

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS

CONDENSED CONSOLIDATED INTERIM FINANCIAL
INFORMATION FOR THE SIX-MONTHS
ENDED JUNE 30, 2023
TOGETHER WITH THE REVIEW REPORT

ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
JUNE 30, 2023

TABLE OF CONTENTS

	<u>Page</u>
Review Report	
Condensed Consolidated Interim Statement of Financial Position	2
Condensed Consolidated Interim Statement of Profit or Loss	3
Condensed Consolidated Interim Statement of Comprehensive Income	4
Condensed Consolidated Interim Statement of Changes in Owners' Equity	5
Condensed Consolidated Interim Statement of Cash Flows	6
Notes to the Condensed Consolidated Interim Financial Information	7 - 27

REVIEW REPORT

AM / 6655

**To the Chairman and Members of Board of Directors
Arab Palestinian Investment Company and its Subsidiaries (Holding Company)
British Virgin Islands**

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Arab Palestinian Investment Company (the Group) (Holding Company) as of June 30, 2023 and the related condensed consolidated interim statements of profit or loss, and comprehensive income for the three and six months period ended June 30, 2023 and changes in owners' equity and cash flows for the six months period then ended, a summary of significant accounting policies and other explanatory information.

Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting", Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company", A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures, A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that the accompanying condensed consolidated interim financial statements are not prepared in accordance with International Accounting Standard No, (34) Related to Interim Financial Reporting.

Other Matters

The accompanying condensed consolidated interim financial information are a translation of the statutory condensed consolidated interim financial information which are in the Arabic language and to which reference should be made.

**Amman – The Hashemite Kingdom of Jordan
August 10, 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
Condensed Consolidated Interim Statement of Financial Position

<u>Assets</u>	<u>Note</u>	<u>June 30, 2023</u> <u>(Reviewed not audited)</u>	<u>December 31, 2022</u> <u>(Audited)</u>
		<u>USD</u>	<u>USD</u>
Current Assets			
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
Total Current Assets		447,879,772	436,421,766
Non-Current Assets			
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
Total Non-Current Assets		308,114,140	306,207,862
Total Assets		755,993,912	742,629,628
Liabilities and Owner's Equity			
Current Liabilities			
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
Total Current Liabilities		425,833,588	343,856,676
Non-Current Liabilities			
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
Total Non-Current Liabilities		115,467,324	181,650,796
Total Liabilities		541,300,912	525,507,472
Owners' Equity			
The authorized capital is 125,000,000 shares with a par value of US \$ 1 per share	1	125,000,000	125,000,000
Shareholders' Equity			
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)
Total Shareholders' Equity		186,701,878	185,886,096
Non - controlling interest		27,991,122	31,236,060
Total Owners Equity		214,693,000	217,122,156
Total Liabilities and Owners' Equity		755,993,912	742,629,628

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

Arab Palestinian Investment Company
(Holding Company)
British Virgin Islands
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
Gross profit from sales		38,300,864	39,066,509	77,840,860	79,247,452
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
Net profit from services		217,440	96,563	473,026	228,208
Gross Profit from Sales and Services	17	38,518,304	39,163,072	78,313,886	79,475,660
<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
Profit from operations		15,984,750	15,683,342	29,358,755	30,671,958
<u>Less:</u> Interest and borrowing cost		6,439,102	5,892,511	13,150,384	9,027,214
<u>Add:</u> Other (expenses) revenue - net		(315,768)	974,485	(440,577)	2,713,317
Profit for the period before income tax and monetary gain resulting from hyperinflation		9,229,880	10,765,316	15,767,794	24,358,061
<u>Less:</u> Income tax expense	12	1,997,033	2,124,787	3,756,464	4,577,401
Profit for the period from continuing operations before monetary gain resulting from hyperinflation		7,232,847	8,640,529	12,011,330	19,780,660
<u>Add:</u> Net monetary gain resulting from hyperinflation		8,758	596,059	331,475	596,059
Profit for the period		7,241,605	9,236,588	12,342,805	20,376,719
Attributable to:					
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
		7,241,605	9,236,588	12,342,805	20,376,719
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
(Holding Company)
British Virgin Islands
Condensed Consolidated Interim Statement of Comprehensive Income

	For the Three-Months Ended June 30,		For the Six-Months Ended June 30,	
	2023 (Reviewed Not Audited)	2022 (Reviewed Not Audited)	2023 (Reviewed Not Audited)	2022 (Reviewed Not Audited)
	USD	USD	USD	USD
Profit for the period	7,241,605	9,236,588	12,342,805	20,376,719
Other Comprehensive Income Items that will not be transferred to the statement of profit or loss later:				
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

