SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
DECEMBER 31, 2021

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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, 2021, 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, 2021, 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, 2021, the carrying amount of goodwill and trademarks was approximately JD 6.32 million (excluding the goodwill and trademarks referred to in the key audit matter described below), which is 6.3% of the total assets. The trademarks are deemed to have indefinite useful lives. In accordance with IAS 36 Impairment of Assets, the Group 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.	**How our audit addressed the key audit matter** We familiarized ourselves with the process implemented by the Group to determine the recoverable amount of goodwill and trademarks allocated to Cash-Generating Units (CGU). Our work consisted of: • Evaluating the design and implementation of controls over the Group's testing of goodwill and trademarks for impairment; • Assessing the principles and methods used for determining the recoverable amounts of the CGU to which the goodwill and trademarks are allocated and assessing that the methods used are in accordance with IFRSs; • 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.

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Key audit matter	How our audit addressed the key audit matter
Acquisition of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products ("Tarakya") During the year 2021 the Group completed the acquisition of a controlling stake of 77% of Tarakya for a consideration of JD 16.35 million. Refer to note 2 to the consolidated financial statements for the accounting policy and note 1\f for the acquisition disclosure The cost of acquisition was accounted for by determining the fair value of assets and liabilities acquired. This acquisition resulted in the recognition of property and equipment of JD 4.9 million and intangible assets of JD 13.2 million (including goodwill and trademarks of JD 10.68 million). The Group has undertaken a purchase price allocation as required by IFRS 3 Business Combinations. This included complex valuation considerations and required the use of specialists and engaged an external expert to assist them in determining this allocation. The process of determining the value of property and equipment and intangible assets requires the use of multiple estimates. These include, inter alia, the following: • The allocation of the purchase price; • The opening statement of financial position, considering fair value adjustments recognized; • The identification of property and equipment; • The identification of intangible assets; • The useful economic lives used in depreciating the property and equipment and amortizing the intangible assets. Due to the size and complexity of the acquisition, we considered this to be a key audit matter.	Our audit procedures performed included, but were not limited to, the following: • We confirmed that the effective date of the acquisition was in compliance with the requirements of IFRS (3) by inspecting the salient terms and conditions of the purchase agreement. • We reviewed the sale and purchase agreements for the acquisition and assessed the acquisition accounting, tested the validity and completeness of the consideration and evaluated management's assumptions and methodology supporting the fair values of intangible and net assets acquired. • We assessed the skills, independence, objectivity and qualifications of the external experts used by the Group to value the net assets acquired. • We reviewed the engagement letter between the external experts and the Group to determine if the scope of the external experts work was sufficient for audit purposes. • We utilized our internal valuation specialists to assess the findings of the external experts. • We agreed the results of the external experts analysis to the amounts reported in the consolidated financial statements. • We assessed the disclosures in the consolidated financial statements, relating to this matter, against the requirements of IFRSs.

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.

- 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 30, 2022

Deloitte & Touche (M.E) - Jordan

Deloitte & Touche (M.E.)
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SINIORA FOOD INDUSTRIES COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	December 31, 2021	December 31, 2020
		JD	JD
Current Assets:			
Cash on hand and at banks	5	3,028,541	1,327,662
Accounts receivable - net	6	19,997,744	10,757,841
Inventory – net	7	15,723,829	11,239,407
Due from related parties	25	983,304	528,547
Other debit balances	8	3,023,695	2,119,544
Total Current Assets		42,757,113	25,973,001
Non-Current Assets:			
Deferred tax assets	22/d	400,656	287,678
Intangible assets	9	13,397,450	6,358,736
Property and equipment – net	10	43,261,665	35,154,044
Right-of-use assets	11/a	922,802	801,473
Total Non-Current Assets		57,982,573	42,601,931
TOTAL ASSETS		100,739,686	68,574,932
LIABILITIES			
Current Liabilities:			
Due to banks	12	4,485,436	1,111,387
Notes payable		1,599,043	888,461
Accounts payable		8,346,915	5,083,085
Due to related parties	25	269,425	28,656
Deposits and accrued expenses	13	6,488,139	4,935,214
Lease liabilities due within one year	11/b	488,922	277,553
Loans installments due within one year	14	11,547,310	4,979,965
Income tax provision	22/a	611,493	606,634
Total Current Liabilities		33,836,683	17,910,955
Non-Current Liabilities:			
Loans installments due within more than one year	14	24,167,279	6,236,418
Lease liabilities due within more than one year	11/b	678,367	476,534
Provision for end-of-service indemnity	15	3,651,637	2,987,130
Total Non-Current liabilities		28,497,283	9,700,082
Total liabilities		62,333,966	27,611,037
OWNERS' EQUITY			
Paid-up capital	16/a	28,000,000	27,000,000
Statutory reserve	16/b	5,992,223	5,254,021
Retained earnings	16/c	13,204,094	11,173,660
Effect of the purchase of non-controlling interest shares	16/d	(2,463,786)	(2,463,786)
Foreign currencies translation differences	16/e	(9,665,196)	-
Actuarial (losses) arising from the end of service indemnity		(5,749)	-
TOTAL SHAREHOLERS’ EQUITY		35,061,586	40,963,895
Non-controlling interest		3,344,134	-
TOTAL OWNERS’ EQUITY		38,405,720	40,963,895
TOTAL LIABILITIES AND OWNERS' EQUITY		100,739,686	68,574,932

