	**37,939,909**
Earnings per share attributable to the Company's shareholders from continued operations	38	0.247	0.300
Earnings per share attributable to the Company's shareholders from discontinued operations	38	-	0.039

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

ARAB PALESTINIAN INVESTMENT COMPANY

(HOLDING COMPANY)

BRITISH VIRGIN ISLANDS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31 2022	2021
	USD	USD
Profit for the year	30,551,700	37,939,909
Other Comprehensive Income Items:		
Other comprehensive income items which are transferable to the consolidated statement of profit or loss:		
Change in fair value - property and equipment revaluation reserve / land	2,144,475	628,600
Change in fair value - financial assets at fair value through other comprehensive income	2,238,424	2,783,391
Foreign currency translation effect	4,598,909	(17,586,652)
Total Comprehensive Income for the Year	**39,533,508**	**23,765,248**
Total Comprehensive Income Attributable to:		
Company's shareholders	34,663,809	28,145,432
Non-controlling interest	4,869,699	(4,380,184)
Total Comprehensive Income for the Year	**39,533,508**	**23,765,248**

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

ARAB PALESTINIAN INVESTMENT COMPANY

(HOLDING COMPANY)

BRITISH VIRGIN ISLANDS

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Paid -up Capital	Share Premium	Retained Earnings	Cumulative Change in Fair Value	Property and Equipment (Land) Revaluation Reserve	Foreign Currency Translation Effect	Difference in Purchase of Non-Controlling Interest	Total Shareholders' Equity	Non - Controlling Interest	Total Owners' Equity
For the Year Ended December 31, 2022	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Balance as of January 1, 2022	105,000,000	12,103,000	61,228,638	2,505,828	9,479,203	(8,480,229)	(18,625,172)	163,211,268	28,236,503	191,447,771
Change in fair value - financial assets at fair value through other comprehensive income	-	-	-	2,238,424	-	-	-	2,238,424	-	2,238,424
Change in fair value - property and equipment revaluation reserve / land	-	-	-	-	1,916,384	-	-	1,916,384	228,091	2,144,475
Foreign currency translation effect	-	-	-	-	-	2,831,500	-	2,831,500	1,767,409	4,598,909
Profit for the Year	-	-	27,677,501	-	-	-	-	27,677,501	2,874,199	30,551,700
Total comprehensive income for the year	**-**	**-**	**27,677,501**	**2,238,424**	**1,916,384**	**2,831,500**	**-**	**34,663,809**	**4,869,699**	**39,533,508**
Increase in paid up capital **	7,000,000	-	(7,000,000)	-	-	-	-	-	-	-
Share premium as a result of capital increase **	-	-	(11,000,000)	-	-	-	-	(11,000,000)	-	(11,000,000)
Other	-	-	(988,981)	-	-	-	-	(988,981)	(968,037)	(1,957,018)
Net change in non controlling interest *	-	-	-	-	-	-	-	-	(902,105)	(902,105)
Balance as of December 31, 2022	**112,000,000**	**12,103,000**	**69,917,158**	**4,744,252**	**11,395,587**	**(5,648,729)**	**(18,625,172)**	**185,886,096**	**31,236,060**	**217,122,156**
For the Year Ended December 31, 2021										
Balance as of January 1, 2021	95,000,000	10,075,000	36,935,837	(277,563)	15,636,052	347,165	(11,844,996)	145,871,495	28,886,066	174,757,561
Change in fair value - financial assets at fair value through other comprehensive income	-	-	-	2,783,391	-	-	-	2,783,391	-	2,783,391
Change in fair value - property and equipment revaluation reserve / land	-	-	-	-	628,600	-	-	628,600	-	628,600
Foreign currency translation effect	-	-	-	-	-	(8,827,394)	-	(8,827,394)	(8,759,258)	(17,586,652)
Profit for the Year	-	-	33,560,835	-	-	-	-	33,560,835	4,379,074	37,939,909
Total comprehensive income for the year	**-**	**-**	**33,560,835**	**2,783,391**	**628,600**	**(8,827,394)**	**-**	**28,145,432**	**(4,380,184)**	**23,765,248**
Increase in paid up capital ****	10,000,000	-	(8,800,000)	-	-	-	-	1,200,000	-	1,200,000
Share premium as a result of capital increase **	-	2,028,000	-	-	-	-	-	2,028,000	-	2,028,000
Distributed dividends ****	-	-	(7,215,000)	-	-	-	-	(7,215,000)	-	(7,215,000)
Net change in property and equipment revaluation reserve (note 26)	-	-	7,025,597	-	(7,025,597)	-	-	-	(15,591)	(15,591)
Net change in non controlling interest *	-	-	(278,631)	-	240,148	-	(6,780,176)	(6,818,659)	3,746,212	(3,072,447)
Balance as of December 31, 2021	**105,000,000**	**12,103,000**	**61,228,638**	**2,505,828**	**9,479,203**	**(8,480,229)**	**(18,625,172)**	**163,211,268**	**28,236,503**	**191,447,771**

* This item represents the net change in non-controlling resulting form the decrease in the share of non-controlling interest in the capital of some of the subsidiaries during the years 2022 and 2021.

** The general assembly has decided in its non ordinary meeting held on May 9, 2022 to increase the Company's paid up capital by USD 7 million by distributing stock dividends to shareholders in addition to a cash dividend of USD 11 million, or 10.5% of the Company's paid up capital on that date.

** The general assembly has decided in its meeting held on May 5, 2021, approved the increase in the Company's capital by USD 8.8 million through the distribution of stock dividends,in addition to a cash dividends of USD 7.2 million, or 7.5% of the Company's paid up capital on that date.

** 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.

- Out of retained earnings, USD2,725,757 were booked against deferred tax assets as of December 31, 2022 (USD 2,633,284 as of December 31, 2021).

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

ARAB PALESTINIAN INVESTMENT COMPANY

(HOLDING COMPANY)

BRITISH VIRGIN ISLANDS

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the year ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		USD	USD
Profit for the period before tax and after monetary gain resulting from hyperinflation		38,803,249	42,804,952
Net profit from discontinued operations		-	4,343,633
Adjustments for:			
Depreciation of property and equipment	17	12,068,675	10,802,633
Depreciation of right of use assets	12	4,956,302	3,110,049
Terminated Leases	12	87,511	482,060
Interest on Lease Liabilities	12	615,308	439,131
Unrealized (gain) or loss from financial assets at fair value through profit and loss		(879,446)	296,927
(Gain) loss from investment in associates	16	(2,959,737)	455,677
Provision for expected credit loss	6	193,075	1,470,042
(Released from) provision for slow moving inventory	7	(352,490)	1,206,423
Provision for end of service indemnity	24	1,614,417	3,129,477
The effect of the change in financial hedging instruments positions		465,500	592,200
(Gain) from the sale of property and equipment		(137,053)	(303,680)
Net monetary (gain) resulting from hyperinflation		(518,601)	-
Provision for uncollected lease contracts	10	185,000	87,029
Cash Flows from Operating Activities before Changes in Working Capital		**54,141,710**	**68,916,553**
(Increase) in accounts receivable, cheques under collection and other debit balances		(33,441,006)	(52,418,367)
(Increase) in inventory		46,151,232	(5,457,858)
Change in the related parties balance		533,022	1,755,126
(Increase) in leasing contracts receivable		(4,415,405)	(5,324,167)
Increase in accounts payable and other credit balances		18,482,034	6,605,661
Net (Cash used) in cash flows from Operating Activities before End-of-Service Indemnity and Income Tax Paid		**(10,850,877)**	**14,076,948**
Paid from end-of-service indemnity provision	24	(949,815)	(663,735)
Paid from Income tax provision	23	(8,478,667)	(9,097,512)
Net Cash Flows (used in) Operating Activities		**(20,279,359)**	**4,315,701**
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) decrease in financial assets at fair value through profit or loss		(2,877,554)	28,837
(Increase) in financial assets at fair value through other comprehensive income		(7,289,850)	(16,817,111)
Decrease (increase) in investment in associates		1,790,653	(2,862,679)
Change in property and equipment - net	17 and 18	(38,052,368)	5,636,426-
Proceeds from the sale of property and equipment		500,724	676,400
Payments to acquire a subsidiary company		-	(10,835,862)
Payments to acquire non-controlling interest		-	(23,058,938)
Proceeds from the sale of a subsidiary		-	23,000,000
Lease liabilities settled	12	(4,767,670)	(3,355,453)
Change in intangible assets - net		(10,492,138)	9,274,363
Net Cash Flows (used in) Investing Activities		**(61,188,203)**	**(29,586,869)**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Distributed dividends		11,000,000	(7,215,000)
Increase in due to banks	19	7,510,450	29,399,856
Increase in loans, cheques and notes payable		66,130,391	38,906,010
Net change in bonds payable	25	(931,000)	(1,184,400)
Net change in non - controlling interest, foreign currency translation effect and others		5,831,057	(27,111,155)
Net Cash Flows from Financing Activities		**67,540,898**	**32,795,311**
Net (Decrease) in Cash		(13,926,664)	7,524,143
Increase in cash due to the acquisition of a subsidiary		-	185,832
(Decrease) in cash due to the disposal of a subsidiary		-	(764,178)
Cash on hand and at banks- beginning of the year		46,564,274	39,618,477
Cash on Hand and at Banks- End of the Year	5	**32,637,610**	**46,564,274**
Non Cash Items			
Property and equipment revaluation effect	17 and 26	2,144,475	628,600
Written off debts		39,794	61,250
Investment in associate companies	16	-	(56,109)
Increase in paid up capital	1	7,000,000	10,000,000
Increase in share premium		0	2,028,000
Transferred from projects under construction to property and equipment	17 and 18	13,741,365	3,367,466

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

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

1. General

a. Arab Palestinian Investment Company (Holding Company) was established on September 20, 1994 and registered in the British Virgin Islands under Number (128626), The company's authorized capital amounted to USD 125 million divided into 125 million shares at a par value of one united states dollar per share.

b. On May 9, 2022, the Company's General Assembly has decided to approve in its ordinary meeting held on its date, approved to increase the Company's paid-up capital by USD 7,000,000 by capitalizing part of the retained earnings and distributing it to the shareholders as free shares, so that the company's paid-in capital turn out to be USD 112,000,000.

Approval of the regulatory authorities were obtained from British virgin island and the specialized parties at Palestine including Palestine Capital Markets Authority (PCMA) and Palestine Exchange (PEX).

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

d. The headquarter of the company is located at Ikram Street, Dabouq, P.O. Box 941489, 11194 Amman – Jordan.

