<u>SINIORA FOOD INDUSTRIES COMPANY</u>
<u>(A PUBLIC SHAREHOLDING LIMITED COMPANY)</u>
<u>AMMAN - JORDAN</u>

<u>CONSOLIDATED FINANCIAL STATEMENTS</u>
<u>FOR THE YEAR ENDED DECEMBER 31, 2020</u>
<u>TOGETHER WITH INDEPENDENT</u>
<u>AUDITOR'S REPORT</u>

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
DECEMBER 31, 2020

TABLE OF CONTENTS

Deloitte.

Deloitte & Touche (M.E.)
Jabal Amman, 5th Circle
190 Zahran Street
Amman, P.O. Box 248
Jordan

Tel: +962 (0) 6 550 2200
Fax: +962 (0) 6 550 2210
www.deloitte.com

Independent Auditor's Report

AM/ 006655

To the Shareholders of
Siniora Food Industries Company
(A Public Shareholding Limited Company)
Amman - Jordan

Audit Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Siniora Food Industries Company (A Public Shareholding Limited Company) and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

A description was provided on how to examine each of the matters referred to below in the audit procedures:

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill and trademarks As at December 31, 2020, the carrying amount of goodwill and trademarks was approximately JD 6.3 million, which is around 9% of total assets. The trademarks are deemed to have indefinite useful lives. In accordance with IAS 36 Impairment of Assets, an entity is required to test goodwill acquired in a business combination and intangible assets with indefinite useful lives for impairment at least annually irrespective of whether there is any indication of impairment. An impairment is recognized in the consolidated statement of profit or loss when the recoverable amount is less than the net carrying amount, as described in Note (2) to the consolidated financial statements. The determination of the recoverable amount is mainly based on discounted future cash flows. We considered the impairment of goodwill and trademarks to be a key audit matter, given the method for determining the recoverable amount and the significance of the aggregate amount in the Group's consolidated financial statements. In addition, the recoverable amounts are based on the use of important assumptions, estimates or assessments made by management, in particular future cash flow projections, the estimate of the discount rates and long-term growth rates.	We familiarized ourselves with the process implemented by the Group to determine the recoverable amount of goodwill and trademarks allocated to Cash-Generating Units (CGU). Our work consisted of: • Evaluating the design and implementation of controls over the Group's testing of goodwill and trademarks for impairment; • Assessing the principles and methods used for determining the recoverable amounts of the CGU to which the goodwill and trademarks are allocated and assessing that the methods used are in accordance with IFRS; • Reconciling the net carrying amount of the goodwill and trademarks allocated to the CGU tested with the Group's accounting records; • Engaged our internal valuation specialist to assess the discount rate applied by benchmarking against independent data; • Substantiating by interviews with management the key assumptions on which budget estimates underlying the cash flows used in the valuation models are based. For this purpose, we also compared the estimates of cash flow projections of previous periods with actual corresponding results, to assess the pertinence and reliability of the process for making forecasts; • Substantiating the results of sensitivity analyses carried out by management by comparing them to those realized by us; • Verifying the arithmetical accuracy of the valuations used by the Group. We also assessed the disclosures in the consolidated financial statements, relating to this matter, against the requirements of IFRSs.

Deloitte.

Other Matter
The accompanying consolidated financial statements are a translation of the statutory consolidation financial statement in the Arabic language to which reference should be made

Other Information
Management is responsible for other information. Other information consists of information provided in the annual report other than the consolidated financial statements and the related auditor's report. We expect that the annual report will be provided to us at a later date of this report. Our opinion on the consolidated financial statements does not include other information and we do not express any type of assertion or conclusion about it.

Regarding the audit of the consolidated financial statements it is our responsibility to read the above mentioned information when it becomes available to us, assessing whether the other information is not materially consistent with the consolidated financial statements or information obtained through our audit or that other information includes material misstatement.

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

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

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

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

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

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

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

Deloitte.

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

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

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

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

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

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

Amman – Jordan
March 28, 2021

Deloitte & Touche (M.E) - Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010105

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	December 31, 2020	December 31, 2019
Current Assets:		JD	JD
Cash on hand and at banks	5	1,327,662	1,385,585
Accounts receivable - net	6	10,757,841	10,617,480
Inventory – net	7	11,239,407	10,102,780
Due from related parties	25	528,547	938,658
Other debit balances	8	2,119,544	2,293,884
Total Current Assets		25,973,001	25,338,387
Non-Current Assets:			
Deferred tax assets	22/d	287,678	252,185
Intangible assets	9	6,358,736	6,361,718
Property and equipment – net	10	35,154,044	34,912,284
Right-of-use assets	11	801,473	537,808
Total Non-Current Assets		42,601,931	42,063,995
TOTAL ASSETS		68,574,932	67,402,382
LIABILITIES			
Current Liabilities:			
Due to banks	12	1,111,387	-
Notes payable		888,461	916,220
Accounts payable		5,083,085	5,643,212
Due to related parties	25	28,656	306,699
Deposits and accrued expenses	13	4,934,414	4,783,977
Lease liabilities due within one year	11	277,553	123,215
Loans installments due within one year	14	4,981,965	5,933,915
Income tax provision	22/a	606,634	432,576
Total Current Liabilities		17,912,155	18,139,814
Non-Current Liabilities :			
Loans installments due within more than one year	14	6,235,218	9,951,821
Lease liabilities due within more than one year	11	476,534	379,729
Provision for end-of-service indemnity	15	2,987,130	2,525,253
Total Non-Current liabilities		9,698,882	12,856,803
Total liabilities		27,611,037	30,996,617
OWNERS' EQUITY			
Paid-up capital	16/a	27,000,000	25,000,000
Statutory reserve	16/b	5,254,021	4,634,738
Retained earnings	16/c	11,173,660	9,234,813
Effect of the purchase of non-controlling interest shares	16/d	(2,463,786)	(2,463,786)
Total Owners' Equity		40,963,895	36,405,765
TOTAL LIABILITIES AND OWNERS' EQUITY		68,574,932	67,402,382

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	For the Year Ended December 31, 2020	2019
		JD	JD
Net sales		70,960,810	63,801,744
Cost of sales	17	(44,762,257)	(40,281,440)
Gross Profit		26,198,553	23,520,304
Selling and distribution expenses	18	(10,029,299)	(9,545,067)
General and administrative expenses	19	(6,742,064)	(5,662,539)
Financing expenses	20	(818,403)	(1,067,329)
(Provision) for end-of-service indemnity	15	(473,557)	(388,029)
(Provision) for expected credit loss	6	(245,678)	(241,846)
(Provision) for slow-moving inventory	7/b	(100,669)	(89,868)
(Provision) lawsuits and other commitments	13	(71,049)	(172,133)
Other revenue and expenses - net	21	3,052	193,424
Profit for the Year before Income Tax		7,720,886	6,546,917
Income tax expense	22/b	(647,745)	(438,688)
Profit for the Year		7,073,141	6,108,229
Items that will not be reclassified subsequently to consolidated statement of profit or loss:			
Re-measurement of net defined benefit liability		(15,011)	(12,471)
Total Comprehensive Income		7,058,130	6,095,758
Earnings Per Share for the Year (Company's Shareholder)	23	0,26	0,23

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Note	Paid-up Capital	Statutory Reserve	Retained Earnings	Effect of the Purchase of Non-Controlling Interest Shares	Total Shareholders' Equity
For the Year Ended December 31, 2020		JD	JD	JD	JD	JD
Balance at the beginning of the year		25,000,000	4,634,738	9,234,813	(2,463,786)	36,405,765
Profit for the year		-	-	7,073,141	-	7,073,141
Other Comprehensive income		-	-	(15,011)	-	(15,011)
Total Comprehensive Income		-	-	7,058,130	-	7,058,130
Transferred to statutory reserve	16/b	-	619,283	(619,283)	-	-
Increase in paid up Capital	16/a	2,000,000	-	(2,000,000)	-	-
Distributed dividends	16/c	-	-	(2,500,000)	-	(2,500,000)
Balance at the End of the Year		27,000,000	5,254,021	11,173,660	(2,463,786)	40,963,895
For the Year Ended December 31, 2019						
Balance at the beginning of the year		25,000,000	4,174,720	6,599,073	(2,463,786)	33,310,007
Profit for the year		-	-	6,108,229	-	6,108,229
Comprehensive income		-	-	(12,471)	-	(12,471)
Total Other Comprehensive Income		-	-	6,095,758	-	6,095,758
Transferred to statutory reserve	16/b	-	460,018	(460,018)	-	-
Distributed dividends	16/c	-	-	(3,000,000)	-	(3,000,000)
Balance at the End of the Year		25,000,000	4,634,738	9,234,813	(2,463,786)	36,405,765