Other Comprehensive Income Items that might be transferred to the statement of profit or loss later:

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
Total comprehensive income	1,462,149	16,898,710	11,223,391	26,827,775

Total Comprehensive Income Attributable to:

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
	1,462,149	16,898,710	11,223,391	26,827,775

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Aphel Petroleum Investment Company
(Incorporated in the British Virgin Islands)

Condensed Consolidated Interim Statement of Changes in Owners' Equity

	Note	Paid-up		Share Premium	Retained Earnings	Profit for the period	Cumulative Change in Fair Value		Property and Equipment Revaluation Reserve	Foreign Currency Translation Effect	Difference on the Purchase of Non-controlling Interest	Total Shareholders' Equity	Non-controlling Interest	Total Shareholders' Equity
		USD	Capital				USD	USD						
For the Six-Months Ended June 30, 2023 (Reviewed Not Audited)														
Balance * beginning of the year		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	-	(4,421,908)	-	-	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
Total comprehensive income		-	-	-	-	11,082,165	4,997,345	(201,820)	(4,421,908)	-	-	11,455,782	(232,391)	11,223,391
Increase in paid up capital **	1	5,000,000			(5,000,000)	-	-	-	-	-	-	(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)
Balance - End of the Period		117,000,000		12,103,000	54,277,158	11,082,165	9,741,597	11,193,767	(10,070,637)	(18,625,172)		186,701,878	27,991,122	214,693,000
For the Six-Months Ended June 30, 2022 (Reviewed Not Audited)														
Balance * beginning of the year		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
Total comprehensive income		-	-	-	-	18,295,310	1,861,612	-	2,863,234	-	-	23,020,156	3,807,619	26,827,775
Increase in paid up capital **		7,000,000			(7,000,000)	-	-	-	-	-	-	(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)
Balance - End of the Period		112,000,000		12,103,000	42,672,533	18,295,310	4,367,440	9,479,203	(5,616,995)	(18,625,172)		174,675,319	31,024,567	205,699,886

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 cash 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
(Holding Company)
British Virgin Islands
Condensed Consolidated Interim Statement of Cash Flow
(Reviewed Not Audited)

		For the Six-Months Ended June 30,	
		2023	2022
Note		(Reviewed Not Audited)	(Reviewed Not Audited)
		USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES:			
	Profit for the period before tax and after monetary gain resulting from hyperinflation	16,099,269	24,954,120
Adjustments for:			
	Expected credit loss provision	1,056,380	601,677
	Depreciation for the period	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	1,482,211	615,337
	Net monetary (gain) resulting from hyperinflation	(331,475)	(596,059)
	(Gain) on sale of property and equipment	(107,306)	(167,251)
	Cash Flows from Operating Activities before Changes in Working Capital	26,133,387	31,593,416
	(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
	Net Cash Flows from (used in) Operating Activities before End-of-Service Indemnity and Income Tax Paid	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)
	Net Cash Flows from (used in) Operating Activities	12,114,256	(33,072,886)
CASH FLOWS FROM INVESTING ACTIVITIES:			
	(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)
	Net Cash (used in) Investing Activities	(9,994,652)	(30,444,185)
CASH FLOWS FROM FINANCING ACTIVITIES:			
	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
	Net Cash Flows from Financing Activities	3,764,046	50,822,837
	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
	Cash on Hand and at Banks - End of the Period	38,521,260	33,870,040

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ARAB PALESTINIAN INVESTMENT COMPANY
(HOLDING COMPANY)
BRITISH VIRGIN ISLANDS
NOTES TO THE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- a. Arab Palestinian Investment Company (Holding Company) was established on September 20, 1994 and was registered at 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 USD 1 per share.
- b. Several adjustments were made to the Company's paid up capital, the latest was on May 8, 2023 where the Company's General Assembly has approved in its ordinary meeting held on that date the increase of the Company's paid up capital by USD 5,000,000 through capitalizing part of retained earnings and distributing it to the shareholders as stock dividends, increasing the Company's paid up capital to become USD 117,000,000. Approvals of the regulatory authorities were obtained from British virgin island and the parties at Palestine including Palestine Capital Markets Authority (PCMA) and Palestine Exchange (PEX).
- c. The Company's main objectives include the management of its subsidiaries 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 Company's headquarter is located at 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.
- g. The delegate of the Board of Directors approved the condensed consolidated interim financial information on August 10, 2023.

