

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

<u>Assets</u>	<u>Note</u>	<u>June 30, 2023</u> <u>(Reviewed not audited)</u> <u>USD</u>	<u>December 31, 2022</u> <u>(Audited)</u> <u>USD</u>
<b>Current Assets</b>			
Cash on hand and at banks		38,521,260	32,637,610
Accounts receivable and cheques under collection - net	5	184,117,422	190,129,334
Inventory - net	7	141,516,896	144,998,681
Due from related parties	16	723,052	1,448,966
Financial assets at fair value through profit or loss	18	5,766,283	4,126,669
Other debit balances	6	69,431,027	56,142,478
Leasing contracts receivable- short term		7,803,832	6,938,028
<b>Total Current Assets</b>		<b>447,879,772</b>	<b>436,421,766</b>
<b>Non-Current Assets</b>			
Leasing contracts receivable - long term		13,171,258	13,560,695
Cheques under collection - long term		8,918,675	11,916,022
Deferred tax assets		2,792,067	2,725,757
Financial hedging instruments assets	18	7,636,300	7,493,500
Right of use assets - net		12,553,725	12,988,515
Financial assets at fair value through other comprehensive income	18	58,292,163	51,302,462
Investment in plots of land	18	1,040,845	1,040,845
Intangible assets - net		42,535,440	45,020,966
Investment in affiliates		10,459,399	11,958,597
Property and equipment - net		131,073,013	133,624,797
Project under construction		19,641,255	14,575,706
<b>Total Non-Current Assets</b>		<b>308,114,140</b>	<b>306,207,862</b>
<b>Total Assets</b>		<b>755,993,912</b>	<b>742,629,628</b>
<b>Liabilities and Owner's Equity</b>			
<b>Current Liabilities</b>			
Accounts payable		75,591,136	86,436,948
Due to Banks	9	90,380,868	66,747,424
Short term bonds payable	11	73,272,600	-
Notes payable within one year and postdated cheques		4,069,880	5,617,464
Due to related parties	16	1,561,672	601,459
Lease liabilities - short term		4,142,385	4,311,501
Installments of loans maturing within a year	10	130,693,356	135,868,629
Other credit balances	8	41,880,752	37,483,443
Income tax provision	12	4,240,939	6,789,808
<b>Total Current Liabilities</b>		<b>425,833,588</b>	<b>343,856,676</b>
<b>Non-Current Liabilities</b>			
Provision for end of service indemnity		21,226,065	20,504,457
Long term bonds payable	11	-	72,987,000
Lease liabilities - long term		8,436,219	8,513,782
Financial hedging instruments liabilities	18	7,959,000	7,959,000
Deferred tax liabilities		2,669,801	2,645,663
Long term loan installments	10	75,176,239	69,040,894
<b>Total Non-Current Liabilities</b>		<b>115,467,324</b>	<b>181,650,796</b>
<b>Total Liabilities</b>		<b>541,300,912</b>	<b>525,507,472</b>
<b>Owners' Equity</b>			
The authorized capital is 125,000,000 shares with a par value of US \$ 1 per share	1	<b>125,000,000</b>	<b>125,000,000</b>
<b>Shareholders' Equity</b>			
Paid up capital	1	117,000,000	112,000,000
Share premium		12,103,000	12,103,000
Retained earnings		54,277,158	69,917,158
Profit for the period		11,082,165	-
Cumulative change in fair value		9,741,597	4,744,252
Property and equipment revaluation reserve		11,193,767	11,395,587
Foreign currency translation effect		(10,070,637)	(5,648,729)
Difference on the purchase of non-controlling interest		(18,625,172)	(18,625,172)
<b>Total Shareholders' Equity</b>		<b>186,701,878</b>	<b>185,886,096</b>
Non - controlling interest		27,991,122	31,236,060
<b>Total Owners Equity</b>		<b>214,693,000</b>	<b>217,122,156</b>
<b>Total Liabilities and Owners' Equity</b>		<b>755,993,912</b>	<b>742,629,628</b>