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

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

	December 31, 2022		December 31, 2021			
	Paid-up Capital USD	**Equity Share %**	**Paid-up Capital USD**	**Equity Share %**	**Ownership Date**	**Main Activity**
Arab Palestinian Storage and Cooling Company	4,500,000	71/11	4,500,000	71/11	1997	Management of refrigerated stores
Medical Supplies and Services Company (consolidated)	20,000,000	100	20,000,000	100	1998	Trade of medicine and medical supplies
Unipal General Trading Company (consolidated) *	7,042,253	100	7,042,253	100	1998	General trading
National Aluminum and Profiles Company **	15,514,810	77/02	15,514,810	77/02	1995	Manufacturing of aluminum
Palestine Automobile Company	20,000,000	100	20,000,000	100	1998	Trading of cars
Sky Advertising and Promotion Company (consolidated)	845,068	100	845,068	100	2000	Advertising, public relations and events
Siniora Food Industries Company (consolidated) ***	39,492,243	65/63	39,492,243	65/63	1996	Food industries
Jericho Natural and Mineral Water Factory Company	4,803,734	85	4,803,734	85	2001	Natural and mineral water
Arab Leasing Company	6,000,000	100	6,000,000	100	2015	Financial Leasing
Arab Palestinian Investment Company / Jordan (Exempted)	70,400	100	70,400	100	2011	Trading of cars and commercial agencies
APIC Gulf Investments	40,000	100	40,000	100	2019	Investment and asset management

The subsidiaries important information for the year 2022 and 2021 before eliminating intercompany balances and transactions were as follows:

	December 31, 2022		For the year 2022	
	Total Assets	Total Liabilities	Total Revenue	Total Expenses
	USD	USD	USD	USD
Arab Palestinian Storage and Cooling Company	665,419	3,313,089	247,038	405,548
Medical Supplies and Services Company consolidated	180,670,532	137,054,459	129,273,023	122,457,568
Unipal General Trading Company consolidated	162,014,160	100,615,377	780,266,188	757,308,791
National Aluminum and Profiles Company	56,623,357	34,921,801	31,599,405	32,888,498
Palestine Automobile Company	67,783,765	40,273,386	58,862,903	55,592,842
Sky Advertising and Promotion Company (consolidated)	4,314,150	2,684,611	6,891,693	6,597,693
Siniora Food Industries Company (consolidated) ***	183,774,904	118,449,821	188,591,238	182,086,808
Jericho Natural and Mineral Water Factory Company	-	59,610	-	7,780
Arab Leasing Company	29,608,869	20,741,591	2,909,516	2,025,812
Arab Palestinian Investment Company / Jordan (Exempted)	1,117,439	296,808	331,086	183,507
APIC Gulf Investments	5,214,563	6,590,176	961,753	-

	December 31, 2021		For the year 2021	
	Total Assets	Total Liabilities	Total Revenue	Total Expenses
	USD	USD	USD	USD
Arab Palestinian Storage and Cooling Company	669,740	3,158,900	212,899	428,233
Medical Supplies and Services Company consolidated	152,777,402	112,480,696	119,410,457	109,749,037
Unipal General Trading Company consolidated	128,416,593	72,581,087	783,940,151	760,914,809
National Aluminum and Profiles Company	49,982,276	27,208,449	30,162,858	28,946,667
Palestine Automobile Company	61,769,674	38,062,036	43,121,997	41,698,710
Sky Advertising and Promotion Company (consolidated)	4,428,510	3,092,971	5,742,974	5,662,829
Siniora Food Industries Company (consolidated) ***	152,339,629	88,221,240	154,057,102	142,729,374
Jericho Natural and Mineral Water Factory Company	-	51,830	-	3,300
Arab Leasing Company	32,757,020	15,773,447	2,090,193	1,383,280
Arab Palestinian Investment Company / Jordan (Exempted)	804,831	131,779	486,160	255,316
APIC Gulf Investments	5,681,808	7,894,604	-	2,327,600

g. The delegate of the Board of Directors approved the consolidated financial statements March 21,2023.

2. Significant Accounting Policies

Basis of Preparation of the Consolidated Financial Statements:

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

The reporting currency of the consolidated financial statements is the US Dollar, which represents the functional currency of the Group.

The accounting policies adopted for the current year are consistent with those applied in the year ended December 31, 2021 except for the effect of the adoption of the new and revised standards mentioned in Note (4 -A) and (4 -B) which have no material effect on the consolidated financial statements except the effect of adopting International Accounting Standard (29) "Financial Reporting in hyperinflationary economies" due to exist of hyperinflation in the Republic of Turkey and as follows:

Classification of The Republic of Turkey as a hyperinflationary economy

From April 1, 2022, the Turkish economy has been considered hyperinflationary based on the criteria established by International Accounting Standard 29, *'Financial Reporting in Hyperinflationary Economies'* ('IAS 29'). This designation is determined following an assessment of a series of qualitative and quantitative circumstances, including the presence of accumulative inflation rate of more than 100% over the previous three years.

IAS 29 requires that financial information are stated in terms of the measuring unit current at the statement of financial position date which requires restatement of non-monetary assets and liabilities to reflect the changes in the general purchasing power of the Turkish Lira. The restatements were calculated using the consumer price index in the local currency of the reporting entity before converting it to the presentation currency of the Group's financial statements.

As of December 31, 2022 the three-years cumulative index was 156% based on the Turkish Consumer Price Index (the "Consumer Price Index"). The Consumer Price Index at the beginning of the reporting period was 687 and closed at 1,128, resulting in an increase of 64%.

The following are summarized for the basic principles in relation to the financial statements applied in the interim condensed consolidated financial information:

- Adjustment of the historical carrying values of non-monetary assets and liabilities and the various items of equity from their date of acquisition or inclusion in the consolidated statement of financial position to the end of the reporting period to reflect the changes in purchasing power of the currency caused by inflation, according to the indices published by the Turkish Statistical Institute. The cumulative impact for previous years amounting to approximately USD 12.4 million has been reflected in equity through other comprehensive income. The Group comparative amounts are not restated since its presented in a stable currency.
- Monetary assets and liabilities, which are carried at amounts current at the date of statement of financial position, are not restated because they are already expressed in terms of the monetary unit current at the date of statement of financial position.
- Non-monetary assets and liabilities, which are not carried at amounts current at the date of statement of financial position, and components of shareholders' equity are restated by applying the relevant conversion factors.
- All items in the statement of profit or loss are restated by applying the average conversion factors during the year except for those amounts deriving from non-monetary items, which are calculated based on the restated values of the related items.
- The effect of application indices on the Group's net monetary position is included in the statement of profit or loss as monetary gain or loss.

Hyperinflation adjustments considered as a temporary tax difference, accordingly, deferred tax liabilities were calculated on these differences and recorded around UDSD 2.7 million shown

Business Combinations
Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are recognized in consolidated profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with IAS 12 and IAS 19 respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in consolidated profit or loss.

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to consolidated profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date.

Basis of Financial Statements Consolidation
The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affects its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group gains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in consolidated income statement from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Group and its subsidiaries are eliminated upon consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders represent ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests balance is in deficit.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Company loses control of a subsidiary, the gain or loss on disposal recognised in income statement is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

In compliance with the scope of paragraph 34b of IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the transactions between the Group's subsidiaries and the disposed company are represented as transactions with unrelated parties. The effect of such transactions in the consolidated financial statements of the Group in that period are eliminated.

Financial Reporting in Hyperinflationary Economies

The financial statements of subsidiaries whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

In the first period of application, the adjustments determined at the beginning of the period are recognized directly in equity as an adjustment to opening retained earnings. In subsequent periods, the prior period adjustments related to components of owners' equity and differences arising on translation of comparative amounts are accounted for in other comprehensive income.

Items in the consolidated statement of financial position not already expressed in terms of the measuring unit current at the end of the reporting period, such as non-monetary items carried at cost or cost less depreciation, are restated by applying a general price index. The restated cost, or cost less depreciation, of each item is determined by applying to its historical cost and accumulated depreciation the change in a general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognized in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

At the beginning of the first period of application, the components of owners' equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. Restated retained earnings are derived from all other amounts in the restated consolidated statement of financial position.

At the end of the first period and in subsequent periods, all components of owners' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items recognized in the statement of profit or loss are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

Gains or losses on the net monetary position are recognized in profit or loss.

All items in the consolidated statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Financial Instrument

Financial assets and financial liabilities are recognized in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets

Financial assets are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (except for financial assets at fair value through consolidated statement of profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit–impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in consolidated statement of profit or loss.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Provision for expected credit losses

The Group has adopted the simplified approach to recognize expected credit losses over the life of its receivables as permitted by IFRS 9. Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of stage 2 with the recognition of expected credit losses over their lifetime.

A provision for the expected credit loss should be recognized over the life of the financial instrument if the credit risk on that financial instrument increases substantially since the initial recognition and the expected credit loss is an expected weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the expectation of several future economic scenarios, discounted at the effective interest rate of the asset.

The Group assesses whether there is objective evidence of impairment on an individual basis for each asset of individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

Write off

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are past due by a significant period, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss.

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through statement of profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at fair value through profit or loss, are measured subsequently at amortised cost using the effective interest method.

Trade and other payables classified as financial liabilities are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised based on effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised consolidated statement of profit or loss.

Investment in associate companies
An associate is an institution in which the Group has significant influence. A significant influence is the ability to participate in the financial and operating policies of the investee and not joint control or control of those policies.

The considerations used to define joint control are similar to the considerations used to determine control on subsidiary companies.

The Group's investment in the associates is recognized following the equity method.

Under the equity method, investments in associates are carried at cost, the carrying amount is adjusted for investments in the associated companies to recognize the Group's share of changes in the net assets of the associated companies as date of possession. Goodwill arising from associates is recorded as part of the investment account, is not amortized, and no action is taken for individually impairment test.

The consolidated statement of profit or loss reflects the Group's share of the results of its associate company. Any changes in the statement of comprehensive income for this investment, it is classified under the Group's consolidated statement of comprehensive income. In the event of a change in ownership rights of the associate company, these changes are found in the consolidated statement of changes in owners. Profits and losses resulting from intercompany transactions between the group and its associate companies are eliminated with amount of the group's share in associate company.

The Group's share of the profits or losses of the associate is shown in the consolidated statement of profit or loss in the operating income and represents profit or loss after tax and the rights of non-controllers in the subsidiary company of the associate company.

Dividends Income
Dividends Income is realized once the right to receive payments is acquired, which is the date before dividends are distributed for publicly listed companies, and usually the date of approval for the distribution of dividends by the shareholders of non-publicly listed companies.

The distribution of dividends income at the consolidated statement of profit and loss on the classification and measurement of the investment in shares, where in:

- Regarding equity instruments that are held for trading, Dividends income is listed on the consolidated statement of profit and loss within the Profit (Loss) from financial assets at fair value through profit and loss financial statements line, And

- As to equity instruments that are classified at fair value through other comprehensive income, Dividends income is listed on the consolidated statement of profit and loss within the dividends from financial assets at fair value through other comprehensive income financial statements line, And

As to equity instruments that are not measured at fair value through other comprehensive income and that are not held for trading, Dividends income is listed as net income from other instruments at fair value through the consolidated statement of profit and loss.

Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation.

Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Fair value measurement

Fair value is defined as the a price at which an asset is to be sold or paid to convert any of the liabilities in a structured transaction between the market participants on the measurement date, irrespective of whether the price can be realized directly or whether it is estimated using another valuation technique. When estimating the fair value of an asset or liability, the Group takes into consideration when determining the price of any asset or liability whether market participants are required to take these factors into account at the measurement date. The fair value of the measurement and / or disclosure purposes in these financial statements is determined on the same basis, except for measurement measures that are similar to fair value procedures and are not fair value such as fair value as used in IAS 36.

In addition, fair value measurements are classified for the purposes of financial reporting to level (1) or (2) or (3) based on the extent to which the inputs are clear to fair value measurements and the importance of inputs to the full fair value measurements, which are identified as follows:

Input Level (1)	inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that the enterprise can obtain on the measurement date;
Input level (2)	inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly; and;
Input level (3)	are inputs to assets or liabilities that are not based on quoted market prices.

Leases

The Group as a lessee

The Group should be evaluating whether the leasing contract included while starting the contract. The right of use assets and leasing obligations should be recognized by the Group regarding all leasing obligations, except for short-term leasing contracts (12 months or less) and the leasing contracts with low value, in regards to these contracts the Group should recognized to these leases as operating expense using the straight-line method over the life of the lease unless another regular basis is more representative of the time pattern in which the economic benefits from the leased assets are utilized.

The lease obligation is initially measured at the present value of the lease payments that were not paid on the start date of the lease, deducted by using the price implicit in the lease. If this rate cannot be easily determined, the Group uses its additional expected rate.

The lease payments included in the rental obligation measurement include:

- Fixed rental payments (essentially including fixed payments), minus accrued receivable rental incentives;
- Variable rental payments that depend on an index or rate, initially measured using the indicator or the rate at the date the contract begins.
- The amount expected to be paid by the lessee under the residual value guarantees.
- The price of the exercise of purchase options, if the lessee is reasonably certain of the exercise of the options; and
- Paying the contract termination fines, if the lease reflects the exercise of the lease termination option.

Lease liabilities are presented as a separate note in the consolidated statement of financial position.

Later, lease liabilities are subsequently measured by increasing the book value to reflect the interest in the lease liabilities (using the effective interest method) and by reducing the book value to reflect the lease payments paid.

The lease obligations (and a similar adjustment to the related right-to-use assets) are re-measured whenever:

- The lease term has changed or there is an event or important change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease obligations are re-measured by deducting the adjusted lease payment using the adjusted discount rate.
- Lease payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value, in which cases the lease obligation is re-measured by deducting the modified rental payments using a non-variable discount rate (unless the lease payments change due to a change in the floating interest rate, in this case the adjusted discount rate is used).
- The lease contract is adjusted, and the lease amendment is not accounted as a separate lease, in which case the lease obligation is re-measured based on the duration of the adjusted lease contract by deducting the adjusted rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right to use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease contract transfers the ownership of the underlying asset or the cost of the right to use, which reflects that the Group expects to exercise the purchase option, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins on the date the commencement of the lease.