2. Basis of Preparation of the Condensed Consolidated Interim Financial Information

- The accompanying condensed consolidated interim financial information have been prepared in accordance with standards No. (34) issued by the International Accounting Standards Board.
- The condensed consolidated interim financial information has been prepared according to the historical cost convention except for the financial assets and financial liabilities that appear at fair value at the date of the condensed consolidated interim financial information.
- The accompanying condensed consolidated interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and should be read with the Group annual report as of December 31, 2022, In addition, the results of the Group operations for the six - months ended June 30, 2023 do not necessarily represent an indication of the expected results for the year ending December 31, 2023. No deductions for provisions were made during the period ending on June 30, 2023, which is usually computed at the end of the year.
- The accompanying condensed consolidated interim financial information are shown in US dollars, which represents the Group's financial statement presentation currency.

- The condensed consolidated interim financial information include the holding Company's financial statements and the following subsidiaries' financial statements, after eliminating intercompany balances and transactions:

	June 30, 2023		December 31, 2022		Owners hip Date	Main Activity
	Reviewed not audited		Audited			
	Paid-up Capital USD	Equity Share %	Paid-up Capital USD	Equity Share %		
Arab Palestinian Cooling and Storage Company	4,500,000	71/11	4,500,000	71/11	1997	Management of refrigerated storage facilities
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		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 Public 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 L.L.C	40,000	100	40,000	100	2019	Investment and asset management

- Non-controlling interests represent the portion that is not owned by the Group in subsidiaries equity.

Basis of Preparation of the condensed consolidated interim financial information

- The Company's financial statements incorporate the financial statements of the Holding Company and entities controlled by the Company (its subsidiaries), Control is achieved when the Group:
 - Has the power to control 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 the returns of the investee.

The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above,

In the case of which the Group has less than a 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 the Group's voting rights in an investee are enough to grant it control or not, including:

- The size of the Group's holdings 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 Company obtains 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 statement

of profit or loss 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 Group 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 information of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

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

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein, those interests of non-controlling shareholders that are present 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 acquirer'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 having a deficit balance.

Total comprehensive income accrues to the non-controlling interests even if this results a deficit in the balance of non-controlling interests.

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 Group loses control of a subsidiary, the gain or loss on disposal recognised in the statement profit or loss 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 Group 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.

3. Significant Accounting Policies

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on June 30, 2023 are consistent with those used in the preparation of the annual consolidated financial statement for the year ended December 31, 2022. However, the Company has adopted the following amendments and interpretations that apply for the first time in 2023 and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

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.

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.

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.

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.

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.

4. Significant Accounting Judgments and key Sources of Uncertainty Estimates and Risk Management

The preparation of the condensed consolidated interim financial information and application of the accounting policies require the Group management to make judgments, estimates, and assumptions that are made affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses, actual results may differ from these estimates.

The significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group's annual consolidated financial statements for the year ended December 31, 2022.

5. Accounts Receivable and Cheques under Collection- Net

This item consists of the following:

	June 30, 2022	December 31, 2022
	(Reviewed not audited)	(Audited)
	USD	USD
Trade receivables	160,384,619	150,284,234
Cheques under collection - short term	32,370,412	47,548,324
Total trade receivables and cheques under collection - short term	192,755,031	197,832,558
Employees Receivable	705,993	697,973
	193,461,024	198,530,531
Less: Provision for expected credit loss	(9,343,602)	(8,401,197)
Total	184,117,422	190,129,334

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 condensed 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 June 30, 2023 (Reviewed not Audited)

Total trade receivables ** Expected credit loss Expected credit loss rate	Receivables that are past due						Total USD
	Current receivables (not past due) *		Receivables that are past due		More than 365 days	Total	
	From one day to 90 days	From 91 days to 180 days	From 181 days to 365 days	More than 365 days			
USD	USD	USD	USD	USD	USD	USD	USD
117,056,818 682,029 0.6%	39,326,266 901,226 2.3%	12,859,633 537,635 4.2%	11,838,681 593,492 5.0%	11,673,633 6,629,220 56.8%	192,755,031 9,343,602 4.8%		

As of December 31, 2022 (Audited)

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

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

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

As of June 30, 2023 (Reviewed not Audited) As of December 31, 2022 (Audited)	Receivables that are past due					Total USD
	Less than 90 days		From 91 days to 180 days		More than 365 days	
	USD	USD	USD	USD	USD	
22,923,012 48,768,475	999,627 279,536	762,711 212,776	346,473 30,831	25,031,823 49,291,618		