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**Arab Palestinian Investment Company**  
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**Condensed Consolidated Interim Statement of Income**

	Note	For the Three -Months Ended June 30,		For the Six-Months Ended June 30,	
		2023	2022	2023	2022
		(Reviewed Not Audited)	(Reviewed Not Audited)	(Reviewed Not Audited)	(Reviewed not Audited)
		USD	USD	USD	USD
Net sales		295,961,745	268,129,408	587,714,273	547,833,329
<u>Less:</u> Cost of sales		257,660,881	229,062,899	509,873,413	468,585,877
<b>Gross profit from sales</b>		<b>38,300,864</b>	<b>39,066,509</b>	<b>77,840,860</b>	<b>79,247,452</b>
Services revenue		1,441,718	1,518,515	3,090,832	3,355,827
<u>Less:</u> Cost of services		1,224,278	1,421,952	2,617,806	3,127,619
<b>Net profit (loss) from services</b>		<b>217,440</b>	<b>96,563</b>	<b>473,026</b>	<b>228,208</b>
<b>Gross Profit from Sales and Services</b>	17	<b>38,518,304</b>	<b>39,163,072</b>	<b>78,313,886</b>	<b>79,475,660</b>
<u>Less:</u> General and administrative expenses		12,586,298	14,286,182	27,778,443	30,135,774
Selling and distribution expenses		9,947,256	9,193,548	21,176,688	18,667,928
<b>Profit from operations</b>		<b>15,984,750</b>	<b>15,683,342</b>	<b>29,358,755</b>	<b>30,671,958</b>
<u>Less:</u> Interest and borrowing cost		6,439,102	5,892,511	13,150,384	9,027,214
<u>Add:</u> Other revenue - net		(315,768)	974,485	(440,577)	2,713,317
<b>Profit for the period before income tax and monetary gain resulting from hyperinflation</b>		<b>9,229,880</b>	<b>10,765,316</b>	<b>15,767,794</b>	<b>24,358,061</b>
<u>Less:</u> Income tax expense	12	1,997,033	2,124,787	3,756,464	4,577,401
<b>Profit for the period from continuing operations before monetary gain resulting from hyperinflation</b>		<b>7,232,847</b>	<b>8,640,529</b>	<b>12,011,330</b>	<b>19,780,660</b>
<u>Add:</u> Net monetary gain resulting from hyperinflation		8,758	596,059	331,475	596,059
<b>Profit for the period</b>		<b>7,241,605</b>	<b>9,236,588</b>	<b>12,342,805</b>	<b>20,376,719</b>
<b>Attributable to:</b>					
Company's shareholders		6,669,620	8,379,595	11,082,165	18,295,310
Non-controlling interest		571,985	856,993	1,260,640	2,081,409
		<b>7,241,605</b>	<b>9,236,588</b>	<b>12,342,805</b>	<b>20,376,719</b>
Earnings per share attributable to the Company's shareholders	13	0.06	0.07	0.09	0.16

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**Arab Palestinian Investment Company**  
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**Condensed Consolidated Interim Statement of Comprehensive Income**

	<u>For the Three-Months Ended June 30,</u>		<u>For the Six-Months Ended June 30,</u>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<u>(Reviewed Not Audited)</u>	<u>(Reviewed Not Audited)</u>	<u>(Reviewed Not Audited)</u>	<u>(Reviewed Not Audited)</u>
	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Profit for the period	7,241,605	9,236,588	12,342,805	20,376,719
<b>Other Comprehensive Income Items that will not be transferred to the statement of profit or loss later:</b>				
Change in fair value - financial assets at fair value through other comprehensive income	1,951,611	2,183,836	4,997,345	1,861,612
<b>Other Comprehensive Income Items that might be transferred to the statement of profit or loss later:</b>				
Change in fair value - property, plant and equipment / Land	-	-	(201,820)	-
Foreign currency translation	(7,731,067)	5,478,286	(5,914,939)	4,589,444
<b>Total comprehensive income</b>	<b><u>1,462,149</u></b>	<b><u>16,898,710</u></b>	<b><u>11,223,391</u></b>	<b><u>26,827,775</u></b>
<b>Total Comprehensive Income Attributable to:</b>				
Company's shareholders	2,890,571	13,896,425	11,455,782	23,020,156
Non-controlling interest	(1,428,422)	3,002,285	(232,391)	3,807,619
	<b><u>1,462,149</u></b>	<b><u>16,898,710</u></b>	<b><u>11,223,391</u></b>	<b><u>26,827,775</u></b>