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

	Note	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
		JD	JD
Net sales		108,569,961	70,960,810
Cost of sales	17	(74,955,095)	(44,762,257)
Gross Profit		33,614,866	26,198,553
Selling and distribution expenses	18	(12,120,494)	(10,029,299)
General and administrative expenses	19	(9,547,013)	(6,742,064)
Financing expenses	20	(2,591,840)	(818,403)
(Provision) for end-of-service indemnity	15	(486,608)	(473,557)
(Provision) for expected credit loss	6	(142,292)	(245,678)
(Provision) for slow-moving inventory	7/b	(106,969)	(100,669)
Released from/(provision) lawsuits and other commitments	13	167,157	(71,049)
Other revenue and expenses - net	21	489,483	3,052
Profit for the Year before Income Tax		9,276,290	7,720,886
Income tax expense	22/b	(1,244,931)	(647,745)
Profit for the Year		8,031,359	7,073,141
Attributable to:			
Company's shareholder		7,818,636	7,073,141
Non- Controlling Interest		212,723	-
		8,031,359	7,073,141
Earning Per Share for the Year (Company's shareholders)	23	0.28	0.25

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

	For the Year Ended December 31,	
	2021	2020
	JD	JD
Profit for the year	8,031,359	7,073,141
Other comprehensive income items which may be reclassified to profit or loss in the subsequent period		
Foreign currencies translation differences	(12,552,201)	-
Other comprehensive income items that will not be reclassified to profit or loss in the subsequent period		
Actuarial (losses) arising from the end of service indemnity	(7,466)	(15,011)
Total other comprehensive (loss) items for the Year after tax	(12,559,667)	(15,011)
Total Comprehensive (loss)/Income for the Year	(4,528,308)	7,058,130
Attributable to:		
Company's shareholders	(1,852,309)	7,058,130
Non-controlling interest	(2,675,999)	-
	(4,528,308)	7,058,130

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	Foreign Currency Translation Differences	Actuarial (losses) arising from the end of service Indemnity	Total Shareholders' Equity	Non-controlling Interest	Total Owners' Equity
For the Year Ended December 31, 2021		JD	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year		27,000,000	5,254,021	11,173,660	(2,463,786)	-	-	40,963,895	-	40,963,895
Profit for the year		-	-	7,818,636	-	-	-	7,818,636	212,723	8,031,359
Other comprehensive (loss) for the year		-	-	-	-	(9,665,196)	(5,749)	(9,670,945)	(2,888,722)	(12,559,667)
Total comprehensive (loss) for the year		-	-	7,818,636	-	(9,665,196)	(5,749)	(1,852,309)	(2,675,999)	(4,528,308)
Transferred to statutory reserve	16/b	-	738,202	(738,202)	-	-	-	-	-	-
Increase in paid up capital	16/a	1,000,000	-	(1,000,000)	-	-	-	-	-	-
Non-controlling interest from purchasing subsidiary company	16/f	-	-	-	-	-	-	-	6,020,133	6,020,133
Distributed dividends	16/c	-	-	(4,050,000)	-	-	-	(4,050,000)	-	(4,050,000)
Balance at the End of the Year		28,000,000	5,992,223	13,204,094	(2,463,786)	(9,665,196)	(5,749)	35,061,586	3,344,134	38,405,720
For the Year Ended December 31, 2020										
Balance at the beginning of the year		25,000,000	4,634,738	9,234,813	(2,463,786)	-	-	36,405,765	-	36,405,765
Profit for the year		-	-	7,073,141	-	-	-	7,073,141	-	7,073,141
Other comprehensive income for the year		-	-	(15,011)	-	-	-	(15,011)	-	(15,011)
Total comprehensive income for the year		-	-	7,058,130	-	-	-	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)	-	(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	-	40,963,895