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

Balance – beginning of the year Provision booked during the period Foreign currencies translation Balance – End of the Period	For the period ended June 30, 2023 (Reviewed not Audited)		
	Stage 2	Stage 3	Total
	USD	USD	USD
3,588,035 106,673 (20,799)	4,813,162 949,707 (93,176)	8,401,197 1,056,380 (113,975)	3,673,909 5,669,693 9,343,602

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

6. Other Debit Balances

This item consists of the following:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	USD	USD
Claims receivable	17,145,945	15,694,799
Value added tax	9,682,416	11,531,486
Prepaid expenses	8,779,609	4,965,346
Refundable deposits against LGs', LCs and others	4,246,750	3,613,561
Advance payments to suppliers	22,795,597	16,112,452
Loans and convertible notes	766,718	1,213,489
Other debit balances	6,013,992	3,011,345
	69,431,027	56,142,478

7. Inventory - net

The details of this item are as follows:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	USD	USD
Produced goods available for sale	15,249,454	11,137,169
Medicine	9,448,246	8,239,627
Medical materials	1,502,951	2,034,612
Consumable materials	66,065,106	64,743,135
Laboratory tools and materials	3,095,324	3,316,847
Cars and spare parts *	13,383,097	17,324,943
Medical equipment and machinery	10,680,882	10,748,581
Total Finished Goods	119,425,060	117,544,914
Raw materials	19,449,054	21,935,941
Scrap materials and other	1,541,202	269,024
Other materials	2,598,824	4,516,550
Total Inventory	143,014,140	144,266,429
Less: Provision for slow-moving inventory **	(2,397,896)	(1,969,915)
Net Inventory	140,616,244	142,296,514
Goods in transit	900,652	2,702,167
Total	141,516,896	144,998,681

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

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

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	USD	USD
Balance – Beginning of the year	1,969,915	2,407,871
Additions (Released) during the period/year	445,287	(352,490)
Written-off inventory during the period/year	(17,306)	(85,466)
Balance – Ending of the period / year	2,397,896	1,969,915

8. Other Credit Balances

This item consists of the following:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	USD	USD
Accrued expenses	16,882,528	13,315,913
Accrued interest	836,139	671,877
Unearned revenue	51,863	383,295
Accrued salaries and bonuses	6,296,586	9,102,032
Accrued vacations	2,412,388	2,264,542
Social security deposits	361,608	370,724
Sales tax deposits	1,956,661	45,212
Income tax deposits	132,992	1,089,292
Advance payments from customers	3,493,970	4,846,807
Sundry provision	3,333,802	3,637,961
Others	6,122,215	1,755,788
Total	41,880,752	37,483,443

9. Due to banks

This item consists of facilities granted to the following companies:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	USD	USD
National Aluminum and Profiles Company	6,273,121	6,787,096
Medical Supplies and Services Company	18,541,103	17,069,282
Unipal for General Trading Company	43,850,115	32,242,695
Palestinian Automobile Company	1,323,899	753,780
Arab Leasing Company	103,712	-
Sky Advertising, Public Relations and Events Company	198,949	161,942
Siniora Food Industries Company	20,089,969	9,732,629
Total	90,380,868	66,747,424

- The purpose of these accounts is to finance the working capital and are covered by collaterals represented by the guarantee of the owner Company.

10. Loans

The details of this item are as follows:

