WATANIYA PALESTINE MOBILE TELECOMMUNICATION PUBLIC SHAREHOLDING COMPANY

Unaudited Interim Condensed Financial StatementsFor the Three Months Period Ended March 31, 2017

INTERIM STATEMENT OF FINANCIAL POSITION (All amounts in US Dollars)

March 31, 2016 (Unaudited) (Audited)	,	As	As at		
ASSETS (Unaudited) (Audited) Non-current assets 7 Property and equipment 25,942,612 27,469,533 Projects in progress 17,978,194 18,883,868 Intangible assets 136,617,552 139,111,200 Current assets 180,538,358 185,464,601 Advances to contractors 5,402,997 5,417,874 Restricted cash 4,125,243 3,951,235 Inventory 3,452,908 3,463,535 Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,263,583 Total assets 23,155,118 223,646,514 EQUITY AND LIABILITIES 258,000,000 258,000,000 Share premium 11,610,000 16,000,000 Accumulated losses (202,572,356) (201,444,884) Total equity 5,731,930 5,520,317 Interest-bearing loans and borrowings 42,537,526 44,300,552 Other on-current liabilities 7,983,580		·	•		
Non-current assets Property and equipment 25,942,612 27,469,538 Projects in progress 17,978,194 18,883,668 Intangible assets 136,617,552 139,111,200 180,538,358 185,464,601 Current assets 5,402,997 5,417,874 Advances to contractors 5,402,997 5,417,874 Restricted cash 4,125,243 3,951,235 Inventory 3,452,908 3,463,535 Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,263,583 Total assets 218,156,118 223,646,514 EQUITY AND LIABILITIES 258,000,000 258,000,000 Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,844) Total equity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-curre			***		
Property and equipment 25,942,612 27,469,538 Projects in progress 17,978,194 18,883,868 Intangible assets 136,617,552 139,111,200 Current assets	<u>ASSETS</u>	··············			
Projects in progress 17,978,194 18,883,868 Intangible assets 136,617,552 139,111,200 Current assets 180,538,358 185,464,601 Advances to contractors 5,402,997 5,417,874 Restricted cash 4,125,243 3,951,235 Inventory 3,452,908 3,463,535 Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,755 12,263,583 Total assets 218,156,113 223,646,514 EQUITY AND LIABILITIES 258,000,000 258,000,000 Share capital 258,000,000 258,000,000 Accountlated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Non-current liabilities 1 1 Provision for employees' indemnity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654	Non-current assets				
Intangible assets 136,617,552 139,111,200 Current assets 180,538,358 185,464,601 Advances to contractors 5,402,997 5,417,874 Restricted cash 4,125,243 3,951,235 Inventory 3,452,908 3,463,535 Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,635,83 Total assets 218,156,118 223,646,514 EQUITY AND LIABILITIES 218,156,118 233,646,514 EQUITY AND LIABILITIES 5 258,000,000 258,000,000 Share premium 1,610,000 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 Provision for employees' indemnity 5,731,930 5,520,317 Interest- bearing loans and borrowings	Property and equipment	25,942,612	27,469,533		
Current assets 180,538,358 185,464,601 Current assets 5,402,997 5,417,874 Restricted cash 4,125,243 3,951,235 Inventory 3,452,908 3,463,535 Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,263,583 Total assets 218,156,118 223,646,514 EQUITY AND LIABILITIES 258,000,000 258,000,000 Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest-bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowin	Projects in progress	17,978,194	18,883,868		
Current assets Current asset ocntractors 5,402,997 5,417,874 Restricted cash 4,125,243 3,951,235 Inventory 3,452,908 3,463,535 Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,263,583 Total assets 213,156,118 223,646,514 EQUITY AND LIABILITIES 258,000,000 58,000,000 Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Non-current liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 Accounts payable 7,983,580 9,128,538 Current liabilities 7,9	Intangible assets	136,617,552	139,111,200		
Advances to contractors 5,402,997 5,417,874 Restricted cash 4,125,243 3,951,235 Inventory 3,452,908 3,463,535 Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,263,583 Total assets 23,617,760 38,181,913 Total assets 23,646,514 23,646,514 EQUITY AND LIABILITIES 258,000,000 258,000,000 Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 5,731,930 5,520,317 Interest bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Current liabilities 7,983,580 9,128,538 Current liabilities 7,983,580 9,128,538 Current liabilities		180,538,358	185,464,601		
Restricted cash 4,125,243 3,951,235 Inventory 3,452,908 3,463,535 Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,263,583 Total assets 213,156,118 223,646,514 EQUITY AND LIABILITIES 258,000,000 258,000,000 Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Symmetrial liabilities Non-current liabilities 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 19,500,000 19,500,000 <td></td> <td></td> <td></td>					
Inventory 3,452,908 3,463,535 Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,263,583 37,617,760 38,181,913 23,564,514 EQUITY AND LIABILITIES Equity Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Non-current liabilities Non-current liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Current liabilities 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to relate	Advances to contractors	5,402,997	5,417,874		
Other current assets 2,612,326 1,808,979 Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,263,583 37,617,760 38,181,913 Total assets 218,156,118 223,646,514 EQUITY AND LIABILITIES Equity Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Non-current liabilities Frovision for employees' indemnity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 19,500,000 19,500,000	Restricted cash	4,125,243	3,951,235		