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, 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
Profit for the year before income tax		9,276,290	7,720,886
Adjustments:			
Depreciation of property and equipment	10	3,940,247	3,476,405
Depreciation of right of use assets	11/a	428,496	251,904
Amortization of intangible assets	9/d	97,257	30,650
Provision for expected credit loss	6	142,292	245,678
Provision for end-of-service indemnity	15	486,608	473,557
Provision for slow-moving inventory	7/b	106,969	100,669
(Released) provision for lawsuits and other commitments	13	(167,157)	71,049
(Gain) from the sale of property and equipment	21	(72,521)	(18,615)
Financing expenses	20	2,591,840	818,403
Foreign currency differences		(577,191)	155,129
Cash flow from operating activities before changes in Working Capital		16,253,130	13,325,715
Decrease (increase) in accounts receivable		895,605	(386,039)
(Increase) decrease in due from related parties		(454,757)	410,111
(Increase) in inventory		(467,147)	(1,237,296)
(Increase) decrease in other debit balances		(755,761)	97,032
Increase (decrease) in notes payable		710,582	(27,759)
(Decrease) in accounts payable		(3,737,601)	(526,145)
Increase (decrease) in due to related parties		240,769	(278,043)
(Decrease) increase in deposits and accrued expenses		(346,666)	79,388
Net Cash Flows from Operating Activities before Income Tax and Employees End-of-Service Indemnity Paid		12,338,154	11,456,964
Income tax paid	22	(1,345,755)	(509,180)
Provision for end-of-service indemnity paid	15	(336,462)	(183,524)
Provision for lawsuits and other commitments paid	13	(166,549)	
Net Cash Flows from Operating Activities		10,489,388	10,764,260
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment	10	(8,476,385)	(3,787,359)
(Payments) to purchase subsidiary	1/f	(16,217,032)	-
Proceeds from the sale of property and equipment		132,285	87,809
(Purchase) of intangible assets	9/d	(21,708)	(27,668)
Net Cash (used in) Investing Activities		(24,582,840)	(3,727,218)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in loans – net	14	18,461,547	(4,668,553)
Increase in due to banks		3,374,049	1,111,387
Financing expenses paid		(2,591,840)	(818,403)
Dividends paid	16/c	(4,050,000)	(2,500,000)
Lease liabilities paid	11/b	(536,137)	(219,396)
Non -controlling interest share from increase the paid-up capital		1,136,712	-
Net Cash from (used in) Financing Activities		15,794,331	(7,094,965)
Net Increase (Decrease) in Cash		1,700,879	(57,923)
Cash on hand and at banks - beginning of the year		1,327,662	1,385,585
Cash on Hand and at Banks - End of the Year	5	3,028,541	1,327,662
Non Cash transactions			
Increase in paid-up capital through retained earnings	1	1,000,000	2,000,000

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 March 17, 2021, whereby the General Assembly decided to approve the increase of the Company's capital by JD 1 million / share to become JD 28 million / share. The Company has completed the legal procedures related to the capital increase with the regulatory authorities on June 20, 2021.

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, 2021:

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
Tarakya Company for the Manufacture and Trade of Meat and Dairy Products **	71,4 million TL	77%	Industrial	Turkey	1 March 2021

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

- As of December 31, 2021, and 2020, 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

** On first of March 2021, the Group completed all legal procedures to purchase 77% of Tarakya Meat Industry Company shares in the Republic of Turkey, with a total value of 165.4 million Turkish Liras equivalent to JD 16.35 million as that date, accordingly, the Group assumed control of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products and consolidate its net assets up to date.

The invested Company's capital was also increased by 50 million Turkish liras, the Group's share of this increase was about JD 38.5 million Turkish liras, which is equivalent to about JD 3.8 million as of that date.