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the year before income tax		7,720,886	6,546,917
Adjustments:			
Depreciation of property and equipment	10	3,476,405	3,150,396
Amortization of intangible assets	9/c	30,650	30,650
Depreciation of right of use assets	11/a	251,904	255,878
Provision for expected credit loss	6&25	245,678	241,846
Provision for end-of-service indemnity	15	473,557	388,029
Provision for slow-moving inventory	7/b	100,669	89,868
Provision for lawsuits and other commitments	13	71,049	172,133
(Gain) from the sale of property and equipment	21	(18,615)	(42,797)
Financing expenses	20	916,947	1,169,026
Foreign currency differences		155,129	31,089
Cash flow from operating activities before changes in Working Capital		13,424,259	12,033,035
(Increase) in accounts receivable		(386,039)	(1,143,614)
Decrease (increase) in due from related parties		410,111	(165,177)
(Increase) in inventory		(1,237,296)	(1,977,604)
Decrease (increase) in other debit balances		97,032	(42,198)
(Decrease) increase in accounts payable		(526,145)	1,393,021
(Decrease) increase in notes payable		(27,759)	70,289
(Decrease) increase in due to related parties		(278,043)	205,928
Increase in deposits and accrued expenses		79,388	1,011,702
Net Cash Flows from Operating Activities before Income Tax and Employees End-of-Service Indemnity Paid		11,555,508	11,385,382
Income tax paid	22	(509,180)	(268,140)
Provision for end-of-service indemnity paid	15	(183,524)	(53,461)
Net Cash Flows from Operating Activities		10,862,804	11,063,781
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment	10	(3,787,359)	(7,548,131)
Proceeds from the sale of property and equipment		87,809	74,236
(Purchase) of intangible assets	9/c	(27,668)	(7,930)
Net Cash (used in) Investing Activities		(3,727,218)	(7,481,825)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends paid	16/c	(2,500,000)	(3,000,000)
Financing expenses paid		(916,947)	(1,065,269)
Borrowed funds during the year	14	1,095,334	4,132,978
Loans installments paid during the year	14	(5,763,887)	(5,141,505)
Increase in due to banks		1,111,387	-
Lease liabilities paid	11/b	(219,396)	(299,745)
Net Cash (used in) Financing Activities		(7,193,509)	(5,373,541)
Net (Decrease) in Cash		(57,923)	(1,791,585)
Add: Cash on hand and at banks - beginning of the year		1,385,585	3,177,170
Cash on Hand and at Banks - End of the Year	5	1,327,662	1,385,585

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

1. General

a. Siniora Food Industries Company was established and registered at the Ministry of Industry and Trade as a limited liability Company under No. (2890) on July 27, 1992 with an authorized and paid-up capital of JD 400,000. The Company's paid-up capital has been increased several times, the last increase was in the extraordinary meeting held on June 3, 2020, whereby the General Assembly decided to approve the increase of the Company's capital by JD 2 million to become JD 27 million. The Company has completed the legal procedures related to the capital increase with the regulatory authorities on July 20, 2020.

b. Following the Ministry of Industry and Trade Letter No, msh/2/2890/32377 dated November 11, 2008, which includes the approval of the Minister of Industry and Trade on transforming the legal form of Siniora Food Industries Company from a limited liability company to a public shareholding limited company, the General Assembly approved in its ordinary meeting dated February 4, 2009, the procedures followed to transform the Company's legal form from a limited liability company to a public shareholding limited company, moreover, the Company has been registered as a public shareholding limited company in the Public Shareholding Companies Register under number (459) on January 8, 2009.

c. The Company was registered under Number 07/6315110301 to practice industrial activity on the king Abdullah ll / Sahab.

d. The Company is 65.6% owned by Arab Palestinian Investment Company, which is considered the main shareholder of the Company.

e. The Group's main objectives are producing, selling and buying meat and its byproducts; importing and exporting the necessary raw materials; and producing food products and trading in them.

f. The company owns the following subsidiaries as of December 31, 2020 and 2019:

Name of Company	Paid-up Capital	Percentage of Ownership	Industry of the Company	Location	Acquisition / Inception Date
Siniora Food Industries - Palestine	USD 5,206,791	100%	Industrial	Palestine	January 25, 2006
Siniora Food Holding Limited	AED 60,000,000	100%	Holding	United Arab Emirates	February 25, 2016

* During February 2020 the paid capital of Siniora Ford Holding Ltd. was increased to be AED 60 million (Equivalent of JD 11.6 million).

The following most significant financial information for the subsidiary companies for the years 2020 and 2019:

	December 31, 2020		For the Year 2020	
Name of Company	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	JD	JD	JD	JD
Siniora Food Industries - Palestine	17,750,137	9,794,421	21,194,232	18,645,205
Siniora Food Holding Limited	20,171,076	7,790,355	21,595,003	19,502,218

	December 31, 2019		For the Year 2019	
Name of Company	Total Assets	Total Liabilities	Total Revenues	Total Expenses
	JD	JD	JD	JD
Siniora Food Industries - Palestine	17,862,246	9,774,057	19,130,549	16,049,892
Siniora Food Holding Limited	19,496,958	20,774,212	19,710,946	18,714,862

- As of December 31, 2020 and 2019, Siniora Food Holding Limited owns the following subsidiary companies:

Name of Company	Paid-up Capital	Percentage of Ownership	Industry of the Company	Location	Acquisition / Inception Date
Saudi Siniora Trading	SAR 10,000,000	100%	Trading	Saudi Arabia	August 17, 2009
Diamond Meat Processing	AED 300,000	100%	Manufacturing	United Arab Emirates	April 5, 2016
Siniora Gulf General Trading	AED 1,000,000	100%	Trading	United Arab Emirates	August 6, 2014

g. The consolidated financial statements were approved by the Board of Directors on March 17, 2021.

2. Significant Accounting Policies

Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with the standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC).

The consolidated financial statements of the Group are presented in Jordanian Dinar, which is also its functional currency.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the year ended December 31, 2019 except for the effect of adopting the new and modified standards which are effective for the annual period beginning on or after January 1, 2020 stated in Notes (3-A) and (3-B).

The following are the most significant accounting policies:

Basis of Consolidation

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

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

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

When the Company 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 Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company 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 Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

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

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

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Company 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 acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

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

Property and Equipment

Property and equipment are stated at cost after deducting the accumulated depreciation or any impairment loss. And the cost includes all the direct costs which are related to the ownership of the assets.

Property and equipment are depreciated (except for land), using the straight-line method at annual rates ranging from 2% to 25%.

When the expected recoverable amount of any property and equipment is less than its net book value, the net book value is reduced to the expected recoverable amount, and the impairment loss is taken to the consolidated statement of profit or loss.

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

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

Project under constructions

Projects under construction are stated at cost, including the value of the works under completion, the expenses of the units, the borrowing cost and the bank interest related to it and are related to the direct costs that are deferred until the completion of the project or the capitalization on the final receipt date.

Intangible Assets

Goodwill

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

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

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

Other Intangible Assets

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

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

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

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

Intangible assets are amortized over their expected production life by 20% to 35% annual percentages.

Inventory
Finished goods and work in process are stated at cost (using the first – in, first - out method) or net realizable value, whichever is lower after deducting the provision for expired and slow-moving items, cost includes raw materials cost, direct labor and other manufacturing overheads. Net realizable value represents the estimated selling price less all estimated completion costs and costs to be incurred in marketing, selling and distribution.

Spare parts are valued at cost (using the first-in, first-out method) or net realizable value, whichever is lower. Spare parts are recognized in the consolidated statement of profit or loss when used.

A provision recorded against the slow-moving and damaged inventory, so that the inventory is stated at cost or net realizable value, whichever is lower according to the IFRSs.

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

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

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

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

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

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

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

Revenue recognition
The Company recognizes revenue mainly from sale of goods (Cold Cuts, Frozen and Cans).

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

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

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

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

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

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

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

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

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

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

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

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

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

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

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

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

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

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

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

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

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

Write off
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 24 months past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Employees' benefits

Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Other long term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Income tax

Income tax expenses represent accrued taxes and deferred taxes.

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

Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations and instructions of the countries where the Group operates.

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

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

Fair value measurement

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

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

Input Level (1) inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that the enterprise can obtain on the measurement date;

Input level (2) inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly; and;

Input level (3) are inputs to assets or liabilities that are not based on quoted market prices.

Leases

The Group as lessee

The Group assesses whether contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

The Group applies IAS36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate consideration under the contract to each component.