	Short-term		Long-term	
	June 30, 2023		December 31, 2022	
	(Reviewed not audited)		(Audited)	
	USD	USD	USD	USD
<u>Siniora Food Industries Company:</u>				
Loans granted to Tarakya Meat Industry Company**	9,350,574	23,121	3,402,298	157,726
Cairo Amman Bank loan	3,184,154	14,161,824	3,526,093	15,295,395
Housing Bank for Trade and Finance Loan	4,157,313	-	3,668,862	-
Jordan Kuwait Bank Loan	2,641,989	8,355,472	2,641,989	9,373,750
Capital Bank Loans- Jordan	2,743,609	-	543,223	-
Bank of Jordan Loan	3,122,434	5,480,228	1,987,306	6,475,871
Palestine Bank Loan	-	1,322,275	78,007	1,075,647
Invest bank Loan	834,509	-	-	-
Bank ABC Loans	451,568	-	-	-
Safa Bank Loan	1,167,885	4,559,001	1,196,511	5,158,011
Arab Bank Loan	1,204,346	700,000	1,252,463	1,278,114
	28,858,381	34,601,921	18,296,752	38,814,514
<u>National Aluminum and Profiles Company:</u>				
Jordan Ahli Bank Loans	2,925,213	3,947,953	3,671,884	4,378,099
Al Quds Bank Loans	1,246,629	4,603,154	1,496,953	2,002,561
Islamic International Arab Bank Loan	45,986	1,924,856	-	-
Palestine Islamic Bank Loans	1,073,549	-	1,291,604	-
The National Bank Loan	427,949	925,592	241,047	1,256,450
Cairo Amman Bank Loans	1,753,336	561,549	1,236,230	811,707
The Housing Bank for Trade and Finance Loan	408,485	668,511	349,819	864,122
Arab Bank Loan	1,246,313	2,206,038	2,693,165	-
Bank of Jordan Loan	278,126	-	-	-
Safa Bank Loan	1,706,684	-	1,550,883	-
Bank of Palestine Loan	1,882,049	-	913,707	-
	12,994,319	14,837,653	13,445,292	9,312,939
<u>Palestinian Automobile Company:</u>				
National Bank Loans	-	-	1,931,562	-
The Housing Bank for Trade and Finance Loan	2,137,176	-	1,397,776	-
Arab Bank Loan	773,660	-	977,658	-
National Bank Loans	3,721,040	-	-	-
Al Quds Bank Loans	1,296,484	-	2,650,132	-
Jordan Ahli Bank Loans	5,012,815	619,556	4,865,991	724,892
Cairo Amman Bank Loan	320,628	45,172	363,000	176,898
Bank of Palestine Loan	2,750,098	-	2,885,281	-
Palestine Commercial Bank Loan	524,572	-	-	-
Arab Islamic Bank Loan	23,175	-	92,838	-
Egyptian Arab Land Bank Loan	1,230,792	-	189,490	-
Bank of Jordan Loan	6,355,498	-	1,339,333	-
	24,145,938	664,728	16,693,061	901,790
<u>Arab Leasing Company:</u>				
National Bank Loan	237,941	444,717	388,456	535,472
Jordan Ahli Bank Loan	524,977	-	-	-
Invest bank Loan	313,325	897,943	-	-
Housing Bank for Trade and Finance Loan	-	2,311,067	950,365	2,945,735
Jordan Ahli Bank Loan	1,159,874	776,978	614,587	1,132,735
Egyptian Arab Land Loan	374,320	839,120	211,310	599,631
Bank of Palestine Loan	132,555	192,624	143,690	338,704
Al Quds Bank Loan	1,759,430	3,898,613	1,863,245	4,702,595
Italian Development Cooperation Agency *	135,667	271,334	261,467	261,467
	4,638,089	9,632,396	4,433,120	10,516,339
<u>Medical Supplies and Services Company:</u>				
Arab Islamic Bank Loan	7,117,786	-	4,074,683	-
Housing Bank for Trade and Finance Loan	2,515,272	4,851,839	3,745,288	-
Bank of Palestine Loan	1,870,902	1,463,881	8,520	2,560,122
Al Quds Bank Loan	1,012,679	-	-	-
Arab Bank Loans	4,566,711	625,280	5,996,298	1,875,200
Jordan Ahli Bank Loan	2,216,115	-	-	-
Safa Bank Loan	-	-	7,852,068	-
Societe Generale Bank Loan	6,393,933	-	-	-
National Bank Loan	1,992,614	3,715,310	1,420,858	-
Bank of Jordan Loan	31,308,459	-	47,359,522	-
	58,994,471	10,656,310	70,457,237	4,435,322
<u>Unipal for General Trading Company</u>				
Bank of Jordan Loan	1,062,158	4,783,231	2,543,167	5,059,990
	1,062,158	4,783,231	2,543,167	5,059,990
	130,693,356	75,176,239	125,868,629	69,040,894

- The loans above are subject to interest rates ranging from 3% to 39% and are granted in Palestine, Jordan and Turkey.

* 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 58 loans from several banks in the Republic of Turkey with total value of TL 242 million (Equivalent to USD 9.4 million as of June 30, 2023) to finance working capital of the Company. Interest rates range from 13% to 39% and the installments due dates fall in May 31, 2024.