The right-to-use assets are presented as a separate note in the consolidated statement of financial position.

The Group applies International Accounting Standard (36) to determine whether the value of the right to use has decreased its value and calculates any impairment losses as described in the policy of "property and equipment".

Variable lease that are not dependent on an index or rate are not included in the measurement of lease obligations and right to use assets. Related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in "Other Expenditures" in the consolidated statement of profit or loss.

The Group as a lessor

The Group enters into lease contracts as a lessor in regard with some investment properties.

Leases in which the Group is the lessor are classified as operating or finance leases. In the event that the terms of the lease contract transfer all risks and rewards of ownership to the lessee, the contract is classified as a finance lease and all other leases are classified as operating leases.

When the Group is an intermediary lessor, it represents the main lease and sub-contract as two separate contracts. The sublease contract is classified as finance or operating lease by reference to the original right of use arising from the main lease.

Leasing income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The primary direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the Group's net investment in the rental contracts. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group's existing net investment with respect to lease contracts.

When the contract includes leasing components and other components other than leasing, the Group applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

Impairment of non-financial assets

At the reporting date, the Group assesses whether there is evidence that the asset has been impaired. If any evidence exists, or when an impairment test is required, the Group assesses the recoverable amount of the asset. The recoverable amount of the asset is the fair value of the asset or cash-generating unit less cost of sales and value in use whichever is higher and is determined for the individual asset, unless the asset does not generate substantially independent internal cash flows from those arising from other assets or assets of the Group.

Where the carrying amount of the asset or cash-generating unit exceeds the recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In assessing the fair value used, future cash flows are discounted to their present fair value using a pre-tax discount rate that reflects current market assessments of the time value of funds and the risks specific to the asset. In determining fair value less cost of sales, recent transactions in the market are taken into consideration if available. If such transactions cannot be identified, the appropriate valuation model is used.

Inventory

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

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

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

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

Revenue recognition

The Group recognizes revenue mainly from sale of goods.

Revenue is measured based on the consideration to which the Group expects to be entitled (net after returns and discounts) in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognizes revenue when it transfers control of a product or service to a customer, being when the goods have been shipped to the specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognized by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

If customers have a right of return. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognized for those products expected to be returned. At the same time, the Group has a right to recover the product when customers exercise their right of return so consequently recognizes a right to returned goods asset and a corresponding adjustment to cost of sales. The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognized will not occur given the consistent level of returns over previous years.

For certain customers, the goods are sold with discounts retroactively on the basis of (12) months of total sales. Revenue of these sales is recognized based on the price specified in the contract less estimated discounts. The Group uses its accumulated historical experience to estimate discounts and the revenue is recognized to the extent that it is probable that there will be no material reversal. Liabilities for discounts on payments to customers are recovered in respect of sales made during the year.

The Group account for consideration payable to a customer (listing fee and promotional expenses) which occur in conjunction with purchase of goods from the Group as a reduction of the transaction, unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Group.

Property and Equipment

- Property and equipment are stated at cost and depreciated using the straight-line method at annual rates ranging from 2% to 25% except for land which is measured at fair value with the change in its fair value presented in owners' equity.

- When the expected recoverable amount of any property 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 it existed) is taken to the consolidated statement of profit or loss.

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

- Property and equipment are disposed-off when there are no expected future benefits from its use or its disposal.

Intangible Assets

a. Intangible assets with an indefinite life

- Goodwill is booked at cost that represents the excess amount paid to acquire or purchase an investment in a subsidiary over the Group's share of the fair value above the net assets of the subsidiary at the acquisition date, Goodwill resulting from the investment in a subsidiary is booked as a separate item within intangible assets and reduced subsequently for any impairment loss.

- Goodwill is distributed among cash generating unit(s) for the purpose of impairment test.

- The value of goodwill is reviewed on the date of the consolidated financial statements, Goodwill value is reduced when there is evidence that it is impaired or the recoverable value of the cash generating unit(s) is less than the book value of the cash generating unit(s), The decline in value is booked as an impairment loss and charged to the consolidated statement of profit or loss.

b. Intangible assets with a finite life

- Intangible assets resulting from acquisition are stated at fair value at the date of acquisition. Other intangible assets purchased other than through acquisition are recorded at cost.

- Intangible assets are to be classified on the basis of either definite or indefinite useful life, Intangible assets with definite useful lives are amortized over their useful lives and charged to the consolidated statement of profit or loss, Intangible assets with indefinite lives are reviewed for impairment as of the consolidated financial statements date, and impairment loss is charged to the consolidated statement of profit or loss.

- No capitalization of intangible assets resulting from the Group's operations is made, they are charged to the consolidated statement of profit or loss in the year incurred.

  Any indications of impairment in the value of intangible assets as of the consolidated financial statements date are reviewed. Furthermore, the estimated useful lives of the impaired intangible assets are reassessed, and any adjustments are made in the subsequent periods.

  Intangible assets are amortized over their expected useful life at annual percentages ranging from 20% to 35%.

  The Group recognizes exclusive distribution rights and backlogs that results from acquisitions within items of intangible assets based on the accounting approach applied at the initial purchase and the temporary fair value of the assets and liabilities acquired by the Group, which are subsequently evaluated based on changes in the group's management estimates.

  Computer programs are amortized according to the productive ages, which have been estimated by the management of the group and are expected to be utilized using the straight-line method, at an average period of 7 years.

c. Intangible assets resulting from acquisitions

The Group recognizes the surplus between the investment value and the net assets acquired resulting from the acquisitions that took place during the period as other intangible assets and are classified under the item intangible assets - net.

The group measures the distribution of the purchase price on the purchased assets during the 12 months following the date of purchase. The completion of this study may lead to a change in the fair value of the acquired assets and the associated liabilities, accordingly to a change in the intangible assets (goodwill) or the recognition of intangible assets of other natures.

Foreign Currencies

For the purpose of the consolidated financial statements, the results and financial position of each Company are expressed in the functional currency of the Group, and the presentation currency for the consolidated financial statements.

The individual financial statements of each company are presented in the currency of the primary economic environment in which it operates (its functional currency). In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in consolidated statement of profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks; and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to consolidated statement of profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest become a financial asset), all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the Group are reclassified to consolidated statement of profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interest and are not recognised in consolidated statement of profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to consolidated statement of profit or loss.

Investment in Land

Investment in Land is accounted for at fair value. Any gains or losses that arise from the revaluation of investment property are recognized in the consolidated statement of profit or loss.

Interest income and expenses
Interest income and expense for all financial instruments are recognized in the statement of profit or loss using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated considering all the contractual terms of the instrument.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (at the amortized cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortized cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

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

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

Income Tax
- Income tax expenses represent accrued taxes and deferred taxes.

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

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

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

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

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.

Share Capital
Cost of issuing or purchasing the Group's shares
The cost of issuance or purchase of the Group's shares is recognized in the Retained Earnings (net after tax effect if any). If the purchase/issue transaction has not been completed, then the cost will be recognized as an expense in the consolidated statement of profit or loss.

Operational Leasing Contracts
Operational leasing contracts are recognized as expense based on the straight method and on the lease duration, unless there is another basis for the time duration when the economic benefits from the lessee are expected. The expected leases resulting from the financial lease contract are recorded as expense in the period in which incurred.

3. Significant Accounting Judgments and Key Sources of Uncertainty
The preparation of the consolidated financial statements and the adoption of accounting policies requires the Group's management to make judgments, estimates and assumptions that affect the amounts of financial assets and financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenue, expenses and provisions in general and expected credit losses. In particular, the Group's management is required to make judgments to estimate the amounts and timing of future cash flows. These mentioned estimates are based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Actual results may differ from estimates as a result of changes in these conditions and circumstances in the future.

Judgments, estimates and assumptions are reviewed periodically. The effect of the change in estimates is recognized in the financial period in which the change has occurred and only if the change affects the same financial period. Moreover, the effect of the change in estimates is recognized in the financial period in which the change has occurred and in future periods in case the change affects the financial period and future financial periods.

The Group's Management believes that its estimates in the consolidated financial statements are reasonable. The key estimates used by management in applying the Group's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Useful life of tangible assets and intangible assets
The management periodically re-asses the useful life of tangible assets and intangible assets for the purpose of calculating the annual depreciation and amortization based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Impairment loss on intangible assets with infinite useful life
Group management is required to use judgment and estimates to assess whether there is impairment loss on the value of intangible assets that have unlimited useful life by estimating the value in use of the cash-generating units assigned to them. Calculating the value in use requires The Group's management to estimate future cash flows expected to originate from the cash generating unit and an appropriate discount rate in order to calculate the current value.

Income tax
The fiscal year is charged its related income tax expense in accordance with the regulations, laws and accounting standards. The deferred taxes and income tax provision are calculated and recognized.

Lawsuits provision
A provision is booked to meet any potential litigation obligations based on the legal study prepared by the Group's legal counsel that identifies potential risks in the future and periodically reviews the study.

Assets and liabilities presented at cost
Management reviews the assets and liabilities at cost periodically for the purpose of estimating any impairment in value, any impairment loss is recognized in the consolidated statement of profit or loss for the year.

Fair value measurement and valuation procedures
When estimating the fair value of financial assets and financial liabilities, the Group uses available observable market data. In case of the absence of level (1) inputs, the Group conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

Calculation of provision for expected credit losses
The Group's management is required to use important judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risk of significant increase in credit risk for financial assets after the initial recognition and future measurements information for expected credit losses.

The expected credit loss is measured as an allowance equivalent to the expected credit loss over the life of the asset.

Determining the number and relative weight of forward-looking scenarios for each type of products / market and the identification of future information relevant to each scenario
When measuring the expected credit loss, the Group uses reasonable and reliable future information based on the assumptions of the future movement of the various economic factors and how these economic factors affect each other.

Probability of default
The probability of default is a key input in measuring the expected credit loss. The probability of default is considered an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions and expectations relating to future circumstances.

Loss given default
Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into consideration cash flows from collaterals and credit adjustments.

Revenue recognition
The Group's management uses significant estimates and assumptions to determine the amount and timing of revenue recognition under IFRS 15, "Revenue from contracts with customers".

Provision for sales returns and discounts
The Group uses its accumulated historical experience to estimate the number of returns at the portfolio level using the expected value method. It is highly probable that, given the constant level of returns, there will be no significant reversal in the cumulative revenue recognized as compared to previous years.

The Group uses its accumulated historical experience to estimate discounts and revenue is recognized to the extent it is highly probable that there will be no material reversal thereof. Liabilities are recovered for expected discounts on amounts payable to customers in respect of sales made during the year.

Determine the term of the lease contract
In determining the term of the lease, the management considers all facts and circumstances which create economic incentive for the option of extension, or no termination option. Extension options (or periods following termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The valuation is reviewed in the event of a significant event or a major change in the circumstances affecting this valuation that are within the control of the lessee.

Discounting of rental payments
Rental payments (if any) are discounted using the Group Incremental Borrowing Rate ("IBR"). Management applied judgments and estimates to determine the rate of additional borrowing at the commencement of the lease.

Hyperinflation
The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates or joint venture is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account. These characteristics include, but are not limited to, whether:

- The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- Prices are quoted in a relatively stable foreign currency;
- Sales or purchase prices take expected losses of purchasing power during a short credit period into account;
- Interest rates, wages and prices are linked to a price index; and
- The cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement as to when a restatement of the financial statements of a Group entity becomes necessary

4. Adoption of new and revised Standards

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2022, have been adopted in these consolidated financial statements for the Group. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018-2020
The annual improvements include amendments to four standards:

<u>Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards</u>
The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

<u>IFRS 9 Financial Instruments</u>
The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

<u>IFRS 16 Leases</u>
The amendment removes the illustration of the reimbursement of leasehold improvements.