Impairment of non-financial assets

At the reporting date, the Group assesses whether there is evidence that the asset has been impaired. If any evidence exists, or when an impairment test is required, the Group assesses the recoverable amount of the asset. The recoverable amount of the asset is the fair value of the asset or cash-generating unit less cost of sales and value in use whichever is higher and is determined for the individual asset, unless the asset does not generate substantially independent internal cash flows from those arising from other assets or assets of the Group. Where the carrying amount of the asset or cash-generating unit exceeds the recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In assessing the fair value used, future cash flows are discounted to their present fair value using a pre-tax discount rate that reflects current market assessments of the time value of funds and the risks specific to the asset. In determining fair value less cost of sales, recent transactions in the market are taken into consideration if available. If such transactions can not be identified, the appropriate valuation model is used.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

3. Application of New and Amended International Financial Reporting Standards

a. Amendments that did not have a material impact on the Group's consolidated financial statements:

The following new and revised IFRSs, which are effective for annual periods beginning on or after January 1, 2020 or later, have been adopted in the preparation of the Group's consolidated financial statements. These new and revised IFRSs have not materially affected the amounts and disclosures in the consolidated financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

New and revised standards	Amendments to new and revised IFRSs
Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments Disclosures relating to interest rate benchmark reform	The changes modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform; The changes are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); and The changes require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.
Amendment to IFRS 3 Business Combinations relating to definition of a business	The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They: • clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs; • narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs; • add guidance and illustrative examples to help entities assess whether a substantive process has been acquired; • remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and • add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

New and revised standards	Amendments to new and revised IFRSs
Amendments to References to the Conceptual Framework in IFRS Standards - amendments to IFRS 2 Share-based payment, IFRS 3 Business Combinations, IFRS 6 Exploration for and Evaluation of Mineral Resources, IFRS 14 Regulatory Deferral Accounts, IAS 1 Presentation of Financial Statements, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, IAS 34 Interim Financial Reporting, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, IAS 38 Intangible Assets, IFRIC 12 Service Concession Arrangements, IFRIC 19 Extinguishing of Financial Liabilities with Equity Instruments, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, IFRIC 22 Foreign Currency Transactions and Advance Consideration, and SIC-32 Intangible Assets – Web Site Costs to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework	The Group has adopted the amendments to IFRS 2, IFRS 6, IFRS 15, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC 21 in the current year.
Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors relating to definition of material	Three new aspects of the new definition should especially be noted: • Obscuring. The existing definition only focused on omitting or misstating information, however, the Board concluded that obscuring material information with information that can be omitted can have a similar effect. Although the term obscuring is new in the definition, it was already part of IAS 1 (IAS 1.30A). • Could reasonably be expected to influence. The existing definition referred to 'could influence' which the Board felt might be understood as requiring too much information as almost anything 'could' influence the decisions of some users even if the possibility is remote. • Primary users. The existing definition referred only to 'users' which again the Board feared might be understood too broadly as requiring to consider all possible users of financial statements when deciding what information to disclose.
Amendments to IFRS 16 Leases relating to Covid-19-Related Rent Concessions	The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

b. New and revised IFRS in issue but not yet effective and not early adopted

The Group has not adopted the following new and amended IFRSs issued but not yet effective as of the date of the consolidated financial statements with its details as follows:

New and revised standards	Effective for annual periods beginning on or after
Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases) The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.	January 1, 2021
Amendments to IFRS 3 Business Combinations relating to Reference to the Conceptual Framework The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.	January 1, 2022
Amendments to IAS 16 Property, Plant and Equipment relating to Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1, 2022
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets relating to Onerous Contracts - Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	January 1, 2022
Annual Improvements to IFRS Standards 2018 – 2020 Makes amendments to the following standards: • IFRS 1 First-Time Adoption of International Financial Reporting Standards – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. • IFRS 9 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. • IFRS 16 Leases – The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. • IAS 41 Agriculture – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.	January 1, 2022

New and revised standards	Effective for annual periods beginning on or after
Amendments to IAS 1 Presentation of Financial Statements relating to Classification of Liabilities as Current or Non-Current The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	January 1, 2023
Amendments to IFRS 4 Insurance Contracts Extension of the Temporary Exemption from Applying IFRS 9 The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.	January 1, 2023
IFRS 17 Insurance Contracts IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.	January 1, 2023
Amendments to IFRS 17 *Insurance Contracts* Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are: • Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. • Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk. • Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination. • Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. • Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements. • Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives. • Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held. • Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts. • Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.	January 1, 2023
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures (2011)* relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

Management expects to apply these new standards, interpretations, and amendments to the consolidated financial statements of the Group when they are applicable. Moreover, the adoption of these new standards, interpretations, and amendments may have no material impact on the Group's consolidated financial statements in the initial application period.

4. Significant Accounting Judgments and Key Sources of Uncertainty

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

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

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

Useful life of tangible assets and intangible assets

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

Impairment of intangible assets with infinite life

Management is required to use significant judgments and estimates to determining whether intangible assets with infinite life is impaired through estimation of the value in use of the cash-generating units to which has been allocated. The value in use calculation requires the Group's Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Details of the estimates used to assess the impairment of goodwill are disclosed in Note 9.

Income tax

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

Lawsuit and other commitments provision

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

Assets and liabilities presented at cost

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

Fair value measurement and valuation procedures

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

End-of-Service Indemnity

Provision for end-of-service indemnity is booked for any legal or contractual obligations for the employees' services according to the current and previous services in accordance with internal polices of Group.

Provision for slow moving items
Provision is allocated for slow moving inventories based on the principles and assumptions approved by the group's management to estimates the provision to be established in accordance with International Financial Reporting Standards.

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

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

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

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

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

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

Provision for sales returns and discount
The Group uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognised will not occur given the consistent level of returns over previous years.

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

Extension and termination options in lease contracts
Extension and termination options are included in a number of leases. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable both by the Group and the respective lessor.

Determining the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee

Discounting of lease payments
The lease payments are discounted using the Group's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of lease.

5. Cash on Hand and at Banks

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Cash on hand	33,049	47,418
Current accounts at banks	1,294,613	1,338,167
	1,327,662	1,385,585

6. Accounts Receivable - Net

a. This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Trade receivables	11,454,446	11,185,327
Short-term cheques are due within 3 months	853,475	836,459
	12,307,921	12,021,786
Less: Provision for expected credit loss	(1,550,080)	(1,404,306)
Accounts Receivables - Net	10,757,841	10,617,480

The average credit period ranges from 30 to 90 days. No interest charged on the outstanding trade receivable balances.

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

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

The table below illustrates the determination of the risk of trade receivables based on the provision's matrix:

As of December 31, 2020		Receivables are past due				
	Current receivables (not past due) *	Less than 90 days	From 90 days to 180 days	From 181 days to 365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD
Total trade receivables	10,620,053	409,601	106,399	117,978	1,053,890	12,307,921
Expected credit loss	329,174	54,213	50,257	62,546	1,053,890	1,550,080
Expected credit loss rate	%3	%13	%47	%53	%100	%14

As of December 31, 2019		Receivables are past due				
	Current receivables (not past due) *	Less than 90 days	From 90 days to 180 days	From 181 days to 365 days	More than 365 days	Total
	JD	JD	JD	JD	JD	JD
Total trade receivables	9,274,738	1,468,464	90,748	158,544	1,029,292	12,021,786
Expected credit loss	163,030	98,581	52,387	68,209	1,022,099	1,404,306
Expected credit loss rate	%2	%7	%58	%43	%99	%13

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

b. The movement on the expected credit loss during the year is as follows:

	For the year ended December 31, 2020		
	Stage 2	Stage 3	Total
	JOD	JOD	JOD
Balance – beginning of the year	382,207	1,022,099	1,404,306
Add: Provision booked during the year	113,836	131,842	245,678
Foreign currencies translation	147	2,738	2,885
Less: Written-off debts *	-	(102,789)	(102,789)
Balance – End of the Year	496,190	1,053,890	1,550,080

* During the year 2020, trade receivables were written-off by amount JD 102,789, in accordance with the Board of Directors approval.

	For the year ended December 31, 2019		
	Stage 2	Stage 3	Total
	JOD	JOD	JOD
Balance – beginning of the year	405,693	772,854	1,178,547
Add: Provision booked (releases) during the year	(23,486)	265,332	241,846
Foreign currencies translation	-	1,769	1,769
Less: Written-off debts	-	(17,856)	(17,856)
Balance – End of the Year	382,207	1,022,099	1,404,306

7. Inventory - Net

a. This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Raw materials	6,348,974	5,892,359
Finished products	3,831,190	3,295,708
Detergents and uniforms	31,519	14,494
Spare parts	1,909,571	1,720,259
	12,121,254	10,922,820
Less: Provision for slow-moving items	(963,945)	(863,276)
	11,157,309	10,059,544
Goods in transit	82,098	43,236
	11,239,407	10,102,780

b. The movement on the provision for slow-moving items during the year is as follows:

	2020	2019
	JD	JD
Balance - beginning of the year	863,276	871,421
Add: Provision booked during the year	100,669	89,868
Less : Written-off inventory *	-	(98,013)
Balance - End of the Year	963,945	863,276

* During the year 2019 damaged and slow-moving goods amounted to JD 98,013 were written off in accordance with the Board of Directors approval.