11. Bonds Payable

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

The movement on the bonds payable balance during the period was as follows:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	USD	USD
Balance – Beginning of the year	72,987,000	73,918,000
Change resulting from currency revaluation	285,600	(931,000)
Balance at the end of the period / year	<u>73,272,600</u>	<u>72,987,000</u>

The details of bonds payable as at the end of the period were as follows:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	USD	USD
Dollar bonds - issuance of the year 2020 *	58,000,000	58,000,000
Euro bonds - issuance of the year 2020 **	15,272,600	14,987,000
	<u>73,272,600</u>	<u>72,987,000</u>

* 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 USD 10,000, the date of issue is June 28, 2020 and its maturity June 28, 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 USD, as of June 30, 2020, the nominal value of each bond is 10,000 Euros, the date of issue is June 28, 2020, and its maturity is June 28, 2025, The interest rate calculated on the bonds is 3.75% per annum, fixed for the first 30 months and the interest rate for six 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 maturity of bonds issued by the Group was as follows:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	USD	USD
Bonds maturing in less than a year***	73,272,600	-
Bonds maturing within one to five years	-	72,987,000
	<u>73,272,600</u>	<u>72,987,000</u>

The guarantees and covenants on the bonds issued by the Company as of June 30, 2023 and December 31, 2022 were as follows:

Dollar bonds - issuance of the year 2020:

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 (100%) 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 2020:

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, provided that the average market value and estimated value of the guarantees shall not be less than the nominal value of the bonds the list is less than 100% at the date of calculating the coverage ratio.

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.

*** Due to extraordinary circumstances arising from the business operations of the Group at the Republic of Turkey and the considerable drop of the translation rate of the Turkish Lira against United States Dollar, the Group has incurred additional losses pertaining to foreign currency translation increasing the negative balance of foreign currency translation differences statement of financial line item included within equity to reach USD 10.1 million as of June 30, 2023. This decrease resulted in breaching the covenant requirement against the Bonds Payable by the company through increasing the debt (Bank's Payables net of cash) to equity and debt ratio above 60% by less than 1%. Accordingly, the Group's management have reclassified Bonds Payable to the current portion of liabilities at the end of the reporting period. In management's opinion this breach is temporary and will be remediated during the subsequent reporting period.

12. Income tax of subsidiaries

a. Income tax provision

The movement on income tax provision is illustrated as follows:

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
	USD	USD
Balance - beginning of the year	6,789,808	6,404,870
Income tax paid	(6,424,629)	(8,478,667)
Accrued income tax expense for the period/year	3,875,760	8,863,605
Balance - End of the Period/Year	4,240,939	6,789,808

b. Income tax expense

Income tax expense shown in the condensed consolidated interim financial information of Profit or loss is illustrated as follows:

	For the Six-months ended June 30,	
	2023 (Reviewed not audited)	2022 (Reviewed not audited)
	USD	USD
Accrued income tax expense for the period	3,875,760	4,934,902
Deferred tax liability for the period	(65,208)	(182,262)
Deferred tax assets for the period	(54,088)	(175,239)
	3,756,464	4,577,401

- The Arab Palestinian Investment Company (The Holding Company) has reached a final settlement with the income tax department until the end of the year 2022 expect for 2019 and 2021 in Jordan and until 2021 in Palestine.

- The following schedule shows the tax status of the subsidiaries:

Company's Name	Final Settlement up to Year
Unipal General Trading Company	2020
Sky Advertising, Public Relations and Events Company	2021
Medical Supplies and Services Company	2020
National Aluminum and Profiles Company	2018
Palestine Automobile Company	2022
Arab Palestinian Storage Company	2017
Siniora Food Industries Company	2020
Jericho Natural and Mineral Water Factory Company	Under Liquidation
Arab Leasing Company	2021
Arab Palestinian Investment Company / Jordan (Exempted)	2022

In the management and its tax consultant's opinion, the provisions recorded as of June 30, 2023 are sufficient to fulfill its tax obligations.

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

13. Earnings per Share for the Period

This item consists of the following:

	For the Three-months ended June 30,	
	2023 (Reviewed not audited)	2022 (Reviewed not audited)
	USD	USD
Profit for the period	11,082,165	18,295,310
	Share	Share
Weighted Average Number of Shares *	117,000,000	117,000,000
	USD/Share	USD/Share
Earnings per share for the period attributable to the Company's shareholders	0/09	0/16

	For the Six-months ended June 30,	
	2023	2022
	(Reviewed not audited)	(Reviewed not audited)
	USD	USD
Profit for the period	6,669,620	8,379,595
Weighted Average Number of Shares *	117,000,000	117,000,000
Earnings per share for the period attributable to the Company's shareholders	\$ 0.06/0	\$ 0.07/0

- * The weighted average for the number of shares per share of profit attributable to the company's shareholders has been calculated based on the number of shares for the period ending on June 30, 2022 and 2023 and ends in December 2022. This calculation takes into account the effect of stock dividends distribution, considering them as free shares, on the average earnings per share for the mentioned period.