<u>IAS 41 Agriculture</u>
The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

b. New and Revised Standards in issue but not yet effective
At the date of authorization of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees. In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023. In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information. For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.**
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.	**The effective date is yet to be set. Earlier application is permitted.**

New and revised IFRSs	Effective date
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.**
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	**January 1, 2023, with earlier application permitted and are applied prospectively.** **The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.**
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.	**January 1, 2023, with earlier application permitted**
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: - Right-of-use assets and lease liabilities - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.	**January 1, 2023, with earlier application permitted**

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

5. Cash on Hand and at Banks

This item consists of the following:

	December 31	
	2022	2021
	USD	USD
Cash on hand	8,315,563	14,483,757
Current accounts	23,456,079	29,968,464
Term deposits	865,968	2,112,053
Total	**32,637,610**	**46,564,274**

6. Accounts Receivable and Cheques under Collection- Net

A.This item consists of the following:

	December 31	
	2022	2021
	USD	USD
Trade receivables	150,284,234	153,102,862
Cheques under collection - short term	47,548,324	41,954,017
Total trade receivables and cheques under collection - short term	**197,832,558**	**195,056,879**
Employees Receivable	697,973	680,993
	198,530,531	**195,737,872**
Less: Provision for expected credit loss	(8,401,197)	(8,247,916)
Total	**190,129,334**	**187,489,956**

The average credit period ranges from 30 to 150 days. No interest charged on the outstanding trade receivable balances.

The Group has adopted the simplified approach as permitted by IFRS 9. The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the consolidated financial statements date.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, for example when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

The table below illustrates the risk associated with of trade receivables and short-term cheques under collection based on the provisioning matrix:

As of December 31, 2022

		Receivables are past due				
	Current receivables (not past due) *	From one day to 90 days	From 91 days to 180 days	From 181 days to 365 days	More than 365 days	Total
	USD	USD	USD	USD	USD	USD
Total trade receivables **	148,635,952	23,226,079	8,189,259	5,921,507	11,859,761	197,832,558
Expected credit loss	833,767	954,793	404,377	498,146	5,710,114	8,401,197
Expected credit loss rate	0.6%	4.1%	4.9%	8.4%	48.1%	4.20%

As of December 31, 2021

		Receivables are past due				
	Current receivables (not past due) *	From one day to 90 days	From 91 days to 180 days	From 181 days to 365 days	More than 365 days	Total
	USD	USD	USD	USD	USD	USD
Total trade receivables **	132,216,128	28,664,582	13,113,655	14,104,554	6,957,960	195,056,879
Expected credit loss	655,585	1,041,537	624,222	726,828	5,199,744	8,247,916
Expected credit loss rate	0.5%	3.6%	4.8%	5.2%	74.7%	4.23%

* Current receivables include short-term cheques due within 3 months.

** Trade accounts receivable includes amounts due from the Palestinian Authorities as follows:

	Receivables are past due				
	Less than 90 days	From 90 days to 180 days	From 181 days to 365 days	More than 365 days	Total
	USD	USD	USD	USD	USD
As of December 31, 2022	6,244,808	6,098,379	3,695,455	1,391,903	17,430,545
As of December 31, 2021	48,768,475	279,536	212,776	30,831	49,291,618

B- The movement on the expected credit loss during the year is as follows:

	For the year ended December 31, 2022		
	Stage 2	Stage 3	Total
	USD	USD	USD
Balance – beginning of the year	3,429,302	4,818,614	8,247,916
Provision booked during the year	396,392	421,575	817,967
Provision released during the year	(218,505)	(216,126)	(434,631)
Foreign currencies translation	(19,154)	(171,107)	(190,261)
Written-off debts *	-	(39,794)	(39,794)
Balance – End of the Year	**3,588,035**	**4,813,162**	**8,401,197**

* During the year 2022, trade receivables were written-off by amount USD 39,794 in accordance with the Board of Directors approval.

	For the year ended December 31, 2021		
	Stage 2	Stage 3	Total
	USD	USD	USD
Balance – beginning of the year	2,541,233	4,014,136	6,555,369
Provision booked during the year	673,642	1,010,815	1,684,457
Additions to the provision as a result of subsidiary acquisition	582,041	33,450	615,491
Effect of disposal of provision as a result of the sale of a subsidiary	(231,736)	(100,000)	(331,736)
Foreign currencies translation	(74,628)	(139,787)	(214,415)
Written-off debts	(61,250)	-	(61,250)
Balance – End of the Year	**3,429,302**	**4,818,614**	**8,247,916**

7. Inventory - Net

This item consists of the following:

	December 31,	
	2022	2021
	USD	USD
Produced goods available for sale	11,137,169	7,180,660
Medicine	8,239,627	8,547,481
Medical materials	2,034,612	799,877
Consumable materials	64,743,135	36,838,742
Laboratory tools and materials	3,316,847	2,916,212
Cars and spare parts *	17,324,943	12,855,710
Medical equipment and machinery	10,748,581	10,005,322
Total Finished Goods	**117,544,914**	**79,144,004**
Raw materials	21,935,941	14,433,619
Scrap and other materials	269,024	70,468
Other materials	4,516,550	3,753,258
Total Inventory	**144,266,429**	**97,401,349**
Less: Provision for slow-moving inventory **	(1,969,915)	(2,407,871)
Net Inventory	**142,296,514**	**94,993,478**
Goods in transit	2,702,167	3,501,481
Total	**144,998,681**	**98,494,959**

* Inventory include vehicles pledged to banks in exchange for commercial loans.

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

	December 31,	
	2022	2021
	USD	USD
Balance - beginning of the year	2,407,871	3,102,704
(Released) additions during the year	(352,490)	1,206,423
Effect of provision release as a result of the sale of a subsidiary	-	(219,273)
Written-off inventory during the year	(85,466)	(1,681,983)
Balance - End of the Year	**1,969,915**	**2,407,871**

8. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	December 31,	
	2022	2021
	USD	USD
Listed shares in Palestine Stock Exchange and Trading investment portfolio	4,126,669	369,669
Total	**4,126,669**	**369,669**

9. Other Debit Balances

This item consists of the following:

	December 31,	
	2022	2021
	USD	USD
Claims receivable	15,694,799	7,344,065
Value added tax	11,531,486	2,621,819
Prepaid expenses	4,965,346	4,081,874
Refundable deposits against LGs', LCs and others	3,613,561	2,896,623
Advance payments to suppliers	16,112,452	10,997,518
Loans and convertible notes	1,213,489	1,004,348
Other debit balances	3,011,345	4,740,812
Total	**56,142,478**	**33,687,059**

10. Leasing Contracts Receivable

This item consists of the following:

	December 31,	
	2022	2021
	USD	USD
Leasing contracts receivable – short term	6,938,028	7,380,290
Leasing contracts receivable – long term	13,560,695	8,888,028
Total	**20,498,723**	**16,268,318**

December 31, 2022	Minimum Lease Payments	Current amount of the Minimum Lease Payments
	USD	USD
Lease payments due within one year or less	9,481,725	6,938,028
Lease payments due after one year and before 5 years	15,158,033	13,560,695
Total	**24,639,758**	**20,498,723**

December 31, 2021	Minimum Lease Payments	Current amount of the Minimum Lease Payments
	USD	USD
Lease payments due within one year or less	9,083,027	7,380,290
Lease payments due after one year and before 5 years	10,403,392	8,888,028
Total	**19,486,419**	**16,268,318**

	December 31,	
	2022	2021
	USD	USD
Total investment cost in the financial leasing	24,639,758	19,486,419
Less: Unearned revenue	(3,660,990)	(2,923,056)
Current amount of the financial leasing contract	**20,978,768**	**16,563,363**
Less: Provision for uncollected leases	(480,045)	(295,045)
Financial lease installments due within one year	(9,481,725)	(7,380,290)
Financial leasing receivables (long term)	**11,016,998**	**8,888,028**

11. Cheques under Collection - Long Term

This item consists of the following:

	December 31,	
	2022	2021
	USD	USD
Unipal General Trading Company	15,899	19,208
Medical Supplies and Services Company	10,862,320	1,491,633
Palestine Automobile Company	1,037,803	1,977,941
Total	**11,916,022**	**3,488,782**

12. Leases

a. Right of Use Assets

The Group leases various assets including land, buildings and cars, the average lease term is 7 years, the following is the movement on right-of-use assets:

	For the Year Ended December 31,	
	2022	2021
	USD	USD
Balance at the beginning of the year	8,664,765	9,138,081
Add: Additions during the year	8,815,097	4,934,597
Additions resulting from the acquisition of a subsidiary	-	437,487
Currency translation differences	552,466	(262,315)
Less: Depreciation for the year	4,956,302	3,110,049
Leases terminated during the year	87,511	482,060
Leases excluded as a result of the sale of a subsidiary	-	1,990,976
Balance at the end of the year	**12,988,517**	**8,664,765**

Amounts recorded in the consolidated statement of profit or loss

	For the Year Ended December 31,	
	2022	2021
	USD	USD
Depreciation for the year	(4,956,302)	(3,110,049)
Interest during the year	(615,308)	(439,131)
Total	**5,571,610**	**(3,549,180)**

B. Lease Liabilities

	For the Year Ended December 31,	
	2022	2021
	USD	USD
Balance at the beginning of the year	8,988,362	9,106,785
Add: Additions during the year	8,513,060	4,903,958
Additions resulting from the acquisition of a subsidiary	-	1,171,540
Interest during the year	615,308	439,131
Currency translation differences	(478,853)	(678,059)
Less: Settlements during the year	4,767,670	3,355,453
Leases terminated during the year	44,924	608,564
Leases excluded as a result of the sale of a subsidiary	-	1,990,976
Balance at the end of the year	**12,825,283**	**8,988,362**

Maturity Analysis of Lease Liabilities:

	December 31,	
	2022	2021
	USD	USD
Less than one year	4,311,501	2,825,271
From one to 5 years	8,114,760	5,644,196
More than 5 years	399,022	518,895
	12,825,283	**8,988,362**

13. Financial assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	Number of Shares	Fair Value December 31, 2022	Number of Shares	Fair Value December 31, 2021
		USD		USD
Listed Shares:				
Bank of Palestine limited *	9,042,331	17,813,393	7,023,100	14,046,200
Al-Faris National company for Investment and Exports	301,500	203,831	301,500	509,577
		18,017,224		**14,555,777**
Unlisted Shares:				
Palestine Private Power Company	372,728	8,572,744	372,728	6,895,468
Palestine Power Generation Company / Palestine Electricity Generation Company	1,000,000	791,035	880,000	671,035
Islamic Finance House	615,000	911,787	615,000	911,787
Madfooatkom for electronic payments solutions	248,957	2,358,990	248,957	2,358,990
Ezhire Company	200,000	200,000	-	-
Byrdbite Creations Inc.	37,500	200,000	37,500	200,000
Iris Guard Company	198,282	251,000	198,282	251,000
Seez Holding Ltd.	350,000	600,000	350,000	600,000
Eon Dental Jordan Company	2,238	4,000,000	2,238	4,000,000
Tutors Company	145	500,000	-	-
Energy service insurance	80,000	800,000	-	-
Mosa Meat	3,783	2,354,960	3,783	1,250,552
Medical Eguides Limited	5,700	213,565	5,700	226,832
		21,754,081		**17,365,664**
Investment Fund:				
Catalyst Private Equity Fund				-
EuroMena Fund		790,755		880,666
Lumia Capital Fund		1,742,200		1,657,001
Ibtikar Fund		215,559		257,357
American Discovery Fund		1,373,322		227,869
Mashvisor Fund		102,638		102,638
Seminal Food and Nutrition Fund		3,080,548		3,000,000
Beco Booster Fund		2,870,193		2,392,075
Ibtikar Fund		81,343		-
Agripower Australia Fund		300,000		300,000
LIV Dublin Fund		974,599		1,035,141
		11,531,157		**9,852,747**
		51,302,462		**41,774,188**

* Some of the shares and bonds are mortgaged against bank credit facilities and Boards of Directors memberships.

14. Investment in Land

This item consists of the following:

	December 31, 2022	December 31, 2021
	USD	USD
Arab Palestinian Investment Company	1,040,845	819,127
Total	**1,040,845**	**819,127**

The cost of these Investment Property was USD 743,845 , noting that some of these land are pledged as collaterals against credit facilities obtained through banks.

15. Intangible Assets - Net

This item consists of the following:

	December 31st 2022	December 31st 2021
	USD	USD
Goodwill – net *	23,596,748	20,821,815
Trademarks **	17,246,341	10,342,968
Exclusive Distribution Rights and Backlogs ***	3,870,722	3,190,749
Computer Software****	307,155	173,296
Total	**45,020,966**	**34,528,828**

* Goodwill resulted from the company's purchase of shares at a value greater than the book value of the share in some of its subsidiaries.