8. Other Debit Balances

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Advances to suppliers	933,746	887,192
Prepayments	747,114	789,279
Refundable deposits	271,935	308,759
Others	166,749	308,654
	2,119,544	2,293,884

9. Intangible Assets

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Goodwill (a)	4,704,010	4,704,010
Trademarks (b)	1,611,147	1,611,147
Software and programs – Net (c)	43,579	46,561
	6,358,736	6,361,718

a. Goodwill resulted from the acquisition of shares that exceeds the book value of some of the subsidiaries.

b. This amount represents the value of the trademarks purchased from Food Quality Co. Ltd. for an amount of JD 1,543,970 in addition to the costs of transferring its ownership.

c. The impairment in the value of goodwill and trademarks was tested at the end of 2020 and 2019, and the Group's management concluded that there was no impairment in its value. The most important assumptions followed by the Group's management when preparing the impairment loss were as follows:

- The recoverable value was arrived at based on the value in use computed by discounting the expected cash flows of the budget approved by the management for the next five years and deducting the final value (terminal value) using the weighted average cost of capital of 11.6%.

- Based on the previous management experience, an expected growth rate of 2% to 4% over the next five years was adopted, while the present value of the terminal value (terminal value) was determined by assuming a sustainable growth rate in the operating profit of 3% annually.

d. The movement on the software and programs was as follow:

	For the year ended December 31, 2020	For the year ended December 31, 2019
	JD	JD
Balance - beginning of the year	46,561	69,281
Additions during the year	27,668	7,930
Amortization for the year	(30,650)	(30,650)
Balance - End of the Year	43,579	46,561
	20%-35%	20%-35%

10 - Property and Equipment

This item consists of the following:

For the year ended December 31, 2020	Land Factory	Buildings and Constructions	Furniture and Fixtures	Vehicles	Machinery and Equipment	Tools and Equipment	Project Under Constructions*	Total
Cost:	JD	JD	JD	JD	JD	JD	JD	JD
Balance - beginning of the year	6,455,727	19,554,786	2,576,646	3,992,109	27,407,550	1,162,813	1,476,839	62,626,470
Additions	-	229,784	341,544	431,064	1,751,192	118,175	915,600	3,787,359
Disposals	-	(42,662)	(313,437)	(145,687)	(611,082)	(75,669)	-	(1,188,537)
Transfers	-	279,102	60,919	-	966,624	3,640	(1,310,285)	-
Balance - End of the Year	6,455,727	20,021,010	2,665,672	4,277,486	29,514,284	1,208,959	1,082,154	65,225,292
Accumulated Depreciation:								
Balance - beginning of the year	-	6,902,170	1,928,023	2,310,514	15,825,847	747,632	-	27,714,186
Additions	-	886,034	269,171	435,039	1,778,999	107,162	-	3,476,405
Disposals	-	(37,320)	(313,404)	(133,567)	(559,603)	(75,449)	-	(1,119,343)
Transfers	-	(3,073)	-	-	3,073	-	-	-
Balance - End of the Year	-	7,747,811	1,883,790	2,611,986	17,048,316	779,345	-	30,071,248
Net Book Value as of December 31, 2020	6,455,727	12,273,199	781,882	1,665,500	12,465,968	429,614	1,082,154	35,154,044
For the year ended December 31, 2019								
Cost:								
Balance - beginning of the year	4,809,810	18,559,694	2,417,985	3,517,640	24,933,129	1,034,894	374,574	55,647,726
Additions	1,645,917	971,521	264,381	674,359	2,664,765	189,193	1,137,995	7,548,131
Disposals	-	-	(105,720)	(199,890)	(202,503)	(61,274)	-	(569,387)
Transfers	-	23,571	-	-	12,159	-	(35,730)	-
Balance - End of the Year	6,455,727	19,554,786	2,576,646	3,992,109	27,407,550	1,162,813	1,476,839	62,626,470
Accumulated Depreciation:								
Balance - beginning of the year	-	6,092,626	1,706,385	2,094,447	14,473,097	735,183	-	25,101,738
Additions	-	809,544	323,391	412,640	1,531,900	72,921	-	3,150,396
Disposals	-	-	(101,753)	(196,573)	(179,150)	(60,472)	-	(537,948)
Balance - End of the Year	-	6,902,170	1,928,023	2,310,514	15,825,847	747,632	-	27,714,186
Net Book Value as of December 31, 2019	6,455,727	12,652,616	648,623	1,681,595	11,581,703	415,181	1,476,839	34,912,284
Annual depreciation rates %	-	2 - 20	10 - 25	10 - 20	7 - 25	10 - 20	-	

- Fully depreciated property and equipment amounted to JD 10,159,233 as of December 31, 2020 (8,769,398 as of December 31, 2019)
- This item represents amounts that were paid for machines, equipment and projects as at the end of the year and are not ready for use as at the date of the financial statements. The value of the contractual obligations related to these projects has been disclosed in note (24).

11. Lease contract

a. Right of use assets

The Company leases several assets including properties and cars. The average lease term is 5 years.

The movement for right-of-use assets during 2020 and 2019 as follows:

	For the year ended December 31, 2020		
	Properties	Cars*	Total
	JD	JD	JD
Beginning balance	304,260	233,548	537,808
Add: Contracts added during the year	397,347	118,222	515,569
Less: Depreciation for the year	(62,189)	(189,715)	(251,904)
Ending balance	639,418	162,055	801,473

	For the year ended December 31, 2019		
	Properties	Cars*	Total
	JD	JD	JD
Beginning balance (Amended)	494,602	215,901	710,503
Add: Contracts added during the year	-	89,304	89,304
Less: Depreciation for the year	(184,221)	(71,657)	(255,878)
Foreign exchange differences	(6,121)	-	(6,121)
Ending balance	304,260	233,548	537,808

* Within the cars item in the right of use assets above includes lease contracts with the company's right to own (Financing lease) amounted to JD 165,198 and accumulated depreciation amounted to JD 107,480 as 31 December 2020. (As of 31 December 2019, the right of use assets that includes lease contracts with the company's right to own (Financing lease) amounted to JD 124,343 and accumulated depreciation amounted to JD 43,167).

b. Lease obligations

The movement for lease obligations during the 2020 and 2019 were as follows:

	For the year ended December 31, 2020		
	Properties	Cars	Total
	JD	JD	JD
Beginning balance	285,300	217,644	502,944
Add: Additions during the year	320,039	118,222	438,261
Interest during the year	11,593	20,685	32,278
Less: paid during the year	(18,022)	(201,374)	(219,396)
Ending balance	598,910	155,177	754,087

	For the year ended December 31, 2019		
	Properties	Cars	Total
	JD	JD	JD
Beginning balance (Amended)	494,602	215,901	710,503
Add: Additions during the year	-	89,304	89,304
Interest during the year	12,408	12,492	24,900
Less: paid during the year	(224,676)	(75,069)	(299,745)
Foreign exchange differences	2,966	(24,984)	(22,018)
Ending balance	285,300	217,644	502,944

The following is an analysis of the maturity of lease obligations as at December 31, 2020 and 2019:

	For the year ended December 31, 2020		
	Properties	Cars	Total
	JD	**JD**	**JD**
Less than one year	229,881	47,672	277,553
From one to five years	369,029	107,505	476,534
Ending balance	598,910	155,177	754,087

	For the year ended December 31, 2019		
	Properties	Cars	Total
	JD	**JD**	**JD**
Less than one year	74,754	48,461	123,215
From one to five years	210,546	169,183	379,729
Ending balance	285,300	217,644	502,944

c. The following are the amounts recorded in the consolidated profit or loss statement:

	For the year ended December 31, 2020		
	Properties	Cars	Total
	JD	**JD**	**JD**
Depreciation for the year	62,189	189,715	251,904
Interest for the year	11,593	20,685	32,278
Total	73,782	210,400	284,182

	For the year ended December 31, 2019		
	Properties	Cars	Total
	JD	**JD**	**JD**
Depreciation for the year	43,167	212,711	255,878
Interest for the year	12,408	12,492	24,900
Lease expenses- short term and low value assets	266,686	-	266,686
Lease revenue during the year	(47,296)	-	(47,296)
Total	274,965	225,203	500,168

12. Due to Banks

	Utilized Balance as of December 31, 2020	Credit limit	Annual interest rate	Due date
	JD	JD		
Arab Bank - Palestine	516,829	1,418,000	3.35%	June 30, 2021
Arab Bank - Jordan	306,506	354,500	Libor 3 Months + 2.25%	May 19, 2021
Bank of Jordan-Jordan	288,052	800,000	9. 25%	June 30, 2021
	1,111,387	6,262,767		

- These facilities were in place and not utilized as of December 31, 2019.
- These facilities were granted to finance the working capital of the Group and are guaranteed by Siniora Food Industries / Jordan.