Accounts receivable 12,021,521 11,276,707 Cash on hand and at banks 10,002,765 12,263,583 37,617,760 38,181,913 Total assets 218,156,118 223,646,514 EQUITY AND LIABILITIES Equity Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Short-current liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest-bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	•	3,452,908	3,463,535		
Cash on hand and at banks 10,002,765 12,263,583 Total assets 218,156,118 223,646,514 EQUITY AND LIABILITIES 258,000,000 258,000,000 Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Non-current liabilities 5,731,930 5,520,317 Interest-bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 19,500,000 19,500,000		2,612,326	1,808,979		
Total assets 37,617,760 38,181,913 EQUITY AND LIABILITIES 218,156,118 223,646,514 Equity 5 3 6 6 7 3 3 6 7 3 3 6 7 9 3 6 7 3 9 1 6 1 0 1 1 0 1 1 0 1 0 1 0 1 0 1 0 1 0 1 0 1 0 1 0 0 1		12,021,521	11,276,707		
Total assets 218,156,118 223,646,514 EQUITY AND LIABILITIES Equity Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Non-current liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest-bearing loans and borrowings 42,537,526 44,300,352 Other non-current liabilities 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Cash on hand and at banks	10,002,765	12,263,583		
EQUITY AND LIABILITIES Equity Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liability 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759		37,617,760	38,181,913		
Equity Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest-bearing loans and borrowings 42,537,526 44,300,352 Other non-current liability 54,346,654 54,346,654 Current liabilities 102,616,110 104,167,323 Current portion of interest- bearing loans and borrowings 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Total assets	218,156,118	223,646,514		
Share capital 258,000,000 258,000,000 Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liability 54,346,654 54,346,654 Other non-current liabilities 7,983,580 9,128,538 Current liabilities 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	·				
Share premium 11,610,000 11,610,000 Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Non-current liabilities 5,731,930 5,520,317 Interest-bearing loans and borrowings 42,537,526 44,300,352 Other non-current liability 54,346,654 54,346,654 Current liabilities 7,983,580 9,128,538 Accounts payable 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	• •	258,000,000	258,000,000		
Accumulated losses (202,572,356) (201,444,884) Total equity 67,037,644 68,165,116 Liabilities Non-current liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest-bearing loans and borrowings 42,537,526 44,300,352 Other non-current liability 54,346,654 54,346,654 Current liabilities 102,616,110 104,167,323 Current portion of interest- bearing loans and borrowings 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	·	• •	• •		
Total equity 67,037,644 68,165,116 Liabilities Non-current liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest-bearing loans and borrowings 42,537,526 44,300,352 Other non-current liability 54,346,654 54,346,654 Current liabilities 102,616,110 104,167,323 Current portion of interest- bearing loans and borrowings 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Accumulated losses	·	·		
Non-current liabilities Provision for employees' indemnity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liability 54,346,654 54,346,654 Current liabilities 102,616,110 104,167,323 Accounts payable 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Total equity		***************************************		
Provision for employees' indemnity 5,731,930 5,520,317 Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liability 54,346,654 54,346,654 Current liabilities 102,616,110 104,167,323 Accounts payable 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Liabilities				
Interest- bearing loans and borrowings 42,537,526 44,300,352 Other non-current liability 54,346,654 54,346,654 102,616,110 104,167,323 Current liabilities Accounts payable 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Non-current liabilities				
Other non-current liability 54,346,654 54,346,654 Current liabilities 102,616,110 104,167,323 Accounts payable 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Provision for employees' indemnity	5,731,930	5,520,317		
Current liabilities 102,616,110 104,167,323 Accounts payable 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Interest-bearing loans and borrowings	42,537,526	44,300,352		
Current liabilities7,983,5809,128,538Accounts payable7,983,5809,128,538Current portion of interest- bearing loans and19,500,00019,500,000borrowings19,500,00019,500,000Due to related parties230,105177,759	Other non-current liability	54,346,654	54,346,654		
Accounts payable 7,983,580 9,128,538 Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759		102,616,110	104,167,323		
Current portion of interest- bearing loans and borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Current liabilities				
borrowings 19,500,000 19,500,000 Due to related parties 230,105 177,759	Accounts payable	7,983,580	9,128,538		
Due to related parties 230,105 177,759	· · · · · · · · · · · · · · · · · · ·				
	borrowings	19,500,000	19,500,000		
Deferred revenues 3,275,314 3,647,075	·	230,105	177,759		
		3,275,314	3,647,075		
Other current liabilities 16,405,506 17,052,821			17,052,821		
Accrued project costs <u>1,107,859</u> <u>1,807,882</u>	Accrued project costs	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~			
48,502,364 51,314,075		48,502,364	51,314,075		
Total liabilities <u>151,118,474</u> <u>155,481,398</u>			155,481,398		
Total equity and liabilities 218,156,118 223,646,514	Total equity and liabilities	218,156,118	223,646,514		