** This item represents the value of the trademarks purchased from the Distinguished Food Company of Siniora Food Industries Company (a subsidiary company) and Trakia Meat and Dairy Company, in addition to the fees transferring its ownership.

*** This item represents the value of exclusive distribution contracts in addition to customer lists, which resulted from the acquisition of companies' operations during the period after the closing entries .

**** This item represents the book value of the computer software After deducting the accumulated amortization value, the company amortizes the computer software by 20% annually.

Foreign currency translation differences include the effect of adjusting the values of property and equipment in Trakya Company for the manufacture and trade of meat and dairy products due to the hyperinflation, based on changes in the relevant price index

16.Investment in Associates

This item consists of the following:

Balance as of December 31, 2022

	Ownership and voting rate %	Investment Amount	Country of incorporation	Market value	Date of financial information	Activity Type	Purchase Date
Arabian Tiles Company (ARTIC)	29%	5,205,089	Saudi Arabia	Unlisted	2021	Building Materials Manufacturing	2020
Qudra Renewable Energy Company	50%	3,903,683	Palestine	Unlisted	2022	Renewable Energy Solutions	2022
Capital Tobacco Company	38%	2,849,825	Palestine	Unlisted	2021	Manufacture and trade of tobacco	2020
Total		**11,958,597**					

Balance as of December 31, 2021

	Ownership and voting rate %	Investment Amount	Country of incorporation	Market value	Date of financial information	Activity Type	Purchase Date
Arabian Tiles Company (ARTIC)	29%	4,252,874	Saudi Arabia	Unlisted	2020	Building Materials Manufacturing	2019
Qudra Renewable Energy Company	50%	3,949,533	Palestine	Unlisted	2021	Renewable Energy Solutions	2021
Capital Tobacco Company	38%	2,587,106	Palestine	Unlisted	2020	Manufacture and trade of tobacco	2019
Total		**10,789,513**					

The movement on investments in associates is illustrated as follows:

	December 31, 2022	December 31, 2021
	USD	USD
Balance - beginning of the year	10,789,513	8,382,511
Increase in associate companies capital	-	4,005,642
Dividends distributions during the period	1,746,944-	1,142,963-
Group share of profit for the year	2,916,028	455,677-
Balance - end of the year	**11,958,597**	**10,789,513**

The Group's share of associates (losses) profits is as follow:

	December 31, 2022	December 31, 2021
	USD	USD
Arabian Tiles Company (ARTIC)	996,644	(2,343,334)
Qudra Renewable Energy Company	(89,560)	(56,109)
Capital Tobacco Company	2,008,944	1,943,766
Total	**2,916,028**	**(455,677)**

The Group's share of the assets, liabilities and revenue of associates is as follow:

	December 31, 2022	December 31, 2021
	USD	USD
Total Assets	32,292,733	25,301,701
Total Liabilities	20,981,522	15,139,013
Total Revenue	29,478,343	11,258,584

17. Property and Equipment - Net

This item consists of the following:

	Land At Fair Value	Buildings and Constructions	Furniture and Fixtures	Computers	Vehicles	Leasehold Improvements	Machinery and Equipment	Tools	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD
For the Year Ended December 31, 2022									
Cost:									
Beginning balance	34,286,391	52,376,187	10,742,111	3,978,059	12,364,200	9,346,275	79,254,292	2,831,322	205,178,837
Additions	2,700,915	1,343,575	602,143	821,480	2,207,228	742,661	4,174,508	278,798	12,871,308
Transferred from Projects under construction (note 18)	-	5,985,052	40,496	-	228,942	1,801,224	5,580,220	105,431	13,741,365
Disposals	-	-	(47,937)	(354,817)	(337,633)	(46,976)	(472,869)	(236,357)	(1,496,589)
The impact of land revaluation	2,144,475	-	-	-	-	-	-	-	2,144,475
Foreign currency translation differences	198,853	271,935	140,619	(2,564)	244,108	(7,978)	2,088,296	198,549	3,131,818
Ending Balance	**39,330,634**	**59,976,749**	**11,477,432**	**4,442,158**	**14,706,845**	**11,835,206**	**90,624,447**	**3,177,743**	235,571,214
Accumulated Depreciation:									
Beginning balance	-	20,710,301	7,133,978	2,412,086	6,480,680	4,701,594	47,009,279	1,269,703	89,717,621
Additions	-	1,590,784	706,432	1,146,037	1,285,074	1,437,863	5,427,083	475,402	12,068,675
Disposals	-	-	(41,622)	(347,314)	(119,361)	(41,957)	(361,784)	(220,880)	(1,132,918)
Foreign currency translation differences	-	70,903	98,426	1,825	132,396	4,287	854,192	131,010	1,293,039
Ending Balance	**-**	**22,371,988**	**7,897,214**	**3,212,634**	**7,778,789**	**6,101,787**	**52,928,770**	**1,655,235**	101,946,417
Net Book Value at End of the Year	**39,330,634**	**37,604,761**	**3,580,218**	**1,229,524**	**6,928,056**	**5,733,419**	**37,695,677**	**1,522,508**	133,624,797
For the Year Ended December 31, 2021									
Cost:									
Beginning balance	39,025,616	60,908,995	10,077,767	4,596,974	10,621,482	10,447,493	79,211,366	2,637,646	217,527,339
Additions	2,812,345	542,883	730,308	1,002,409	2,213,327	1,326,474	3,192,604	433,276	12,253,626
Transferred from Projects under construction (note 18)	-	175,965	1,516,643	-	122,841	-	1,455,805	96,212	3,367,466
Disposals	-	(8,853)	(525,185)	(1,142,054)	(647,420)	(1,218,878)	(3,557,278)	(209,478)	(7,309,146)
Additions resulting from acquisistions during the period	3,770,480	1,182,539	424,922	-	516,375	-	7,135,236	23,141	13,052,693
Disposals resulting from the sale of a subsidiary	(10,204,800)	(9,844,648)	(1,114,732)	(482,974)	(103,453)	(1,213,489)	(4,869,857)	-	(27,833,953)
The impact of land revaluation	628,600	-	-	-	-	-	-	-	628,600
Foreign currency translation differences	(1,745,850)	(580,694)	(367,612)	3,704	(358,952)	4,675	(3,313,584)	(149,475)	(6,507,788)
Ending Balance	**34,286,391**	**52,376,187**	**10,742,111**	**3,978,059**	**12,364,200**	**9,346,275**	**79,254,292**	**2,831,322**	**205,178,837**
Accumulated Depreciation:									
Beginning balance	-	21,957,029	7,600,991	3,198,896	5,779,148	5,439,102	47,416,779	1,360,491	92,752,436
Additions	-	1,733,283	589,622	744,328	1,224,601	1,173,249	5,025,011	312,539	10,802,633
Trasnfers resulting from acquisistions during the period	-	126,951	381,934	-	199,825	-	2,211,801	21,379	2,941,890
Disposals	-	(7,492)	(516,441)	(1,119,406)	(505,509)	(1,130,116)	(3,470,903)	(186,559)	(6,936,426)
Disposals resulting from the sale of a subsidiary	-	(3,010,325)	(827,670)	(408,604)	(103,789)	(776,657)	(3,154,181)	-	(8,281,226)
Foreign currency translation differences	-	(89,145)	(94,458)	(3,128)	(113,596)	(3,984)	(1,019,228)	(238,147)	(1,561,686)
Ending Balance	**-**	**20,710,301**	**7,133,978**	**2,412,086**	**6,480,680**	**4,701,594**	**47,009,279**	**1,269,703**	**89,717,621**
Net Book Value at End of the Year	**34,286,391**	**31,665,886**	**3,608,133**	**1,565,973**	**5,883,520**	**4,644,681**	**32,245,013**	**1,561,619**	**115,461,216**

Foreign currency translation differences include the effect of adjusting the values of property and equipment in Trakya Company for the manufacture and trade of meat and dairy products due to the hyperinflation, based on changes in the relevant price index

Some of the fixed assets of the company and it's subsidiaries are pledged against the direct facilities.

Some of the buildings of subsidiaries are built on a leased land from others.

18. Projects under Construction

This item represents costs of work relating to constructing and equipping the production facilities and administration offices and the renovation of different production lines for the subsidiary companies represented by National Aluminumand Profiles Company, Siniora Food Industries Company, Unipal General Trading Company which were not yet completed as of December 31, 2022.

The movement on the projects under construction is as follows:

	2022	2021
	USD	USD
Balance - beginning of the year	7,256,318	1,824,492
Additions	21,260,929	8,801,519
Transferred due to acquisition of companies' operations during the period	-	25,700
Transferred to property and equipment (note 17)	(13,741,365)	(3,367,466)
Foreign currency translation differences	(200,176)	(27,927)
Balance - End of the Year	**14,575,706**	**7,256,318**

19. Due to Banks

This item consists of facilities granted to the company as follows:

	December 31,	
	2022	2021
	USD	USD
National Aluminum and Profiles Company	6,787,096	4,601,142
Medical Supplies and Services Company	17,069,282	30,774,368
Unipal General Trading Company	32,242,695	15,597,545
Sky For advertising	161,942	-
Palestine Automobile Company	753,780	1,493,189
Arab Leasing Company	-	444,304
Siniora Food Industries Company	9,732,629	6,326,426
Total	**66,747,424**	**59,236,974**

20. Notes Payable due within one year and Deferred Cheques

This item represents notes payable to the following companies:

	December 31,	
	2022	2021
	USD	USD
National Aluminum and Profiles Company	414,904	922,843
Unipal General Trading Company	-	69,481
Medical Supplies and Services Company	3,470,745	3,843,373
Siniora Food Industries Company	1,731,815	2,255,350
Total	**5,617,464**	**7,091,047**

21. Loans

The details of this item are as follows:

	December 31, 2022		December 31, 2021	
	Short-term	Long-term	Short-term	Long-term
	USD	USD	USD	USD
Siniora Food Industries Company:				
Cairo Amman Bank Loan	3,526,093	15,295,395	2,644,570	18,511,989
Safa Bank Loan	1,196,511	5,158,011	881,523	6,170,663
Capital Bank- Jordan Loan	543,223	-	975,368	-
Societe Generale de Banque - Jordan Loan	-	-	666,519	-
Bank of Jordan Loan	1,987,306	6,475,871	1,087,261	4,572,454
Arab Bank Loans	1,252,463	1,278,114	4,268,863	4,535,655
Housing Bank for Trade and Finance Loan	3,668,862	-	-	-
Jordan Kuwait Bank Loan	2,641,989	9,373,750	-	-
Palestine Bank Loan	78,007	1,075,647	-	-
Loans granted to Tarakya Meat Industry Company**	13,402,298	157,726	5,760,652	295,670
	28,296,752	38,814,514	16,284,756	34,086,431
National Aluminum and Profiles Company:				
Jordan Ahli Bank Loans	3,671,884	4,378,090	2,382,955	1,429,568
Al Quds Bank Loans	1,496,953	2,002,581	1,438,062	2,872,738
Palestine Islamic Bank Loans	1,291,604	-	978,219	-
Cairo Amman Bank Loans	1,236,230	811,707	1,211,192	899,399
Housing Bank for Trade and Finance Loan	349,819	864,122	330,766	1,213,942
Arab Bank Loan	2,693,165	-	1,662,068	-
The National Bank Loan	241,047	1,256,450	-	-
Safa Bank Loan	1,550,883	-	2,136,927	-
Bank of Palestine Loan	913,707	-	376,932	-
	13,445,292	9,312,939	10,517,121	6,415,647
Palestine Automobile Company:				
National Bank Loans	1,931,562	-	4,076,282	-
Housing Bank for Trade and Finance Loan	1,397,776	-	1,113,547	-
Arab Bank Loan	977,658	-	1,349,752	-
Al Quds Bank Loans	2,650,132	-	3,955,564	275,897
Jordan Ahli Bank Loans	4,865,991	724,892	2,739,168	894,583
Cairo Amman Bank Loans	363,000	176,898	356,267	529,970
Egyption Arab Land Bank Loan	189,490	-	-	-
Bank of Palestine Loan	2,885,281	-	707,059	-
Arab Islamic Bank Loan	92,838	-	292,530	79,558
Bank of Jordan Loans	1,339,333	-	1,272,550	-
	16,693,061	901,790	15,862,719	1,780,008
Arab Leasing Company:				
National Bank Loan	388,456	535,472	298,787	441,145
Housing Bank for Trade and Finance Loan	950,365	2,945,735	-	-
Jordan Ahli Bank Loan	654,587	1,132,735	568,798	909,457
Al Quds Bank Loan	1,863,245	4,702,595	841,822	1,981,885
Italian Development Cooperation Agency *	261,467	261,467	-	858,400
Egyptian Arab Land Loan	211,310	599,631	-	-
Bank of Palestine Loan	143,690	338,704	314,587	479,874
	4,473,120	10,516,339	2,023,994	4,670,761
Medical Supplies and Services Company:				
Arab Islamic Bank loan	4,074,683	-	4,307,005	-
Bank of Palestine Loan	8,520	2,560,122	650,631	2,884,000
Housing Bank for Trade and Finance Loan	3,745,288	-	3,326,881	-
Arab Bank Loan	5,996,298	1,875,200	5,342,097	3,125,120
Safa Bank Loan	7,852,068	-	5,775,389	-
Al Quds Bank	1,420,858	-	-	-
Bank of Jordan Loan	47,359,522	-	19,229,145	-
	70,457,237	4,435,322	38,631,948	6,009,120
Unipal for General Trading Company				
Housing Bank for Trade and Finance Loan	2,543,167	-	-	-
Bank of Jordan Loan	-	5,059,990	-	-
	2,543,167	5,059,990	-	-
	135,868,629	69,040,894	83,322,538	52,961,967

- The loan rates above range from 4.25% to 8.2% and are granted in Palestine , Jordan and the United Arab Emirates.