13. Deposits and Accrued Expenses

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Remunerations and accrued salaries	1,364,287	1,708,664
Income tax deposits	484,094	214,083
Provision for lawsuits and other commitments *	564,255	493,206
Accrued customer's sales commissions	232,186	262,404
Accrued insurance expenses	385,092	380,657
Provision for paid leaves	287,546	236,256
Sales return provision	261,579	285,815
Accrued utilities and phone expenses	95,494	110,182
Professional fees	149,463	104,657
Social security deposits	70,793	62,921
Media and advertising	149,479	270,143
Advanced payment from customers	33,982	45,130
Mortgage fees	70,900	-
Board of directors' remuneration	35,000	35,000
Board members transportation and representation of committees	150,000	74,500
Other credit balances	600,264	500,359
	4,934,414	4,783,977

* This item includes a provision booked by the Company against contingent liabilities that may arise, the movement on this provision during the year was as follows:

	2020	2019
	JD	JD
Balance – beginning of the year	493,206	321,073
Add: Provision during the year	71,049	172,133
Balance – End of the Year	564,255	493,206

14. Loans

This item consists of the following:

	December 31, 2020			December 31, 2019		
	Loans installments due within one year	Loans installments due within more than one year	Total	Loans installments due within one year	Loans installments due within more than one year	Total
	JD	JD	JD	JD	JD	
Jordan Ahli Bank (a)	-	-	-	525,400	-	525,400
Arab Bank – first loan (b)	923,000	-	923,000	1,846,000	923,000	2,769,000
Arab Bank – second loan (c)	1,273,800	636,900	1,910,700	1,273,800	1,273,800	2,547,600
Arab Bank – third loan (d)	284,000	284,000	568,000	284,000	568,000	852,000
Arab Bank – forth loan (e)	1,136,000	2,556,000	3,692,000	1,136,000	3,692,000	4,828,000
Arab Bank – fifth loan (f)	168,875	84,437	253,312	168,875	253,313	422,188
Arab Bank – sixth loan (g)	144,750	298,731	443,481	72,375	302,903	375,278
Arab Bank – seventh loan (h)	255,240	638,100	893,340	225,240	829,530	1,084,770
Arab Bank – eighth loan (i)	496,300	1,737,050	2,233,350	372,225	2,109,275	2,481,500
Arab Bank – nineth loan (j)	300,000	-	300,000	-	-	-
	4,981,965	6,235,218	11,217,183	5,933,915	9,951,821	15,885,736

a- Siniora Food Industries Company – Jordan obtained credit facilities from Jordan Ahli Bank for USD 3.7 million in order to finance the new production lines, at an interest rate of three months LIBOR + 2.25% with a minimum limit of 3.2 %. The facilities are guaranteed by the mortgage of the new production lines. Moreover, the credit facilities are to be repaid in 20 quarterly installments, with a grace period of 15 months from the granting date of the credit facilities. The loan has been paid during year 2020.

b- Siniora Food Industries Company – Jordan signed a loan agreement with Arab Bank for USD 13 million in order to pay the company's obligations to Cairo Amman Bank and to finance the new production lines at an interest rate of 2.25 % + three months LIBOR with a minimum limit of 3.25%. The loan is guaranteed by the mortgage of the factory's land, and by the possessory mortgage on the machinery and equipment related to the Company's factory in Jordan, in addition to the endorsement of an insurance policy on the mortgaged machinery and equipment to the banks' benefit, as well as the guarantee of Siniora Food Industries Company – Jordan. The loan is to be repaid in 20 quarterly installments, the first installment was due on September 4, 2016.

c- Siniora Food Holding Limited - United Arab Emirates have signed a credit facility agreement with Arab Bank – United Arab Emirates for AED 33 million, (which is equivalent to JD 6,369,000), in order to finance 75% of the purchase deal for a factory located in Dubai - UAE, with an annual interest rate of 3% + three months EIBOR with a minimum limit of 4%. The facilities are guaranteed by the mortgage of Siniora Food Holding Limited shares, in additions to a bank guarantee from Arab Bank – Jordan amounted USD 5.4 million renewed annually until the full payment of facilities. Moreover, the facilities are to be repaid in 20 quarterly installments, the first installment was due on March 28, 2017. During the year 2020, two installments were postponed in March and June 2020 to be due in March and June 2022.

d- Siniora Food Industries Company – Jordan signed a loan agreement with the Arab Bank for USD 2 million in order to complete various capital expansions during the year 2018, at an interest rate of 2.25% + three months LIBOR with a minimum limit of 3.25%. The loan is guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 20 quarterly installments, the first installment is due on June 4, 2018.

e- Siniora Food Industries Company – Jordan signed a loan agreement with Arab Bank for USD 6 million in order to re-finance the properties and equipment's of the Company, in addition to financing the permanent working capital needs of the Company at an interest rate of three months LIBOR + margin rate of 2.5% annually. The loan is guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 20 quarterly installments. During 2019 the Company has raised the loan ceiling during the period by an amount of USD 2 million to become USD 8 million. The first installment to be due on June 30, 2019, with the rest of the loan terms remain unchanged.

f- Diamond Meat Processing Company – United Arab of Emirates signed an overdraft agreement with Arab Bank – Dubai for AED 3.5 million (equivalent to JD 675,500) to finance 80% of the value of the purchase of some property and equipment for the factory and the renovation of the factory and furniture, with an interest rate of six month EIBOR + 4%. The loan is guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 16 quarterly installments. The first installment is due one month after the grant date of the overdraft or the full withdrawal, whichever is earlier.

g- During 2019, Diamond Meat Processing Company - United Arab of Emirates obtained a loan from Arab Bank- Dubai branch amounted to AED 3 million (Equivalent to JD 579,000) to finance 80% of the purchase value of some property and equipment with an interest rate of six months EIBOR + 4%. The loan is guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 16 quarterly installments. The first installment is due six months after the date of the grant or full withdrawal, whichever is earlier.

h- Siniora Food Industries Company - Palestine signed a loan agreement with Arab Bank for USD 1,800,000 to finance 85% of the cost of purchasing a plot of land that will be exploited in the with an interest rate of 3 months EIBOR + 2.75% annually and a commission of 0.5% for once, this loan was granted on the bail of Siniora Company Jordan's food industry is to be repaid in 20 quarterly installments. The first installment was due on May 21, 2019. During the year 2020, an installment was postponed in May 2020 to be due in May 2024.

i- Siniora Food Industries Company - Palestine signed a loan agreement with Arab Bank for USD 3,500,000 to finance 100% of the cost of processing and preparing the factory building and importing modern production lines with an interest rate of 3 months EIBOR + 2.75% and a commission of 0.5% for one time, this loan was granted on the bail of a company Siniora Food Industries Jordan to be repaid in 20 quarterly installments. The first installment was due on April 30, 2020. During the year 2020, an installment was postponed in April 2020 to be due in April 2025.

j- Siniora Food Industries Company - Jordan signed a revolving loan agreement with Arab Bank for JD 400,000 to finance the working capital for Company with an interest rate 8.625%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 100 days from the date of the withdrawal transaction.

The movement for lease obligations during the year 2020 and 2019 were as follows:

	For the year ended December 31,	
	2020	2019
	JD	JD
Beginning balance	15,885,736	16,894,263
Borrowed funds	1,095,334	4,132,978
Loans installments paid	(5,763,887)	(5,141,505)
Ending balance	11,217,183	15,885,736

15. Provision for Employees End-of-Service Indemnity

The provision balance relates to Siniora Food Industries Company - Palestine and Siniora Food Holding Limited Company (subsidiary companies), the movement on this provision is as follows:

	2020	2019
	JD	JD
Balance - beginning of the year	2,525,253	2,052,371
Add: Additions during the year	473,557	388,029
Less: Paid from the provision	(183,524)	(53,461)
Foreign currency translation loss	156,833	125,844
Actuarial loss	15,011	12,470
Balance – End of the Year	2,987,130	2,525,253

16. Paid-up Capital and Reserves

a. Paid-up Capital

The authorized and paid-up capital amounted to JD 27 million distributed over 27 million shares, with a nominal value of one JD per share, as of December 31, 2020 (25 million shares with a nominal value of one JD per share as of 31 December 2019).