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**Condensed Consolidated Interim Statement of Changes in Owners' Equity**

Note	Paid-up	Share	Retained	Profit	Cumulative	Property and	Foreign Currency	Difference on the	Total	Non -	Total Shareholders'
	Capital	Premium	Earnings	for the period	Change in Fair Value	Equipment Revaluation Reserve	Translation Effect	Purchase of Non-Controlling Interest	Shareholders' Equity	Controlling Interest	Equity
	USD	USD	USD		USD	USD	USD	USD	USD	USD	USD
<b>For the Six-Months Ended June 30, 2023 (Reviewed Not Audited)</b>											
Balance - beginning of the period	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
Change in fair value - financial assets at fair value through other comprehensive income	-	-	-	-	4,997,345	-	-	-	4,997,345	-	4,997,345
Foreign currency translation	-	-	-	-	-	-	(4,421,908)	-	(4,421,908)	(1,493,031)	(5,914,939)
Change in fair value - property, plant and equipment	-	-	-	-	-	(201,820)	-	-	(201,820)	-	(201,820)
Profit for the Period	-	-	-	11,082,165	-	-	-	-	11,082,165	1,260,640	12,342,805
<b>Total comprehensive income</b>	-	-	-	<b>11,082,165</b>	<b>4,997,345</b>	<b>(201,820)</b>	<b>(4,421,908)</b>	-	<b>11,455,782</b>	<b>(232,391)</b>	<b>11,223,391</b>
Increase in paid up capital **	5,000,000	-	(5,000,000)	-	-	-	-	-	-	-	-
Dividends distributed **	-	-	(10,640,000)	-	-	-	-	-	(10,640,000)	-	(10,640,000)
Net change in non - controlling interest *	-	-	-	-	-	-	-	-	-	(3,012,547)	(3,012,547)
<b>Balance - End of the Period</b>	<b>117,000,000</b>	<b>12,103,000</b>	<b>54,277,158</b>	<b>11,082,165</b>	<b>9,741,597</b>	<b>11,193,767</b>	<b>(10,070,637)</b>	<b>(18,625,172)</b>	<b>186,701,878</b>	<b>27,991,122</b>	<b>214,693,000</b>
<b>For the Six-Months Ended June 30, 2022 (Reviewed Not Audited)</b>											
Balance - beginning of the period	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	-	-	-	-	1,861,612	-	-	-	1,861,612	-	1,861,612
Foreign currency translation	-	-	-	-	-	-	2,863,234	-	2,863,234	1,726,210	4,589,444
Profit for the Period	-	-	-	18,295,310	-	-	-	-	18,295,310	2,081,409	20,376,719
<b>Total comprehensive income</b>	-	-	-	<b>18,295,310</b>	<b>1,861,612</b>	-	<b>2,863,234</b>	-	<b>23,020,156</b>	<b>3,807,619</b>	<b>26,827,775</b>
Increase in paid up capital **	7,000,000	-	(7,000,000)	-	-	-	-	-	-	-	-
Dividends distributed **	-	-	(11,000,000)	-	-	-	-	-	(11,000,000)	-	(11,000,000)
Other	-	-	(556,105)	-	-	-	-	-	(556,105)	(291,229)	(847,334)
Net change in non - controlling interest *	-	-	-	-	-	-	-	-	-	(728,326)	(728,326)
<b>Balance - End of the Period</b>	<b>112,000,000</b>	<b>12,103,000</b>	<b>42,672,533</b>	<b>18,295,310</b>	<b>4,367,440</b>	<b>9,479,203</b>	<b>(5,616,995)</b>	<b>(18,625,172)</b>	<b>174,675,319</b>	<b>31,024,567</b>	<b>205,699,886</b>

Retained earnings include USD2,792,067 as of June 30, 2023, which represents amounts booked by the Company's subsidiaries against deferred tax benefits ( USD 2,725,757 as of December 31, 2022).