14. Contingent Liabilities

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

	June 30, 2023	December 31,
	(Reviewed not audited)	2022
	USD	(Audited)
	USD	USD
Letters of credit	4,283,666	18,085,379
Bank guarantees	34,304,857	34,996,004
Bank cash withdrawals	11,615,243	-
Collection Bills	255,118	-
Letters of guarantee	5,449,020	115,674
	55,907,904	53,197,958

15. Lawsuits

a. Siniora Food Industries Company

There are lawsuits held against Siniora Food Industries Company – Palestine with an amount of USD 318,114 to void the Company's claims against third parties and or labor claims, In the opinion of the Company's legal consultant and its management, no obligations shall arise against the Company therefrom.

b. Sky for Advertising Company

There are lawsuits held against Sky for Advertising Company with an amount of USD 3,914. 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

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, The prosecuting party has appealed the decision and the appeal has been registered under case number (2023/4). The next session at the Jerusalem Court of Appeals - Economic Chamber is scheduled at September 13, 2023.

d. Unipal General Trading Company

There are lawsuits held against Unipal General Trading Company with an amount of USD 13,842,979 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 158,413 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 364,187 In the opinion of the Company's legal consultant and its management, no obligations shall arise against the Company therefrom.

g. Arab Palestinian Cooling and Storage Company

There are lawsuits held against Palestine Automobile Company with an amount of USD 71,062, In the opinion of the Company's legal consultant and its management, no obligations shall arise against the Company therefrom.

Based on the Company's management and its legal consultant opinion, the Company will not bear any liabilities exceeding the provision booked in the condensed consolidated interim financial information.

16. Related Parties Balances and Transactions

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

	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
<u>Due from related parties</u>	USD	USD
Aggad International Investment Company*	-	264,290
Gulf Taleed Commercial Services Company*	-	75,719
Qudra Renewable Energy Solutions Company (Affiliate Company)	237,442	1,010,361
Arabian Tile Company (ARTIC) (Affiliate Company)	485,610	98,596
	<u>723,052</u>	<u>1,448,966</u>
<u>Due to related parties</u>		
Shareholders of the Arab Palestinian Investment Company	1,113,670	601,459
Aggad International Investment Company*	144,134	-
Gulf Taleed Commercial Services Company*	303,870	-
	<u>1,561,674</u>	<u>601,459</u>

Transactions:

<u>For the Six-months ended June 30, 2023</u>	<u>Nature of Transaction</u>	<u>Volume of Transactions USD</u>
Aggad International Investment Company*	Travel and insurance expenses paid on behalf of the Company	60,789
<u>For the Six-months ended June 30, 2022</u>	<u>Nature of Transaction</u>	<u>Volume of Transactions USD</u>
Aggad International Investment Company*	Travel and insurance expenses paid on behalf of the Company	94,512

* Company partially owned by a member of the Board of Directors.

b. The salaries, bonuses and other benefits of the executive management of the Group amounted to USD 3,943,744 for the Six-month period ended June 30, 2023 USD (4,390,759 for the six months period ended June 30, 2022).

17. Segmental Analysis

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

	For the Six-Months Ended June 30, 2023				For the Six-Months Ended June 30, 2022	
	Manufacturing	Trade	Service	Other	(Reviewed not audited)	(Reviewed not audited)
	USD	USD	USD	USD	USD	USD
Total sales and services revenue	98,686,640	488,824,967	3,293,498	-	590,805,105	551,189,156
Less: Cost of sales and services	(78,306,615)	(431,566,798)	(2,617,806)	-	(512,491,219)	(471,713,496)
Gross Profit	20,380,025	57,258,169	675,692	-	78,313,886	79,475,660
Less: Expenses allocated to sectors - net	(24,538,482)	(29,301,979)	(1,178,160)	(7,527,471)	(62,546,092)	(55,117,599)
Profit for the Period before Income Tax and monetary gain resulting from hyperinflation	(4,158,457)	27,956,190	(502,468)	(7,527,471)	15,767,794	24,358,061
Less: Income tax expense	(497,803)	(3,121,301)	(122,360)	(15,000)	(3,756,464)	(4,577,401)
Profit for the year from continuing operations before monetary gain resulting from hyperinflation	(4,656,260)	24,834,889	(624,828)	(7,542,471)	12,011,330	19,780,660
Add : Net monetary gain resulting from hyperinflation	331,475	-	-	-	331,475	596,059
Profit for the period	(4,324,785)	24,834,889	(624,828)	(7,542,471)	12,342,805	20,376,719
Total Assets					June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)
					USD	USD
					<u>755,993,912</u>	<u>742,629,628</u>
Total Liabilities					<u>541,300,912</u>	<u>525,507,472</u>