The Generals Assembly approved in its extra ordinary meeting held on June 3, 2020 to increase the paid-up capital from JD 25 million to JD 27 million through transferring JD 2 million from retained earnings to paid-up capital. The Company has completed the legal procedures related to the capital increase with the regulatory authorities on July 20, 2020.

b. Statutory Reserve

This item represents the accumulated amounts transferred from the annual net income before tax at a rate of 10% during the year and prior years in Jordan in accordance to the Jordanian Companies Law. This reserve cannot be distributed to shareholders.

c. Retained Earnings

The Generals Assembly approved in its ordinary meeting held on June 3, 2020 to distribute cash dividends by 10% from Company paid in capital amounting to JD 2,500,000, which is equivalent to 10% of the paid-up capital. (The General Assembly approved in its ordinary meeting held on April 17, 2019 to distribute cash dividend by 12% from Company's paid in capital amounted to JD 3,000,000).

Retained earnings include an amount of JD 287,678 that is restricted against deferred tax assets as on December 31, 2020, which cannot be utilized through capitalization or distribution unless actually realized, (JD 252,185 as of December 31, 2019).

d. The impact of the purchase of the non-controlling interest

On April 30, 2018, Siniora Food Holding Limited has signed an agreement to purchase the shares of the partner in Diamond Meat Processing Company for the amount of JD 3,752,466. The Company has completed the ownership transfer procedures with the legal authorities during the second half of the year 2018. The value of the agreement exceeds the carrying amount of the net non-controlling interest at the date of acquisition by JD 2,463,786. This amount has been booked within the shareholder's equity under "effect of the purchase of non-controlling interest shares".

The following is the most key information of the company at the date of purchase of non-controlling interest shares:

	JD
Total assets	8,194,894
Total liabilities	(3,899,293)
Net assets	4,295,601
Non-controlling interest %	%30
Book value of non-controlling shares	1,288,680
Paid amount	(3,752,466)
Effect of the purchase of non-controlling Interest shares appearing within shareholders' equity	(2,463,786)

17. Cost of Sales

This item consists of the following:

	Note	2020	2019
		JD	JD
Finished goods - beginning of the year	7	3,295,708	2,090,805
Cost of production *		45,297,739	41,486,343
Cost of Good Available for Sale		48,593,447	43,577,148
Less: Finished goods - end of the year	7	(3,831,190)	(3,295,708)
Cost of Sales		44,762,257	40,281,440

* Cost of production represents the following:

	Note	2020	2019
		JD	JD
Raw materials - beginning of the year	7	5,892,359	4,988,140
Purchases of raw materials and finished inventory during the year		31,932,866	30,119,096
Raw Materials Available for Production		37,825,225	35,107,236
Less: Raw materials - end of the year	7	(6,348,974)	(5,892,359)
Raw Materials Used in Production		31,476,251	29,214,877
Salaries, wages and other employee benefits		4,782,107	4,445,944
Social security		229,854	205,308
Transportation		135,817	85,445
Training		12,976	11,931
Health insurance		358,005	342,437
		5,518,759	5,091,065
Indirect Industrial Expenses:			
Depreciation of property and equipment		2,651,637	2,336,996
Utilities		1,685,887	1,887,681
Maintenance		1,448,884	1,268,358
Storage and transportation of production supplies		652,903	388,650
Rents		214,464	267,545
Insurance expense		178,681	135,074
Tools, uniform and cleaning		366,198	255,078
Damaged goods		206,671	135,460
Staff meals		75,773	84,724
Laboratory tests		112,529	62,568
Security expenses		60,048	70,425
Research and development		5,250	7,100
Others		643,804	280,742
		8,302,729	7,180,401
Cost of Production		45,297,739	41,486,343

18. Selling and Distribution Expenses

This item consists of the following:

	2020	2019
	JD	JD
Salaries, wages, allowances and benefits	2,989,950	2,848,968
Vehicle expenses	1,615,565	1,609,854
Sales commission	1,383,399	1,066,757
Marketing expenses	747,302	1,021,187
Promotion and advertisement	1,056,298	774,382
Depreciation of property and equipment	646,378	633,661
Exports and tenders expenses	216,835	278,976
Social security	225,825	207,990
Insurance	239,864	211,500
Rent	69,783	74,559
Travel and accommodation expenses	333,044	323,260
Communications	73,063	45,223
Utilities	33,120	26,393
Stationery	8,459	7,700
Others	390,414	414,657
	10,029,299	9,545,067

19. General and Administrative Expenses

This item consists of the following:

	2020	2019
	JD	JD
Salaries, wages, allowances and benefits	3,220,246	2,722,494
Professional fees	764,837	511,847
Depreciation of property and equipment	178,390	179,739
Insurance	270,987	241,858
Travel, accommodation and transport	111,946	231,042
Utilities	235,708	228,946
APIC expenses *	160,801	160,801
Maintenance	206,397	162,278
Communications	124,356	122,191
Social security	94,500	90,382
Donations	456,524	195,037
Memberships, subscriptions and licenses	32,177	30,711
Vehicle expenses	37,858	43,113
Amortization of intangible assets	30,650	30,650
Depreciation of right of use assets	251,904	255,878
Printing, stationery and computer accessories	34,327	24,750
Rent	126,863	88,852
Hospitality	29,081	21,369
Bank Charges	98,544	101,697
Others	275,968	218,904
	6,742,064	5,662,539

* This item represents the expenses paid by Siniora Food Industries Company – Palestine (a subsidiary company) to Arab Palestinian Investment Company (the Holding Company) for managerial services rendered by the Holding Company.

20. Financing Expenses

This item consists of the following:

	2020	2019
	JD	JD
Interest expense on bank loans	786,125	1,042,429
Interest expense on leasing	32,278	24,900
	818,403	1,067,329

21. Other Revenues and Expenses – Net

This item consists of the following:

	2020	2019
	JD	JD
Gain from foreign currency translations	55,563	112,371
Gain from the sale of property and equipment	18,615	42,797
Board of Directors' remunerations	(35,000)	(35,000)
Board members transportation and representation of committees	(115,000)	(101,500)
Rent revenue	47,296	47,296
Other – Net	31,578	127,460
	3,052	193,424

22. Income Tax

a. Income Tax Provision

The movement on the income tax provision is as follows:

	2020	2019
	JD	JD
Balance - beginning of the year	432,576	227,711
Income tax paid	(509,180)	(268,140)
Accrued income tax on current year's profit	683,238	473,005
Balance – End of the Year	606,634	432,576

b. The income tax expense in the consolidated statement of profit or loss consists of the following:

	2020	2019
	JD	JD
Income tax expense for the year	683,238	473,005
Deferred tax assets for the year	(52,324)	(40,950)
Amortization of deferred tax assets	16,831	6,633
	647,745	438,688

c. Tax Position

Siniora Food Industries - Jordan has reached a final settlement for its income tax up to the end of the year 2018, The Company has submitted its tax return for the year of 2019 and paid the declared tax while it has not been reviewed by the Income Tax and Sales Department yet. Self-assessment statements for 2019 were accepted within the samples system. In the opinion of the Company's managements and its tax advisor, the income tax provision booked in the financial statements is sufficient to meet any future tax liabilities.

On February 9, 2012, Siniora Food Industries Company - Palestine obtained from Palestine Investment Promotion Agency a full exemption from income tax for five years from January 1, 2010 to December 31, 2014, in addition to a nominal exemption of 50% of income tax for 12 years starting from January 1, 2015 to December 31, 2029 in which the company will pay taxes at a rate of 7.5%.

Siniora Food Industries Company - Palestine (a subsidiary company) has reached a final settlement up to the end of the year 2018. The income tax report for 2019 has been submitted and has not yet been audited. In the opinion of the Company's management and its tax advisor, the income tax provision booked in the financial statements is sufficient to meet any future tax liabilities.