* This loan is granted by the Italian Development Cooperation Agency in Palestine without interest and with a grace period of up to 5 years.

**Tarakya for the Manufacture and Trade of Meat and Dairy Products (Subsidiary Company) obtained several loans totaling 71 loans from several banks in theRepublic of Turkey with total value of TL 254 million (Equivalent to USD 13.6 million as of December 31, 2022) to finance working capital of the Company. Interest rates range from 7.8% to 42% and the installments due dates fall between January 2, 2023 to August 5, 2024.
(16 loans with a total value of TL 62,220 million equivalent to USD 7.1 million as of December 31,2021

22. Other Credit Balances

This item consists of the following:

	December 31,	
	2022	2021
	USD	USD
Accrued expenses	13,315,913	13,664,518
Accrued interest	671,877	945,587
Unearned revenue	383,295	793,297
Accrued salaries and bonuses	9,102,032	7,255,590
Accrued vacations	2,264,542	2,062,136
Social security deposits	370,724	198,774
Sales tax deposits	45,212	495,070
Income tax deposits – employees	1,089,292	1,529,485
Advances from customers	4,846,807	4,722,361
Sundry provisions	3,637,961	4,596,972
Others	1,755,788	2,340,249
Total	**37,483,443**	**38,604,039**

23. Income Tax

a. Income tax provision

The movement on income tax provision is illustrated as follows:

	December 31,	
	2022	2021
	USD	USD
Balance - Beginning of the year	6,404,870	5,826,301
Income tax paid	(8,478,667)	(9,097,512)
Transferred as a result of subsidiary acquisition during the period	-	92,250
Income tax expense for the year	8,863,605	9,583,831
Balance - End of the year	**6,789,808**	**6,404,870**

b. Income tax expense

Income tax expense shown in the consolidated statement of Profit or loss is illustrated as follows:

	For The Year Ended	
	2022	2021
	USD	USD
Income tax expense for the year	8,863,605	9,583,831
Deferred tax assets for the year	(320,792)	(618,496)
Deferred tax liabilities for the year	(519,583)	-
Amortized deferred tax assets	228,319	243,341
	8,251,549	**9,208,676**

The Arab Palestinian Investment Company (holding company) has performed a final tax settlement with the income tax department up to the year end of 2020 except for 2018 and 2019 in Jordan and 2021 in Palestine.

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

Company's Name	Final Settlement up to the Year
Unipal General Trading Company	2020
Sky Advertising and Promotion Company	2021
Medical Supplies and Services Company	2020
National Aluminum and Profiles Company	2018
Palestine Automobile Company	2017
Arab Palestinian Storage and Cooling Company	2017
Siniora Food Industries Company (Jordan and Palestine)	2018
Jericho Natural and Mineral Water Factory Company	Under Liquidation
Arab Leasing Company	2021
Arab Palestinian Investment Company / Jordan (Exempted)	2020

In the management and its tax consultant's opinion, the provisions recorded as of December 31, 2022 are sufficient to settle the tax liabilities for the outstanding years.

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

c. Deferred Tax Assets

This item consists of the following:

	2022					2021
	Beginning Balance	Additions	Released Amounts	Ending Balance	Deferred Tax	Deferred Tax
	USD	USD	USD	USD	USD	USD
Expected Credit Loss (Accounting Receivable)	8,247,916	817,967	664,686	8,401,197	443,228	449,175
Provision for slow-moving inventory	2,407,871	1,107,738	1,545,694	1,969,915	98,277	201,573
End-of-service indemnity provision	19,839,855	1,614,417	949,815	20,504,457	2,184,252	1,982,536
	30,495,642	**3,540,122**	**3,160,195**	**30,875,569**	**2,725,757**	**2,633,284**

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

Sky Advertising and Promotion Company , Arab Palestinian Storage and Cooling Company and Jericho Natural and Mineral Water Factory Company and Arab Leasing Company

The movement on deferred tax assets is as follows:

	2022	2021
	USD	USD
Balance - beginning of the year	2,633,284	2,275,287
Additions	320,792	618,496
Transferred as a result of subsidiary acquisition during the period	-	172,624
Amounts released as a result of the sale of subsidiary	-	(189,782)
Disposals	(228,319)	(243,341)
Balance - End of the Year	**2,725,757**	**2,633,284**

24. Provision for End-of-Service Indemnity

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

	December 31,	
	2022	2021
	USD	USD
Unipal General Trading Company	5,893,303	5,780,680
Siniora Food Industries Company	5,679,207	5,150,404
Medical Supplies and Services Company	4,304,937	4,342,700
National Aluminum and Profiles Company	1,787,677	1,594,842
Palestine Automobile Company	1,099,587	1,085,625
Arab Palestinian Investment Company (Holding Company)	822,683	929,363
Sky Advertising and Promotion Company	746,491	767,874
Arab Palestinian Storage and Cooling Company	70,235	97,797
Arab Leasing Company	100,337	90,570
Total	**20,504,457**	**19,839,855**

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

	December 31,	
	2022	2021
	USD	USD
Balance - beginning of the year	19,839,855	17,254,997
Additions	1,614,417	3,129,477
Transferred as a result of subsidiary acquisition during the period	-	833,331
Amounts released as a result of the sale of subsidiary	-	(714,215)
Paid from the provision	(949,815)	(663,735)
Balance - End of the Year	**20,504,457**	**19,839,855**

25.Bonds

This item represents the bonds issued by the Group at an annual interest ranging between 3.75% and 4.5%.

The movement on this account is as follows:

	December 31,	
	2022	2021
	USD	USD
Balance - beginning of the year	73,918,000	75,102,400
Currency translation impact	(931,000)	(1,184,400)
Balance - End of the Year	**72,987,000**	**73,918,000**

The details of the loan attribution as at the end of the year were as follows:

	December 31,	
	2022	2021
	USD	USD
Dollar bonds issuance of the year 2020 **	58,000,000	58,000,000
Euro bonds issuance of the year 2020 ***	14,987,000	15,918,000
Total	**72,987,000**	**73,918,000**

*** During the month of June 2020, the Arab Palestinian Investment Company issued bonds with a total par value of $ 50 million, the par value of each bond is $ 10,000, the date of issue is June 25, 2020 and its maturity June 25, 2025, and the interest rate calculated on the bonds is 4.5% annually fixed For the first 30 months and the interest rate of 6 months LIBOR + 2.5% for the remaining 30 months of the bond's life, provided that the interest rate is not less than 4.5%, Interest payments are calculated over 360 days and are paid every six months from the date of issuance, noting that the issuing company has the right to amortize what its value is One million US dollars and its multiples of bonds issued before their maturity date, at an amortization rate of 101% of the par value of the bonds to be amortized.

During the month of June 2020, the Arab Palestinian Investment Company issued loan bonds with a total nominal value of 14 million Euros, equivalent to 15,727,000 US dollars, as on June 30, 2020, the nominal value of each bond is 10,000 Euros, the date of issue is June 25, 2020, and its maturity is June 25, 2025, The interest rate calculated on the bonds is 3.75% per annum, fixed for the first 30 months and the interest rate for 6 months EURO LIBOR + 2.5% for the remaining 30 months of the bond's life, provided that the interest rate is not less than 3.75% and not more than 4.75%, and interest payments are calculated over 360 days, It is paid every six months from the date of issuance, noting that the issuing company has the right to amortize the value of one million euros and its multiples of bonds issued before their maturity date, and at an amortization rate of 101% of the nominal value of the bonds to be amortized.

The movement on this account is as follows:

	December 31,	
	2022	2021
	USD	USD
Bonds maturing within one to five years	72,987,000	73,918,000
	72,987,000	**73,918,000**

The guarantees and covenants on the bonds issued by the company as on December 31, 2022 and 2021were as follows:

Dollar bonds - issuance of the year 2022:

The Group has set a first class mortgage in the name of the custodian and to the benefit of the bond holders that is comprised of shares in some of the Group subsidiaries, part of the shares owned by the Group in investments at fair value through other comprehensive income and other mortgages on some of the land owned by subsidiaries, the mortgage requires that the average market and estimated values of collateral shall not be less than the 100% of the entire par value of bonds on the date of coverage ratio calculation.

As to commitments associated with the issuance, the Group has committed that the ratio of earnings before interest, tax, depreciation and amortization "EBITDA" to total interest paid on debt "Total Interest Expense" shall not be less than 3.25 times, in addition the group has committed that the ratio of net group debt to shareholder's equity shall not exceed 60% at any point of time and for the lifetime of bonds and till full settlement.

Euro bonds - issuance of the year 2022:

The Group has set a first class mortgage in the name of the custodian and to the benefit of the bond holders that is comprised of shares in some of the Group subsidiaries, part of the shares owned by the Group in investments at fair value through other comprehensive income and other mortgages on some of the land owned by subsidiaries, the mortgage requires that the average market and estimated values of collateral shall not be less than the entire par value of bonds on the date of coverage ratio calculation.

As to commitments associated with the issuance, the Group has committed that the ratio of earnings before interest, tax, depreciation and amortization "EBITDA" to total interest paid on debt "Total Interest Expense" shall not be less than 3.25 times, in addition the group has committed that the ratio of net group debt to shareholder's equity shall not exceed 60% at any point of time and for the lifetime of bonds and till full settlement.