INTERIM STATEMENT OF PROFIT OR LOSS

(All amounts in US Dollars)

For	the	three	months	period
	a.	adod N	March 21	

	ended N	ended March 31,		
	2017	2016		
	(Unaudited)	(Unaudited)		
Revenue	20,201,944	20,510,640		
Cost of service	(9,035,692)_	(9,082,650)		
Gross Profit	11,166,252	11,427,990		
Finance revenue	72,956	107,359		
Currency exchange loss	(17,130)	(15,940)		
General and administrative expenses	(6,242,723)	(6,348,694)		
Depreciation and amortization	(5,166,141)	(4,803,873)		
Finance costs	(1,015,215)	(1,149,108)		
Provision for doubtful accounts	74,529	1,031,129		
	(12,293,724)	(11,179,127)		
(Loss) / Profit for the period	(1,127,472)	248,863		
Basic and diluted earnings per share	(0.004)	0.001		

WATANIYA PALESTINE MOBILE TELECOMMUNICATION, Public Shareholding Company Unaudited Interim Condensed Financial Statements for the Three Months Ended March 31, 2017

INTERIM STATEMENT OF COMPREHENSIVE INCOME (All amounts in US Dollars)

For the three months period ended March 31,

	2017	2016	
	(Unaudited)	(Unaudited)	
(Loss) profit for the period	(1,127,472)	248,863	
Other comprehensive income for the period		-	
Total comprehensive income for the period	(1,127,472)	248,863	

WATANIYA PALESTINE MOBILE TELECOMMUNICATION, Public Shareholding Company Unaudited Interim Condensed Financial Statements for the Three Months Ended March 31, 2017

INTERIM STATEMENT OF CHANGES IN EQUITY (All amounts in US Dollars)

	Paid-in share capital	Share premium	Accumulated losses	Net equity
Balance at January 1, 2017 Total comprehensive income for the	258,000,000	11,610,000	(201,444,884)	68,165,116
period	,	-	(1,127,472)	(1,127,472)
Balance at March 31, 2017	258,000,000	11,610,000	(202,572,356)	67,037,644
Balance at January 1, 2016 Total comprehensive income for the	258,000,000	11,610,000	(199,906,943)	69,703,057
period			248,863	248,863
Balance at March 31, 2016	258,000,000	11,610,000	(199,658,080)	69,951,920

INTERIM STATEMENT OF CASH FLOWS

(All amounts in US Dollars)

For the three months period ended March 31.

	ended IV	larch 31,
	2017	2016
	(Unaudited)	(Unaudited)
Operating activities		
(Loss) profit for the period	(1,127,472)	248,863
Adjustments:	•	
Depreciation	2,410,971	2,427,557
Impairment of property and equipment	6,777	· · · · · -
Provision for employees' indemnity	439,733	533,526
Recovery for doubtful accounts	(74,529)	(1,031,129)
Finance revenues	(72,956)	(107,359)
Finance costs	1,015,215	1,149,108
Amortization	2,755,170	2,376,316
Gain on disposal of property and equipment	-	(977)
	5,352,909	5,595,905
Changes in operational assets and liabilities:		
Accounts receivable	(670,285)	(2,702,311)
Inventory	10,627	(35,448)
Other current assets	(815,949)	(979,022)
Accounts payable	(1,144,958)	166,566
Due to related parties	52,346	21,039
Deferred revenue	(371,761)	(253,601)
Other current liabilities	(647,315)	2,363,701
Employees' indemnity paid	(228,120)	(303,804)
Net cash flows provided by operating activities	1,537,494	3,873,025
Investing activities		
Purchase of property and equipment	(890,827)	(618,961)
Purchase of intangible assets	(261,522)	(17,850)
Proceeds from disposal of property and	(,,	(==,==,
equipment	-	977
Increase in projects in progress	205,651	(2,108,511)
Advances to contractors	14,877	(458,125)
Interest received	85,558	90,732
Net cash flows used in investing activities	(846,263)	(3,111,738)
U		
Financing activities		
Repayment of loans	(1,875,000)	(2,812,500)
Loan transaction costs paid	(117,037)	(104,565)
Interest paid	(786,004)	(861,125)
Restricted cash	(174,008)	60,406
Net cash flows used in financing activities	(2,952,049)	(3,717,784)
wet basin notes abea in interioring destrictes	(2,332,043)	(3,727,734)
Decrease in cash and cash equivalents	(2,260,818)	(2,956,497)
Cash and cash equivalents, beginning of the year	12,263,583	19,153,712
Cash and cash equivalents, end of the year	10,002,765	16,197,215
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