Siniora Food Holding Limited and its subsidiaries are not subject to income tax due to the fact that there is no income tax in the countries in which they operate.

d. Deferred tax assets

This item consists of the following:

	For the Year Ended December 31, 2020				December 31,	
					2020	2019
Included Items	Balance- Beginning of the Year	Released Amounts	Additional Amounts	Balance- End of the Year	Deferred Tax	
Assets	JD	JD	JD	JD	JD	JD
Provision for expected credit losses / Siniora Food Industries Company – Jordan	1,047,992	(101,001)	163,300	1,110,291	66,617	62,880
Provision for expected credit losses / Siniora Food Industries Company – Palestine	29,063	(1,788)	17,127	44,402	3,330	2,180
Provision for slow-moving inventory / Siniora Food Industries Company – Jordan	819,563	-	85,200	904,763	54,286	49,174
Provision for end-of-service indemnity – Siniora Food Industries - Palestine	1,839,349	(141,823)	481,746	2,179,272	163,445	137,951
	3,735,967	(244,612)	747,373	4,238,728	287,678	252,185

The movement on the deferred tax assets account is as follows:

	2020	2019
	JD	JD
Balance- beginning of the year	252,185	217,868
Additions during the year	52,324	40,950
Amortization of deferred tax assets	(16,831)	(6,633)
Balance- End of the Year	287,678	252,185

23. Earnings per Share for the Company's Shareholders

This item consists of the following:

	2020	2019
	JD	JD
Profit for the year	7,073,141	6,108,229
Weighted average number of shares *	27,000,000	27,000,000
Earnings per share for the year relating to the Company's shareholders / basic and diluted	0,26	0,23

* Weighted average has recalculated of shares number for the share portion from the prior period profit for the Company's shareholders on the basis of the number of authorized and paid-up capital shares for the period ended December 31, 2020, as the increase in paid-up capital was from distributing free shares in accordance with the requirements of IAS (33).

24. Contingent Liabilities

a. There are several lawsuits filed against Siniora Food Industries Company – Palestine equivalent to JD 121,840 to cancel the Company's claims against others and labor claims. In the opinion of the Company's legal advisor and its management, no obligations will arise from these lawsuits. (JD 113,011 as of 31 December 2019).

b. The Parent Company had contingent liabilities at the date of consolidated statement of financial position, represented in bank guarantees equivalent to JD 123,566 and guaranteed bank withdrawals equivalent to JD 65,088 and unguaranteed bank withdrawals equivalent to JD 384,369. (The Parent Company had contingent liabilities at 31 December 2019 a bank guarantees equivalent to JD 131,206 and Letters of credit equivalent to JD 47,338, bills of collection equivalent to JD 533,568 and unguaranteed bank withdrawals equivalent to JD 436,022).

c. Siniora Food Industries Company – Palestine (subsidiary company) had contingent liabilities at the date of the consolidated statement of financial position, represented in bank guarantees equivalent to JD 426,750 and bills of collection equivalent to JD 46,140. (The Company had contingent liabilities as 31 December 2019 bank guarantees equivalent to JD 395,826 in addition to bills of collection equivalent to JD 131,217).

d. As of December 31, 2020, the value of projects in progress amounted to JD 1,082,154 and the remaining cost of completion to complete the implementation of these projects is estimated to be amounted to JD 9,591,507 and is expected to be completed and to be ready for use by the group during the first half of 2022. (As of December 31, 2019, the value of projects in progress amounted to JD 1,476,839 and the remaining cost of completion to complete the implementation of these projects is estimated to be amounted to JD 1,154,509 and is expected to be completed and to be ready for use by the group during the first half of 2020).

e. The Group had unutilized overdraft limits at the date of the consolidated statement of financial position amounted to JD 8,263,138 (As 31 December 2019, the unutilized overdraft ceiling was JD 8,024,000).

25. Balances and Transactions with Related Parties

The Company entered into transactions with related parties as follows:

	December 31, 2020		December 31, 2019	
	Receivables	Payables	Receivables	Payables
Consolidated Statement of Financial Position	JD	JD	JD	JD
Unipal General Trading Company *	388,931	-	789,052	-
Arab Shopping Centers Company *	23,932	-	16,041	-
Medical Supplies and Services Company *	-	1,063	2,386	-
Palestinian Automobile Company *	-	220	-	-
Employees receivables	108,015	-	131,179	-
SKY Advertising, Publication and Promotion Company *	-	20,826	-	231,036
Arab Palestinian Investment Company **	7,669	-	-	31,118
Arab financial leasing Company *	-	6,547	-	7,249
National Aluminum Industry Company *	-	-	-	37,296
Net	528,547	28,656	938,658	306,699

The above balances represent trade receivables and payables which bear no interest and have no repayment schedules.

	2020		2019	
	Purchases	Sales	Purchases	Sales
Consolidated Statement of profit or loss	JD	JD	JD	JD
Unipal General Trading Company *	-	4,797,497	-	4,517,480
Arab Palestinian Shopping Centers Company *	15,040	235,329	12,743	157,507
SKY Advertising, Publication, and Promotion Company*	325,995	-	280,379	-
Arab Palestinian Investment Company **	160,801	-	160,801	-
Arab Financial Leasing Company *	61,555	-	56,975	-
Medical Supplies and Services Company*	12,822	-	-	-

* A Company owned by the holding company.

** Holding Company.

The salaries of executive management amounted to JD 1,402,158 for the year 2020 (JD 1,148,452 for the year 2019).

26. Risk Management

The Group is exposed to various financial risks related to its operations, moreover, operating risks are inherent in business activities. As such, management endeavors to strike a proper balance between risks and rewards, and works to mitigate the risks probable adverse effects on the Group's financial performance. The most significant risks faced by the Group are credit risks resulting from credit sales, liquidity risks, market risks, and geographic risks. Moreover, the Group's Board of Directors is responsible for setting up the framework for monitoring and managing these risks, accordingly, the Board of Directors together with executive management periodically follow up on the various risks to monitor and manage the financial risks related to the Group 's operations and activities through preparing and issuing internal reports on risk management, thus analyzing the risks to which the Group is exposed.

Capital Risk Management

The Group manages its capital to ensure its ability to continue as a going concern and to maximize the return to stakeholders through achieving an optimal balance between equity and debts. Moreover, the Group has a strategy to maintain a reasonable debt-to-equity ratio.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy to support and guarantee the Group's position of late payment through proper documentation by possessing necessary documents, as appropriate, with the assistance of its legal advisor. Moreover, the Group monitors its credit risk through analysis of the debtors' level of solvency to mitigate the risk of financial loss from defaults, as well as checking that the total accumulated credit related to certain parties is approved by management. Review and approval of the credit limits are performed regularly.

The book value of the financial assets recorded in the Group's financial statements net after discounting the impairment losses represent the maximum risks to which the Group could be exposed.

The Group has a concentration in credit risk, where the trade receivables of ten customers amounted to 42% of the total trade receivables as of December 31, 2020, and the group has a concentration in sales, where sales to ten customers amounted to 42% of the total sales for the year 2020.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet its commitments. The Group mitigates liquidity risk by maintaining reserves and by continuously monitoring actual cash inflows as well as matching the maturities of current assets with current liabilities as follows:

	December 31,	
	2020	2019
	JD	JD
Current Assets	25,973,001	25,338,387
Less : Current Liabilities	17,912,155	18,139,814
Excess in Working Capital	8,060,846	7,198,573

The Group manages liquidity risk through diversifying its sources of finance, managing assets and liabilities and monitoring their maturities, securing a suitable source of finance at the proper time to match the liabilities and payment of operational and investment expenses.

Risk Concentration in Geographical Segments

All of the Group's operations are conducted inside the Kingdom and represent its local operations. Moreover, the Group does not perform any work outside of Jordan. However, the subsidiary companies operate in the countries where they have been founded. As for Siniora Food Industries Company - Palestine (a subsidiary company), the instability of the political and economic situation in the region increases the operating risk and may negatively affect the Company's performance.

Segmental and Geographical Analysis

The following is information on the Group's activities inside and outside the Kingdom:

	Inside the Kingdom			Total	
	Inside the Kingdom excluding Aqaba	Aqaba Branch	Outside the Kingdom	2020	2019
	JD	JD	JD	JD	JD
Net sales	26,600,073	885,409	43,475,328	70,960,810	63,801,744
Cost of sales	(17,117,971)	(650,072)	(26,994,214)	(44,762,257)	(40,281,440)
Gross Profit	9,482,102	235,337	16,481,114	26,198,553	23,520,304
Selling and distribution expenses	(3,697,106)	(184,012)	(6,148,181)	(10,029,299)	(9,545,067)
General and administrative expenses	(2,163,632)	(22,057)	(4,556,375)	(6,742,064)	(5,662,539)
Financing expenses	(214,884)	-	(603,519)	(818,403)	(1,067,329)
Provision for end-of-service indemnity	-	-	(473,557)	(473,557)	(388,029)
Provision for doubtful debts	(163,300)	-	(82,378)	(245,678)	(241,846)
Provision for slow-moving inventory	(85,200)	-	(15,469)	(100,669)	(89,868)
(Provision) of lawsuit and other commitment provision	(71,049)	-	-	(71,049)	(172,133)
Other (expenses) revenue – net	(179,538)	-	182,590	3,052	193,424
Net Profit for the Year before Income Tax	2,907,393	29,268	4,784,225	7,720,886	6,546,917
Income tax expenses	(366,498)	-	(281,247)	(647,745)	(438,688)
Profit for the Year	2,540,895	29,268	4,502,978	7,073,141	6,108,229

	December 31,	
	2020	2019
	JD	JD
Total Assets	68,574,932	67,402,382
Total Liabilities	27,611,037	30,996,617

Segmental Information
The Group operates in one operational sector which is canning, packing, distribution, and trading frozen meat, all information related to this report / operational sector is shown in the statement of financial position statement profit or loss and the disclosures in the consolidated financial statements.