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

\*\* The general assembly has decided in its meeting held on May 8, 2023 to increase the Company's paid up capital by USD 5 million through the distribution of stock dividends to the shareholders in addition to the dividends of USD 10.64 million or 9.5% of the Company's paid up capital on that date.

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

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**Arab Palestinian Investment Company**  
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**Condensed Consolidated Interim Statement of Cash Flow**  
**(Reviewed Not Audited)**

		<b>For the Six-Months Ended June 30,</b>	
		<b>2023</b>	<b>2022</b>
Note		<b>(Reviewed Not Audited)</b>	<b>(Reviewed Not Audited)</b>
		<b>USD</b>	<b>USD</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
	Profit for the period before tax and after monetary gain resulting from hyperinflation	16,099,269	24,954,120
<b>Adjustments for:</b>			
	Expected credit loss provision	1,056,380	601,677
	Depreciation	6,132,623	5,526,156
	(Gain) loss from financial hedging instruments - Assets	(142,800)	620,200
	Provision for slow moving inventory	445,287	453,030
	Loss (gain) from investment in affiliates	1,499,198	(413,794)
	Provision for end of service indemnity	1,382,211	615,337
	Net monetary (gain) resulting from hyperinflation	(331,475)	(596,059)
	(Gain) on sale of property and equipment	(107,306)	(167,251)
	<b>Cash Flows from Operating Activities before Changes in Working Capital</b>	<b>26,133,387</b>	<b>31,593,416</b>
	(Increase) in accounts receivable, finance leasing contracts other debit balances	(8,809,384)	(17,820,440)
	Decrease (increase) in inventory	3,036,498	(44,910,734)
	Decrease (increase) in long -term checks under collection	2,997,347	(91,362)
	Change in due from related parties balances	1,686,127	4,254,421
	(Decrease) increase in accounts payable and other credit balances	(5,904,510)	2,227,892
	<b>Net Cash Flows (used in) Operating Activities before</b>		
	<b>End-of-Service Indemnity and Income Tax Paid</b>	19,139,465	(24,746,807)
	Paid from end of service indemnity provision	(760,604)	(999,186)
	Paid from income tax provision	(6,264,605)	(7,326,893)
	<b>Net Cash Flows (used in) Operating Activities</b>	<b>12,114,256</b>	<b>(33,072,886)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
	(Increase) in financial assets at fair value through profit or loss	(1,639,614)	(1,062,462)
	(Increase) in financial assets at fair value through other comprehensive income	(1,992,356)	(2,321,872)
	Change in Intangible assets - net	2,485,526	(10,414,914)
	Change in Property and equipment and project under construction	(8,848,208)	(16,644,937)
	<b>Net Cash (used in) Investing Activities</b>	<b>(9,994,652)</b>	<b>(30,444,185)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
	Increase in due to banks	23,633,444	15,520,893
	Increase (decrease) in bonds payable	285,600	(1,240,400)
	(Decrease) increase in loans, checks and notes payable	(587,512)	42,738,380
	Dividends distributed	(10,640,000)	(11,000,000)
	Net change in non - controlling interest , foreign currency translation and other	(8,927,486)	4,803,964
	<b>Net Cash Flows from Financing Activities</b>	<b>3,764,046</b>	<b>50,822,837</b>
	Net (Decrease) in Cash	5,883,650	(12,694,234)
	Cash on hand and at banks- beginning of the year	32,637,610	46,564,274
	<b>Cash on Hand and at Banks - End of the Period</b>	<b>38,521,260</b>	<b>33,870,040</b>

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