26. Property and Equipment Revaluation Reserve

This items cosists of:

Company Name	As of December 31,2022 Revaluation Reserve	Percentage of Ownership	Company's Share	Non controlling interest	As of December 31,2021 Revaluation Reserve	Shareholding Percentage	Company's Share	Non Controlling Interest
	USD	%	USD	USD	USD	%	USD	USD
National Aluminum and Profiles Company	3,486,346	77%	2,685,184	801,162	2,493,784	77%	1,920,713	573,072
Unipal General Trading Company	2,703,698	100%	2,703,698	-	2,703,698	100%	2,703,698	-
Siniora Food Industries Company	4,101,675	66%	2,691,929	1,409,747	4,101,675	66%	2,691,929	1,409,746
Palestine Automobile Company	3,248,253	100%	3,248,253	-	2,096,340	100%	2,096,340	-
Arab Palestinian Storage and Cooling Company	93,550	71%	66,523	27,026	93,550	71%	66,523	27,026
	13,633,522		**11,395,587**	**2,237,935**	**11,489,047**		**9,479,203**	**2,009,844**

The general assembly has approved as per its meeting conducted on March 22,2018 the revaluation of land owned by the Group and to present them at their fair value as per the following schedule:

Company Name	Cost As of December 31, 2022	Cost 2021	Fair Value As of December 31, 2022	Fair Value 2021	Property and Equipment (Land) Revaluation Reserve As of December 31, 2022	Revaluation Reserve 2021
	USD	USD	USD	USD	USD	USD
National Aluminum and Profiles Company	896,256	896,256	4,382,602	3,390,040	3,486,346	2,493,784
Unipal General Trading Company	1,067,902	1,067,902	3,771,600	3,771,600	2,703,698	2,703,698
Siniora Food Industries Company	6,780,406	6,780,406	10,882,081	10,882,081	4,101,675	4,101,675
Palestine Automobile Company	4,136,833	4,136,833	7,385,086	6,233,173	3,248,253	2,096,340
Arab Palestinian Storage and Cooling Company	365,405	365,405	458,955	458,955	93,550	93,550
	13,246,802	**13,246,802**	**26,880,324**	**24,735,849**	**13,633,522**	**11,489,047**

The movement on the property and equipment (Land) revaluation reserve is demonstrated as follows

	2022	2021
	USD	USD
Balance - Beginning of the year	11,489,047	17,900,781
Current year impact on shareholders equity	1,916,384	(6,156,849)
Current year impact on non controlling interest	228,091	(254,885)
Balance - End of the Year	**13,633,522**	**11,489,047**

27. Non - Controlling Interests

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

Company's Name	Non-Controlling Interest Share as of December 31, 2022	Non-Controlling Interest Share as of December 31, 2021	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Cumulative change in fair value
	%	%	USD	USD	USD	USD
Arab Palestinian Storage and Cooling Company	29%	29%	4,500,000	-	-	-
Unipal General Trading Company *	0%	0%	7,042,253	7,042,253	-	2,520,989
National Aluminum and Profiles Company *	23%	23%	15,514,810	2,618,670	22,441	-
Siniora Food Industries Company*	34%	34%	39,492,243	8,609,292	35,426	-
Jericho Mineral Water Company	15%	15%	4,803,734	-	-	-
Sky Advertising and Promotion Company *	0%	0%	845,068	378,255	-	-
			72,198,108	**18,648,470**	**57,867**	**2,520,989**

Company's Name	Property and Equipment Revaluation Reserve	Foreign Currency Translation Effects	Difference on the Purchase of Minority interest	Retained Gains / (Losses)	Profit (Loss) for the Year	Total Shareholders' Equity	December 31, 2022 Non - Controlling Interest	December 31, 2022 Non-Controlling Interest Share of Profit (Loss) for the Year *	December 31, 2021 Non- Controlling Interest	December 31, 2021 Non-Controlling Interest Share of Profit (Loss) for the Year
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
Arab Palestinian Storage and Cooling Company	93,550	-	-	(112,718)	(7,128,502)	(2,647,670)	(764,912)	(45,792)	(719,118)	(62,210)
Unipal General Trading Company *	2,703,698	(47,291)	-	22,942,705	18,549,950	60,754,557	644,226	14,692	629,533	85,613
National Aluminum and Profiles Company *	3,486,346	-	-	(992,902)	1,052,191	21,701,556	4,967,580	(296,191)	5,233,426	279,480
Siniora Food Industries Company*	4,101,330	(8,489,850)	(3,475,016)	4,805,211	14,268,297	59,346,933	26,358,252	3,185,857	23,100,438	4,089,336
Jericho Mineral Water Company	-	-	-	(6,613)	(4,856,731)	(59,610)	(8,942)	(1,167)	(7,775)	495
Sky Advertising and Promotion Company *	-	43,248	-	277,200	45,912	1,589,683	39,856	16,800	-	(13,640)
	10,384,924	**(8,493,893)**	**(3,475,016)**	**26,912,883**	**21,931,117**	**140,685,449**	**31,236,060**	**2,874,199**	**28,236,503**	**4,379,074**

*** The item includes the following amounts resulting from the rights of non-controlling interest in companies invested in by subsidiaries:**

Company name	December 31, 2022 Non - Controlling Interest	December 31, 2022 Non-Controlling Interest Share of Profit (Loss) for the Year	December 31, 2021 Non - Controlling Interest	December 31, 2021 Non-Controlling Interest Share of Profit (Loss) for the Year
	USD	USD	USD	USD
Oyoun Media for Advertising and Publications Company	57,155	16,800	23,056	(13,640)
Al-Jihan General Trading Company	644,226	14,693	629,533	85,613
.Trakia Meat Industry Company	6,008,458	(218,638)	1,606,842	369,745
	6,709,839	**(187,145)**	**2,259,431**	**441,718**

28. Gross Profit from Sales

This item consists of the following:

Company's Name	Sales	Inventory at the Beginning of the Year	Purchases and Cost of production (Operational)	Inventory at the End of the Year	Cost of Sales	Gross Profit from Sales 2022	Gross Profit from Sales 2021
	USD	USD	USD	USD	USD	USD	USD
Medical Supplies and Services Company	127,480,750	26,432,386	113,751,348	43,362,534	96,821,200	30,659,550	30,755,927
Unipal General Trading Company	778,257,243	32,675,248	719,771,553	47,807,477	704,639,324	73,617,919	59,594,093
National Aluminum and Profiles Company	31,686,744	5,395,099	31,644,090	9,099,114	27,940,075	3,746,669	5,569,284
Palestine Automobile Company	45,153,961	8,609,165	37,676,087	12,363,872	33,921,380	11,232,581	7,891,726
Siniora Food Industries Company	171,407,457	6,271,464	158,226,494	30,968,511	133,529,447	37,878,010	39,546,782
	1,153,986,155	**79,383,362**	**1,061,069,572**	**143,601,508**	**996,851,426**	**157,134,729**	**143,357,812**

29. General and Administrative Expenses

This item consists of the following:

	2022	2021
	USD	USD
Salaries and wages	18,896,312	19,996,879
Bonuses and employees benefits	8,010,388	6,213,047
Provision for End-of-service indemnity	2,590,928	2,455,576
Rent	340,872	372,681
Stationery and printing	393,603	283,083
Maintenance and cleaning	1,641,829	1,361,886
Telecommunication	929,044	850,970
Hospitality	653,877	359,087
Donations	2,041,626	2,465,196
Transportation, travel and business trips expenses	1,260,461	893,957
Consultation, legal and professional expenses	3,103,169	3,325,629
Subscriptions, governmental expenses and fees	955,512	954,569
Board of Directors' expenses	733,288	1,239,214
Insurance	1,888,192	1,554,240
Vehicles expenses	1,789,269	1,364,967
Water and Electricity	917,440	812,862
Advertising	148,939	141,293
Depreciation of Property and equipment and amortization of intangible assets	4,960,812	5,081,642
Provision for expected credit loss	849,123	1,129,844
Goods storage and security expenses	723,580	491,693
Provision for slow-moving inventory items	1,100,363	1,197,036
Training	909,446	245,912
Others	1,492,050	1,429,351
Total	**56,330,123**	**54,220,614**

30. Selling and Distribution Expenses

This item consists of the following:

	2022	2021
	USD	USD
Salaries and wages	13,712,380	8,737,332
Company's share in social security and provision for end of service	1,710,096	981,241
Advertising	6,399,664	3,690,198
Sales bonuses and commissions	8,827,093	8,507,624
Vehicles and fuel expenses	5,283,132	4,866,890
Telecommunication	226,720	180,143
Insurance	824,460	668,164
Depreciation of Property and equipment	1,878,023	916,980
Transportation and travel	1,504,731	881,218
Export expenses	494,102	907,407
Showrooms' expenses	620,744	79,602
Rent	311,426	234,545
Others	1,058,507	995,569
Total	**42,851,078**	**31,646,913**

31. Gain from Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	2022	2021
	USD	USD
Dividends Income	1,286,180	559,453
	1,286,180	559,453

32. Contingent Liabilities

As of the date of the statement of financial position, the Group had contingent liabilities as follows:

	December 31,	
	2022	2021
	USD	USD
Letters of credit	115,674	11,568,383
Bank guarantees	34,996,004	24,038,531
Letters of gurantee	18,085,379	16,057,690

33. Segmental Analysis

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

	Industrial	Service	Trade	Other *	For the Year ended December 31, 2022	2021
	USD	USD	USD	USD	USD	USD
Total revenue	203,094,200	6,464,229	950,968,110	-	1,160,526,539	1,109,671,191
Less: Cost of sales and service	(163,426,540)	(6,363,621)	(833,424,886)	-	(1,003,215,047)	(966,682,256)
Gross Profit	**39,667,660**	**100,608**	**117,543,224**	**-**	**157,311,492**	**142,988,935**
Less: Expenses allocated to sectors	(49,341,791)	(2,260,535)	(54,944,874)	(12,479,644)	(119,026,844)	(100,183,983)
Profit for the year before income tax and monetary gain resulting from hyperinflation	**(9,674,131)**	**(2,159,927)**	**62,598,350**	**(12,479,644)**	**38,284,648**	**42,804,952**
Less: income tax	(1,010,364)	(316,381)	(6,924,804)	-	(8,251,549)	(9,208,676)
Profit for the year from continuing operations before monetary gain resulting from hyperinflation	**(10,684,495)**	**(2,476,308)**	**55,673,546**	**(12,479,644)**	**30,033,099**	**33,596,276**
Add : Net monetary gain resulting from hyperinflation	518,601	-	-	-	518,601	-
Profit for the year from continuing operations	**(10,165,894)**	**(2,476,308)**	**55,673,546**	**(12,479,644)**	**30,551,700**	**33,596,276**
Add: net (loss) profit from discontinued operations	-	-	-	-	-	(325,790)
Profit resulting from the sale of a subsidiary	-	-	-	-	-	4,669,423
Profit for the Year	**(10,165,894)**	**(2,476,308)**	**55,673,546**	**(12,479,644)**	**30,551,700**	**37,939,909**

* The Holding Company.

	December 31, 2022	2021
	USD	USD
Total Assets	742,629,628	618,070,263
Total Liabilities	525,507,472	426,622,492

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

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

Company's Name	Geographical Location	For the Year Ended December 31, 2022 Revenue	Expenses	December 31, 2022 Assets	Liabilities
		USD	USD	USD	USD
Siniora Food Industries Company	Jordan / United Arab Emirates / Turkey	149,035,956	146,677,117	142,934,628	73,586,721
Arab Palestinian Investment Company / Jordan (Exempted)	Jordan	331,086	183,507	1,117,439	296,808
APIC Gulf Investment	United Arab Emirates	961,753	-	5,214,563	6,590,176
Taleed for Medical Supplies	Jordan / Iraq	8,896,659	7,540,528	8,396,191	1,922,306
Al Jihan for General Trading Company	Jordan	22,854,408	4,331,423	17,559,743	14,338,649
Unipal for general trading	Jordan	21,840,976	3,955,335	20,658,576	17,065,974
National Aluminum and Profiles Company	Jordan	62,813	54,366	143,086	109,758

Company's Name	Geographical Location	For the Year Ended December 31, 2021 Revenue	Expenses	December 31, 2021 Assets	Liabilities
		USD	USD	USD	USD
Siniora Food Industries Company	Jordan/United Arab Emirates	128,558,983	114,848,845	128,558,983	114,848,845
Arab Palestinian Investment Company / Jordan (Exempted)	Jordan	486,150	255,316	486,150	255,316
APIC Gulf Investment	United Arab Emirates	-	2,327,600	-	2,327,600
Taleed for Medical Supplies	Jordan/Iraq	8,396,435	6,914,895	8,396,435	6,914,895
Al Jihan for General Trading Company	Jordan	19,066,624	3,650,416	19,066,624	2,650,416
National Aluminum and Profiles Company	Jordan Branch	146,849	75,283	146,849	75,283

34. Lawsuits

The following shows the cases filed against the group (and its subsidiaries) as of December 31, 2022:

a. Siniora Food Industries Company

There are lawsuits filed against the Siniora Food Industries Company - Palestine, valued at USD 302,500, in addition to a group of undetermined cases. In the opinion of the legal advisor and the company's management, no obligations shall arise against the Company as a result of these lawsuits.

b. Sky for Advertising Company

There are lawsuits held against Sky for Advertising Company with an amount of USD 4,097. In the opinion of the Company's management and its lawyer, no obligations shall arise against the Company therefrom.

c. Jericho Natural and Mineral Water Factory Company

During the year 2008, the shareholder owning 15% of the Company's capital "Ahlia Insurance Group" raised a lawsuit against Mr, Ali Al-Aqqad personally and against him as the chairman of Jericho Natural and Mineral Water Factory Company and against the Arab Palestinian Investment Company (APIC) as a shareholder and a board member of Jericho Natural and Mineral Factory Company, represented by Mr, Tarek Omar Al-Aqqad, claiming a compensation for USD 721,577, representing the plaintiff's shares in the Company's capital. The plaintiff objected against the Company's management which incurred losses as well as to its previous sale of the Company's assets, On January 6, 2011 a verdict was issued to dismiss the case, in which the prosecutor appealed the verdict in the specialty court, On October 3, 2013 a verdict was issued from the court of appeal accepting its principal and accordingly the Company's lawyer appealed this decision, The court's decision was to refuse the appeal and to return the case to the court of first instance, The court's decision to reject the cassation and return the papers to the Court of First Instance to proceed the case on 2 June 2015, The company has filed a request to return lawsuit and the court will look into the filed request on the postponed session in November 17, 2016.