Foreign Currency Risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Jordanian Dinar is the Group 's functional currency, and the Group also monitors foreign currency positions continually and follows certain strategies to mitigate the effects of these risks.

The following is the concentration of assets and liabilities as of December 31, 2020 and 2019 according to the currency type:

	December 31, 2020 / Jordanian Dinar						
Assets:	JD	USD	EUR	SAR	AED	Other Currencies	Total
Cash on hand and at banks	577,622	155,298	2,898	166,468	136,006	289,370	1,327,662
Accounts receivable – net	3,983,239	378,546	-	1,972,498	3,873,979	549,579	10,757,841
Inventory – net	4,401,347	-	-	799,524	2,611,592	3,426,944	11,239,407
Due from related parties	-	-	-	-	-	528,547	528,547
Other debit balances	595,947	206,144	9,305	376,772	580,262	351,114	2,119,544
Deferred tax assets	121,244	166,434	-	-	-	-	287,678
Intangible assets	1,936,425	-	-	-	4,422,311	-	6,358,736
Property and equipment - net	18,803,698	10,477,592	-	1,595,312	4,054,312	223,130	35,154,044
Right of use assets	349,655	294,062	-	157,756	-	-	801,473
	30,739,177	11,678,076	12,203	5,068,330	15,678,462	5,368,684	68,574,932
Liabilities							
Due to banks	810,564	300,823	-	-	-	-	1,111,387
Notes payable	114,552	-	-	-	-	773,909	888,461
Accounts payable	1,288,132	1,260,584	625,914	102,803	832,410	973,242	5,083,085
Due to related parties	-	28,656	-	-	-	-	28,656
Deposits and accrued expenses	1,738,513	555,878	-	978,519	1,212,288	449,216	4,934,414
Lease liability	272,347	383,330	-	98,410	-	-	754,087
Bank loans	-	8,606,293	-	-	2,610,890	-	11,217,183
Income tax provision	520,023	86,611	-	-	-	-	606,634
Provision for employees end- of-service indemnity	21,568	-	-	300,170	490,579	2,174,813	2,987,130
	4,735,699	11,222,175	625,914	1,479,902	5,146,167	4,371,180	27,611,037
Net Position	26,003,478	455,901	(613,711)	3,588,428	10,532,295	997,504	40,963,895

	December 31, 2019 / Jordanian Dinar						
Assets:	JD	USD	EUR	SAR	AED	Other Currencies	Total
Cash on hand and at banks	372,629	396,942	2,069	107,416	260,470	246,059	1,385,585
Accounts receivable – net	3,880,115	696,244	-	1,645,970	3,621,907	773,244	10,617,480
Inventory – net	3,786,066	-	-	826,142	2,198,972	3,291,600	10,102,780
Due from related parties	-	-	-	-	-	938,658	938,658
Other debit balances	1,030,169	291,217	109,954	131,285	189,069	542,190	2,293,884
Deferred tax assets	105,155	147,030	-	-	-	-	252,185
Intangible assets	1,951,829	-	-	-	4,409,889	-	6,361,718
Property and equipment - net	20,640,710	8,050,586	-	1,553,598	4,667,390	-	34,912,284
Right of use assets	-	397,829	-	139,979	-	-	537,808
	31,766,673	9,979,848	112,023	4,404,390	15,347,697	5,791,751	67,402,382
Liabilities							
Notes payable	-	-	-	-	-	916,220	916,220
Accounts payable	1,568,365	1,286,927	298,234	116,144	1,190,359	1,183,183	5,643,212
Due to related parties	-	-	-	-	-	306,699	306,699
Deposits and accrued expenses	1,724,434	624,302	-	731,477	727,644	976,120	4,783,977
Lease liability	-	315,333	-	187,611	-	-	502,944
Bank loans	-	15,088,063	-	-	797,673	-	15,885,736
Income tax provision	198,736	233,840	-	-	-	-	432,576
Provision for employees end- of-service	-	-	-	271,442	427,525	1,826,286	2,525,253
	3,491,535	17,548,465	298,234	1,306,674	3,143,201	5,208,508	30,996,617
Net Position	28,275,138	(7,568,617)	(186,211)	3,097,716	12,204,496	583,243	36,405,765

Interest Rate Risk
The sensitivity analysis for the accounts exposed to interest rate risk according to currency is as follows:

Sensitivity Analysis for the year 2020		Sensitivity Analysis for the year 2019	
Effect of the Increase in Interest rate by 1% on the Statement of profit or loss	Effect of the Decrease in interest rate by 1% on the Statement of profit or loss	Effect of the Increase in Interest Rate by 1% on the Statement of profit or loss	Effect of the Decrease in Interest Rate by 1% on the Statement of profit or loss
JD	JD	JD	JD
(123,286)	123,286	(158,857)	158,857

Foreign Currency Risk
The sensitivity analysis for the year 2020 is as follows:

Currency	Effect of the Increase in the exchange Rate by 5% on the Statement of profit or loss	Effect of the Decrease in the exchange Rate by 5% on the Statement of profit or loss
	JD	JD
EURO – EUR	(30,685)	30,685
Other currencies	49,875	(49,875)

The sensitivity analysis for the year 2019 is as follows:

Currency	Effect of the Increase in the exchange Rate by 5% on the Statement of profit or loss	Effect of the Decrease in the exchange Rate by 5% on the Statement of profit or loss
	JD	JD
EURO – EUR	(9,310)	9,310
Other currencies	29,162	(29,162)

Regarding the risk of fluctuations in currency exchange rates which applies to payments in US Dollar, the Group 's management believes that the foreign currency risk is immaterial due to the fact that the Jordanian Dinar is pegged to the US. Dollar.

27. Fair Value Hierarchy

The fair value of financial assets and financial liabilities of the Group (non-specific fair value on an ongoing basis):
We believe that the carrying value of financial assets and financial liabilities in the consolidated financial statements of the Group approximates their fair value, as the Group's management believes that the carrying value is approximated their fair value, due to either their short-term maturity or repricing of interest rates during the year.

28. Proposed Dividends

The Board of Directors recommended in their meeting held on March 17, 2021 to the General Assembly to distribute cash dividends by 15% of the Company paid-up capital which is equivalent to JD 4,050,000, and recommended to increase the paid-up capital from JD 27 million to JD 28 million through transferring JD 1 million from retained earnings to paid-up capital, distributed as free shares to the shareholders based on their share percentage of the paid-up capital.

29. Covid-19 Effect

The outbreak incident of Coronavirus (Covid-19) in the beginning of the year 2020 in most of geographical regions around the world has caused widespread disruptions to business and economic activity with the consequent negative impact on economic activity. Based on the analysis prepared by the Group's management up to the date of the consolidated financial statements, there was no material impact on the Group's operations, or the liquidity or the estimates of the Group's disclosed in Note (4).

Management will continue to monitor the situation closely and take additional measures as an alternative plan in the event of prolonging the period of disturbance. These and other related matters will be considered and assess their impact on the Group's estimates, including the expected credit loss model for financial assets, evaluation of the financial assets and the rationality of the inputs used for this purpose during the coming periods.

30. Subsequent event

Subsequent to the date of the consolidated financial statements, on first of March 2021, the Group completed all legal procedures to purchase 77% of the Trakya Meat Industry Company shares in the Republic of Turkey, as the total value of the investment is 203.9 million Turkish Liras equivalent to JD 20.2 million including the group's shares of the increasing the capital of the invested company which is approximately 38.5 million Turkish Liras (equivalent to approximately to JD 3.8 million), this deal was funded by Siniora Food Industries /Palestine (subsidiary company) by obtaining a loan from Cairo Amman Bank amounted to JD 15 million at an interest rate (JD Monthly CAB Prime +1%) where the loan is settled within six years by 24 quarterly installment after a grace period of 12 months which interest is paid, and loan from Safa Bank (Palestine) amounted to JD 5 million with Morabaha 5.5% where the loan is settled within six years by 24 quarterly installment after a grace period of 12 months which interest is paid. The two loans were granted by the guarantee of the mortgage of the factory land and the mortgage over the machinery and equipment of the company's factory in Palestine in addition to the guarantee of the Siniora Food Industries Company Jordan.