The fair value of the assets and liabilities acquired was as follows based on the purchase price allocation determined by external expert:

Assets	March 1,2021
	JD
Current Assets:	
Cash on hand and at banks	131,755
Accounts receivable - net	10,277,800
Inventory – net	4,124,244
Other debit balances	148,390
Total Current Assets	14,682,189
Non-Current Assets:	
Deferred tax assets	157,973
Intangible assets	13,089,092
Property and equipment – net	7,186,780
Right-of-use assets	310,178
Total Non-Current Assets	20,744,023
TOTAL ASSETS	35,426,212
Liabilities	
Current Liabilities:	
Accounts payable	6,033,061
Deposits and accrued expenses	786,488
Lease liabilities due within one year	214,930
Loans installments due within one year	5,351,705
Total Current Liabilities	12,386,184
Non-Current Liabilities:	
Loans installments due within more than one year	702,927
Lease liabilities due within more than one year	615,692
Provision for end-of-service indemnity	590,830
Total Non-Current liabilities	1,909,449
Total liabilities	14,295,633
Fair value of net assets acquired	21,130,579
Add: Goodwill *	101,612
Less: Non-controlling interest (23%)	4,883,404
Consideration paid (agreement value)	16,348,787

* The Goodwill arose as a result of the Group's purchase of shares at a value that exceeded its fair value.

The net cash flows related to the acquisition are as follows:

	JD
Consideration paid (agreement value)	16,348,787
Less: Cash on hand and at banks acquired	131,755
Net	16,217,032

The above balances represent the fair value of the equivalent assets and liabilities in Jordanian Dinars as of the acquisition date, and the fair value was determined as follows:

- Trademark "Polonez"
  The fair value was determined using the Relief from Royalty method, an income approach method was adopted in the valuation of the 'Polonez' brand to arrive to the fair value. The projected cash flows were based on the historical average revenue over the fiscal years 2019 to 2020 grown at a long-term growth rate of 10.0% based on the inflation projections for Turkey. The valuation assumptions include a royalty rate of 2.5% based on benchmarking analysis and a rolling discount rate of 20.9% which decreases annually to 15.4% by the fiscal years 25.

- Customers Relation
  The fair value was determined using the Multi-period Excess Earnings Method, an income approach method was adopted in the valuation of customers relation to arrive to the fair value. The projected cash flows were projected to grow at a rate of 10% in line with the long-term growth rate of Turkey. The valuation assumptions include a discount rate and contributory asset charge of 20.9% and 12.0% respectively which decreases annually to 15.4% and 9.8% respectively by the fiscal years 25.

- Property and equipment
  The fair value of property and equipment was determined by an external valuation company to arrive at the fair value at the acquisition date.

The non-controlling interest was measured at fair value based on a purchase price allocation determined using an external expert.

Acquisition-related costs amounting to JD 294,235 are included in general and administrative expenses.

The revenue of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products, which are included in the consolidated statement of profit or loss from the date of acquisition until December 31, 2021, amounted to around JD 27.49 million. Its contribution to the net profit is JD 1.14 million.

If Tarakya Company for the Manufacture and Trade of Meat and Dairy Products have been consolidated since January 1, 2021, the consolidated statement of profit or loss would have included revenue of around JD 32 million and a net profit of JD 1.44 million.

The following most significant financial information for the subsidiary companies for the years 2021 and 2020:

	December 31, 2021		For the Year 2021	
Name of Company	**Total Assets**	**Total Liabilities**	**Total Revenues**	**Total Expenses**
	JD	JD	JD	JD
Siniora Food Industries - Palestine	37,026,140	31,437,742	26,193,733	22,330,746
Siniora Food Holding Limited	22,910,065	8,931,389	23,313,897	21,703,877
Tarakya Company for the Manufacture and Trade of Meat and Dairy Products*	14,465,112	9,343,383	27,494,325	26,354,546

	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

g. The consolidated financial statements were approved by the Board of Directors on March 9, 2022.

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, 2020 except for the effect of adopting the new and modified standards which are effective for the annual period beginning on or after January 1, 2021 stated in Notes (3-A). and the following are the most significant accounting policies:

Business Combinations

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

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

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

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

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

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

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

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

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

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

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 IAS (36) 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. Adoption of new and revised Standards

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

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2021, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Interest Rate Benchmark Reform

In the prior year, the Group adopted the Phase 1 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9/IAS 39 and IFRS 7. These amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments are amended as a result of the interest rate benchmark reform.

In the current year, the Group adopted the Phase 2 amendments Interest Rate Benchmark Reform—Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. Adopting these amendments enables the Group to reflect the effects of transitioning from interbank offered rates (IBOR) to alternative benchmark interest rates (also referred to as 'risk free rates' or RFRs) without giving rise to accounting impacts that would not provide useful information to users of financial statements.