On January 26, 2016 the application from the lawyer was accepted and the claim was reinstated, The application was appealed on November 27, 2017 and the decision of the Court of Appeal to cancel the appeal and the request of the Company and return the case to the source to continue from where it has been reached, The Company has applied for a cassation of the decision issued by the court of appeal through the court of cassation, the court of cassation issued later on its decision to reject the cassation on the 6th of May 2018 where it considered that the submitted for cassation judgment is not listed under the judgments where a cassation ruling can be requested, the papers were returned to supreme court to proceed with the case.

On June 13, 2022, the Court of First Instance issued its decision to refer the case to the Economic Chamber of the Ramallah Court of First Instance and set a date for the hearing.

d. Unipal General Trading Company

There are lawsuits held against Unipal General Trading Company with an amount of USD 13,855,582 In the opinion of the Company's legal consultant and its management, no obligations shall arise against the Company therefrom.

e. National Aluminum and Profiles Company

There are lawsuits held against National Aluminum and Profiles Company with an amount of USD 17,496 In the opinion of the Company's legal consultant and its management, no obligations shall arise against the Company therefrom.

f. Palestine Automobile Company

There are lawsuits held against Palestine Automobile Company with an amount of USD 351,833 In the opinion of the Company's legal consultant and its management, no obligations shall arise against the Company therefrom.

g. Medical Supplies and Services Company

There are lawsuits held against Medical Supplies and Services Company with an amount of USD 74,093 In the opinion of the Company's legal consultant and its management, no obligations shall arise against the Company therefrom.

In the opinion of the Group's management and its legal advisors, the Group will not incur any obligations that exceed the provisions recognized in the consolidated financial statements.

35. Fair Value Levels

A-Financial Assets and Liabilities Measured at Fair Value

Some of the Group's financial assets and liabilities are valued at fair value at the end of each period

Financial Assets	December 31, 2022 Fair Value	December 31, 2021 Fair Value	Fair Value levels	Evaluation method and the inputs used	Importants inputs for intangibles	The relationship between important inputs intangibles and fair
	USD	USD				
Financial assets at fair value through profit or loss	4,126,669	369,669	Level One	Market Price	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted Shares	18,017,224	14,555,777	Level Two and three	Market Price	Not Applicable	Not Applicable
Unquoted Shares	21,754,081	17,365,664	Level Two and three	Compared with similar financial instrument	Not Applicable	Not Applicable
Investment funds	11,531,157	9,852,747	Level Two and three	Compared with similar financial instrument	Not Applicable	Not Applicable
Total financial assets at fair value through other comprehensive income	**51,302,462**	**41,774,188**				
Financial hedging instruments assets	7,493,500	7,959,000	Level Two and three	Market Price	Not Applicable	Not Applicable
Investment in lands	1,040,845	819,127	Level Two	Real estate evaluator	Not Applicable	Not Applicable
Land, property and equipment at fair value	39,330,634	32,263,821	Level Two	Real estate evaluator	Not Applicable	Not Applicable
Total financial assets at fair value	**103,294,110**	**83,185,805**				
Financial liabilities at fair value						
Financial hedging instruments liabilities	7,959,000	7,959,000	Level One	Market Price	Not Applicable	Not Applicable
Total fianacial liabilities at fair value	**7,959,000**	**7,959,000**				

There were no transfers between first level and second level during 2022

B - The fair value of the company's financial liabilities that are not frequently measured at fair value:

Apart from what is mentioned in the table below, we believe that the book value of the financial liabilities appearing in the company's consolidated financial statements approximates their fair value:

Financial liabilities that are not determined at fair value	December 31, 2022 Book Value	December 31, 2022 Fair Value	December 31, 2021 Book Value	December 31, 2021 Fair Value	Fair Value Level
	USD	USD	USD	USD	USD
Long term bonds	72,987,000	73,072,000	73,918,000	73,980,537	Second Level
Loans and banks Payable	271,656,947	272,243,824	195,521,479	196,467,066	Second Level
Total financial liabilities that are not determined at fair value	**344,643,947**	**345,315,824**	**269,439,479**	**270,447,603**	

For the items listed above, the fair value of the second level financial liabilities has been determined according to agreed pricing models that reflect the credit risks of the parties with which they are dealt.

The fair value mentioned above is as of December 31, 2022 and 2021.

36. Related Parties Balances and Transactions

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

Balances:

Due from related parties	Relationship to Group	December 31, 2022	December 31, 2021
		USD	USD
Aggad International Company	Major Shareholder	264,290	1,818,497
Gulf Taleed Company	Owned by a Major Shareholder	75,719	2,510
Qudra Renewable Energy Company	Affiliate	1,010,361	-
Arabian Tile Company	Affiliate	98,596	-
		1,448,966	1,821,007
Due to related parties			
The shareholders of the Arab Palestinian Investment Company**		601,459	440,478
		601,459	440,478

** This amount represents accrued payments for the Group shareholders which represents prior years dividends distribution.

Transactions:

Year 2022	Nature of Transaction	Amount USD
Aggad International Company – Major Shareholder	Travel and insurance expenses paid on behalf of the Company	186,940

Year 2021	Nature of Transaction	Amount USD
Aggad International Company – Major Shareholder	Travel and insurance expenses paid on behalf of the Company	153,628

b. Salaries, bonuses and other benefits of the executive management of the holding company and its subsidiaries amounted to USD 9,120,943 for the year 2022 (USD 8,525,054 for the year 2021).

37. Risk Management

a. Capital Risk Management

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

The following schedule shows the ratio of liabilities to owner's equity as of December 31, 2022 and 2021:

	December 31,	
	2022	2021
	USD	USD
Accounts Payable	86,436,948	66,834,318
Due to banks	66,747,424	59,236,974
Notes payable and postdated cheques - short term	5,617,464	7,091,047
Due to related parties	601,459	440,478
Lease liabilities – short term	4,311,501	2,825,271
Loan installments - short term	135,868,629	83,322,538
Other credit balances	37,483,443	38,604,039
Income tax provision	6,789,808	6,404,870
Total Current Liabilities	**343,856,676**	**264,759,535**
End of service indemnity provision	20,504,457	19,839,855
Lease liabilities - long term	72,987,000	6,163,091
Notes payable and postdated cheques - long term	0	1,021,044
Deferred tax assets	2,645,663	0
Bonds payable - long term	8,513,782	73,918,000
Financial hedging instruments liabilities	7,959,000	7,959,000
Loan installments - long term	69,040,894	52,961,967
Total Non-Current Liabilities	**181,650,796**	**161,862,408**
Total Liabilities	**525,507,472**	**426,622,492**
Total Owners' Equity	**217,122,156**	**191,447,771**
Debt to Owners' Equity Ratio	**%242**	**%223**

b. Liquidity Risk

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

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

	December 31,	
	2022	2021
	USD	USD
Current Assets	436,421,766	375,807,214
Less: Current liabilities	(343,856,676)	(264,759,535)
	92,565,090	**111,047,679**

c. Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group 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 Group'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, except for the balances due from the Palestinian authorities amounting to USD 49 million. In addition, the debtors are spread widely among client's classifications and their geographical areas. Moreover, the Group maintains a strict credit policy by monitoring the credit limit for each client individually on continuous basis.

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

d. Foreign Currency Risk

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

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

	Assets		Liabilities	
	December 31,		December 31,	
	2022	2021	2022	2021
	USD	USD	USD	USD
Jordanian Dinar	111,430,693	94,891,955	78,594,250	46,650,949
Shekel	170,677,184	140,842,375	177,646,749	113,331,078
Euro	1,285,151	2,011,074	11,816,575	6,115,909
Turkish Lira	52,823,786	34,028,331	25,814,427	11,348,661

The sensitivity analysis of the accounts exposed to foreign currency exchange risk according to currency type for the years 2022 and 2021 and that impacts the consolidated statement of profit or loss and owners' equity is as follows:

	+1%		-1%	
	2022	**2021**	**2022**	**2021**
	USD	**USD**	**USD**	**USD**
Asset				
Shekel	1,706,772	1,408,424	(1,706,772)	(1,408,424)
Euro	12,852	20,111	(12,852)	(20,111)
Turkish Lira	528,238	340,283	(528,238)	(340,283)
Liabilities				
Shekel	1,776,467	1,133,311	(1,776,467)	(1,133,311)
Euro	118,166	61,159	(118,166)	(61,159)
Turkish lira	258,144	113,487	(258,144)	(113,487)

The Group's management believes that there is no substantial risk of the exchange rate of some currencies against the US dollar, since the exchange rates of the Jordanian dinar, the Saudi riyal and the Emirati Dirham are linked to the US 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 Group manages its exposure to interest rate risk continuously and reassesses the various options such as refinancing, renewal of the current position and alternative financing.

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

	+1%		-1%	
	2022	**2021**	**2022**	**2021**
	USD	**USD**	**USD**	**USD**
Consolidated statement of profit or loss	3,545,729	2,865,399	(3,545,729)	(2,865,399)

f. Share Prices Risk

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

	December 31, 2022		
	Change in Indicator	**Effect on Statement of profit or loss**	**Effect on Owner's Equity**
Indicator	**USD**	**USD**	**USD**
Palestine and Jordan Stock Exchanges	+-%5	- +206,333	- + 900,861

	December 31, 2021		
	Change in Indicator	**Effect on Statement of profit or loss**	**Effect on Owner's Equity**
Indicator	**USD**	**USD**	**USD**
Palestine and Jordan Stock Exchanges	%5+ -	- +18,483	- +727,789

g. Occupation and Sovereign Risks

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

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

38. Earnings per Share Attributable to Shareholders from Continuing and Discontinued Operations.

	For the Year Ended December 31,	
	2022	2021
	USD	USD
Profit for the year from continuing operations	27,677,501	33,560,835
	Share	Share
Weighted Average of shares Number	112,000,000	112,000,000
	USD/Share	USD/Share
Earnings per share for the year relating to the Group's shareholders / basic and diluted from continuing operations*	0.247	0.300

	For the Year Ended December 31,	
	2022	2021
	USD	USD
Profit for the year from discontinued operations	-	4,379,074
	Share	Share
Weighted Average of shares Number	122,000,000	122,000,000
	USD/Share	USD/Share
Earnings per share for the year relating to the Group's shareholders / basic and diluted from discontinued operations *	-	0.039

The weighted average number of shares per share of profit attributable to the shareholders of the company was calculated based on the number of shares authorized for the year ended December 31, 2022 according to the weighted capital after the increase resulting in distribution of shares dividends that amounted to USD $7 Million to the company's shareholders (note 1) in accordance with the requirements of International Accounting Standard No. (33).

39 Hedge Derivatives:

The Group signed an agreement during the year 2020 with Arab Bank - Palestine to hedge against the change in euro exchange rate against the US dollar. The derivative asset and liability with Arab Bank - Palestine do not meet the offsetting criteria in IAS 32.

Consequently, the gross amount of the derivative asset and gross amount of derivative liability are presented separately in the Group's consolidated statement of financial position and as follows:

Financial hedging instruments assets:

The following table shows the financial hedge assets classified as effective fair value hedging instruments:

	December 31, 2022
	USD
Cross Currency Swap Agreement – Euro	7,493,500
Total hedge assets	7,493,500

Financial hedging instruments liabilities:

The following table shows the financial hedge liabilities classified as effective fair value hedging instruments:

	December 31, 2022
	USD
Cross Currency Swap Agreement – USD	7,959,000
Total hedge liabilities	7,959,000

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