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

All of the subsidiaries are located within the Palestinian Authority territories except for those in the schedule below:

Company's Name	Geographical Location	For the Six Months Ended June 30, 2023		June 30, 2023	
		(Reviewed not audited)		(Reviewed not audited)	
		Revenue USD	Expenses USD	Assets USD	Liabilities USD
Siniora Food Industries Company	Jordan / United Arab Emirates / Turkey	76,696,130	74,571,959	112,400,018	73,289,272
Arab Palestinian Investment Company / Jordan (Exempted)	Jordan	217,575	21,369	1,154,771	137,943
APIC Gulf Investments L.L.C	United Arab Emirates	-	29,132	5,474,099	7,113,030
Taleed for Medical Supplies Company	Jordan / Iraq	4,075,280	3,549,958	10,169,677	2,761,308
Al Jihan for General Trading Company	Jordan	8,924,008	522,894	6,543,126	3,204,148
Unipal General Trading Company	Jordan	22,901,121	3,722,759	37,435,080	33,300,349
National Aluminum and Profiles Company	Jordan Branch	23,405	23,405	98,735	51,728
		For the Ended December 31, 2022		December 31, 2022	
		(Audited)		(Audited)	
		Revenue USD	Expenses USD	Assets USD	Liabilities USD
Siniora Food Industries Company	Jordan / United Arab Emirates/Turkey	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 Investments L.L.C	United Arab Emirates	-	2,327,600	-	2,327,600
Taleed for Medical Supplies Company	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	3,650,416
National Aluminum and Profiles Company	Jordan Branch	146,849	75,283	146,849	75,283

18. Fair Value Hierarchy

a. The fair value of financial assets and financial liabilities of the Group specified at fair value on an ongoing basis:

Some financial assets and financial liabilities of the Group are evaluated at fair value at the end of each fiscal period, the following schedule shows the information about how to determine the fair value of these financial assets and liabilities (valuation methods and inputs used).

	Fair Value		Level of	Valuation Method and Inputs used	Significant Unobservable Inputs	Relation between the fair value and the significant unobservable inputs
	June 30, 2023 (Reviewed not audited)	December 31, 2022 (Audited)				
	USD	USD				
Financial Assets at Fair Value						
Financial assets at Fair Value through profit or loss	5,766,283	4,126,669	Level One	Market Price	Not Applicable	Not Applicable
Financial assets at Fair Value through other comprehensive income :						
Quoted Shares	21,000,200	18,017,224	Level One	Market Price	Not Applicable	Not Applicable
Unquoted Shares	28,553,652	21,754,081	Level Two and three	Compared with similar financial instrument	Not Applicable	Not Applicable
Investment funds	8,738,311	11,531,157	Level Two and three	Compared with similar financial instrument	Not Applicable	Not Applicable
Total Financial assets at Fair Value through Other Comprehensive Inc	58,292,163	51,302,462				
Financial hedging instruments assets	7,636,300	7,493,500	Level One	Market Price	Not Applicable	Not Applicable
Investment in land	1,040,845	1,040,845	Level Two	Real estate evaluator	Not Applicable	Not Applicable
Land, property and equipment at fair value	33,314,132	39,330,634	Level Two	Real estate evaluator	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	106,049,723	103,294,110				
Financial liabilities at fair value						
Financial hedging instruments Liabilities	7,959,000	7,959,000	Level One	Market Price	Not Applicable	Not Applicable
Total Financial liabilities at fair value	7,959,000	7,959,000				

There were no transfers between level one level two or levels during the period ended June 30, 2023

b. The fair value of the financial assets and financial liabilities of the Group and non-specific fair value on an ongoing basis:

Except for what is set out in the schedule below, we believe that the book value of the financial assets and financial liabilities shown in the condensed consolidated interim financial information of the Group approximate their fair value:

	Fair Value	June 30, 2023 (Reviewed not audited)		December 31, 2022 (Audited)	
	Level	Fair Value	Book Value	Fair Value	Book Value
Undetermined Fair Value Financial Liabilities					
Bonds Payable	Level Two	73,351,724	73,272,600	73,072,000	72,987,000
Loans and Due to Banks	Level Two	297,007,478	296,250,463	272,243,824	271,656,947
Undetermined Fair Value Financial Liabilities		370,359,202	369,523,063	345,315,824	344,643,947

For the items mentioned above, the fair value for the financial liabilities at level two were determined in accordance to agreed pricing models, which reflect the credit risk of the parties that are dealt with .

- The fair value mentioned above is as of June 30, 2023 and December 31, 2022.