The amendments also introduce new disclosure requirements to IFRS 7 for hedging relationships that are subject to the exceptions introduced by the amendments to IFRS 9.

The was no material impact on the amounts reported for the current year for both the Phase 1 and Phase 2 amendments as the group does not have material financial instruments linked to IBOR.

COVID-19-Related Rent Concessions beyond June 30, 2021 - Amendment to IFRS 16

In the prior year, the Group early adopted Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provided practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19, by introducing a practical expedient to IFRS 16. This practical expedient was available to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021.

In March 2021, the Board issued *Covid-19-Related Rent Concessions beyond June 30, 2021 (*Amendment *to IFRS 16)* that extends the practical expedient to apply to reduction in lease payments originally due on or before June 30, 2022.

The practical expedient permits a lessee to elect not to assess whether a COVID-19-related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19-related rent concession applying IFRS 16 as if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all of the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- Any reduction in lease payments affects only payments originally due on or before 30 June 2022 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2022 and increased lease payments that extend beyond 30 June 2022)
- There is no substantive change to other terms and conditions of the lease

The adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements as the Group did not have any leases impacted by the amendment.

b. New and Revised Standards in issue but not yet effective

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

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

New and revised IFRSs	Effective date
Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.	**The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.**
Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognise contingent assets acquired in a business combination.	**The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after January 1, 2022. Early application is permitted if an entity also applies all other updated references.**
Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.	**January 1, 2022, with early application permitted.**

New and revised IFRSs	Effective date
Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.	**January 1, 2022, with early application permitted.**
Annual Improvements to IFRS Standards 2018-2020 ***Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards*** The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).	**January 1, 2022, with early application permitted.**
IFRS 9 Financial Instruments The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.	**The amendment is effective for annual periods beginning on or after January 1, 2022, with early application permitted.**
IFRS 16 Leases The amendment removes the illustration of the reimbursement of leasehold improvements.	**As the amendment to IFRS 16 only regards an illustrative example, no effective date is stated.**
IAS 41 Agriculture The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment.	**January 1, 2022, with early application permitted.**

New and revised IFRSs	Effective date
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	**January 1, 2023, with earlier application permitted and are applied prospectively.** **The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.**
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications: • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors The Board added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The Board has deleted one example (Example 3) as it could cause confusion in light of the amendments.	**January 1, 2023, with earlier application permitted**

New and revised IFRSs	Effective date
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences. Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease. Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12. The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises: • A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with: - Right-of-use assets and lease liabilities - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset • The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.	**January 1, 2023, with earlier application permitted**

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

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,	
	2021	2020
	JD	JD
Cash on hand	47,302	33,049
Current accounts at banks	1,483,793	1,294,613
Terms deposits account *	1,497,446	-
	3,028,541	1,327,662

* This deposit in one of the banks in Turkey and the interest rate was 18.3% and due every 3 months, and automatically renewed.

6. Accounts Receivable - Net

a. This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Trade receivables	19,705,316	11,454,446
Short-term cheques are due within 3 months	2,226,978	853,475
	21,932,294	12,307,921
Less: Provision for expected credit loss	(1,934,550)	(1,550,080)
Accounts Receivables - Net	19,997,744	10,757,841

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, 2021		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	14,706,084	5,212,855	635,048	418,121	960,186	21,932,294
Expected credit loss	115,725	469,124	222,267	167,248	960,186	1,934,550
Expected credit loss rate	%1	%9	%35	%40	%100	%9

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

* 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, 2021		
	Stage 2	Stage 3	Total
	JD	JD	JD
Balance – beginning of the year	496,190	1,053,890	1,550,080
Add: Increase in provision due to acquisition of a subsidiary	412,667	23,716	436,383
Add: Provision booked during the year	124,190	18,102	142,292
Foreign currencies translation	(58,683)	(135,522)	(194,205)
Balance – End of the Year	974,364	960,186	1,934,550

	For the year ended December 31, 2020		
	Stage 2	Stage 3	Total
	JD	JD	JD
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.

7. Inventory - Net

a. This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Raw materials	8,992,977	6,348,974
Finished products	4,446,468	3,831,190
Detergents and uniforms	770,976	31,519
Spare parts	2,300,019	1,909,571
	16,510,440	12,121,254
Less: Provision for slow-moving items	(1070,914)	(963,945)
	15,439,526	11,157,309
Goods in transit	284,303	82,098
	15,723,829	11,239,407

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

	2021	2020
	JD	JD
Balance - beginning of the year	963,945	863,276
Add: Provision booked during the year	111,120	100,669
Less: Recovered from provision for the year	(4,151)	-
Balance - End of the Year	1,070,914	963,945

8. Other Debit Balances

This item consists of the following:

	December 31,	
	2021	2020
	JD	JD
Advances to suppliers	1,392,569	933,746
Prepayments	1,274,658	747,114
Refundable deposits	193,214	271,935
Others	163,254	166,749
	3,023,695	2,119,544

9. Intangible Assets

This item consists of the following:

For the year ended December 31, 2021	Goodwill	Trademark	Customer relations	Software and programs	Total
	JD	JD	JD	JD	JD
Cost					
Balance - beginning of the year	4,704,101	1,611,147	-	244,442	6,559,599
Additions on acquisition of a subsidiary	101,612	10,574,586	2,514,506	-	13,190,704
Additions	-	-	-	21,708	21,708
Foreign currencies translation	(47,002)	(4,891,388)	(1,163,112)	-	(6,101,502)
Balance - End of the Year	4,758,620	7,294,345	1,351,394	266,150	13,670,509
Accumulated Amortization					
Balance - beginning of the year	-	-	-	200,863	200,863
Additions	-	-	81,369	15,888	97,257
Foreign currencies translation	-	-	(25,061)	-	(25,061)
Balance - End of the Year	-	-	56,308	216,751	273,059
Net book value as December 31, 2021	4,758,620	7,294,345	1,295,086	49,399	13,397,450

For the year ended December 31, 2020	Goodwill	Trademark	Customer relations	Software and programs	Total
	JD	JD	JD	JD	JD
Cost					
Balance - beginning of the year	4,704,010	1,611,147	-	216,820	6,531,977
Additions	-	-	-	27,622	27,622
Balance - End of the Year	4,704,010	1,611,147	-	244,442	6,559,599
Accumulated Amortization					
Balance - beginning of the year	-	-	-	170,213	170,213
Additions	-	-	-	30,650	30,650
Balance - End of the Year	-	-	-	200,863	200,863
Net book value as December 31, 2020	4,704,010	1,611,147	-	43,579	6,358,736

a. Goodwill resulted from the acquisition of shares at a value that exceeds the fair value of some of the subsidiaries as follows:

	December 31,	
	2021	2020
	JD	JD
Siniora Food Industries - Palestine	311,530	311,530
Diamond Meat Processing	4,392,480	4,392,480
Tarakya Company for the Manufacture and Trade of Meat and Dairy Products	54,610	-
	4,758,620	4,704,010

b. The trademarks as at December 31, 2021 represents represent the value of the trademarks purchased from Distinguished food for Siniora Food Industries Company - Jordan, with an amount of JD 1,611,147, in addition to trademarks resulting from allocating the purchase price of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products with an amount of JD 10,574,586 (the present value is JD 5,683.198, after deducting the effect of foreign currency translation amounted to JD 4,891,388 as of December 31, 2021)

c. The impairment in the value of goodwill and trademarks was tested at the end of 2021 and 2020, 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:

	As December 31, 2021		
	Goodwill resulted from acquisition of Siniora Palestine	Goodwill resulted from acquisition of Diamond Meat Processing	Trademark (Unium)
Weighted Average Cost of Capital	11.6%	11.2%	11.6%
Expected growth rate during next five years	5%	5%	2%
Terminal growth rate	2%	2%	2%

	As December 31, 2020		
	Goodwill resulted from acquisition of Siniora Palestine	Goodwill resulted from acquisition of Diamond Meat Processing	Trademark (Unium)
Weighted Average Cost of Capital	11.6%	11.5%	11.6%
Expected growth rate during next five years	3%	3%	2%
Terminal growth rate	2%	2%	2%

d. Customer relations resulted by allocating the purchase price of Tarakya Company for the Manufacture and Trade of Meat and Dairy Products and amortized over a period of 20 years from the date of acquisition.

10. Property and Equipment

This item consists of the following:

For the year ended December 31, 2021	Land	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	20,021,010	2,665,672	4,277,486	29,514,284	1,208,959	1,082,154	65,225,292
Additions through acquisition	2,673,270	838,420	301,270	366,110	5,058,882	16,407	18,221	9,272,580
Additions	-	163,721	375,184	606,533	1,176,187	223,869	5,930,891	8,476,385
Disposals	-	(4,203)	(351,978)	(87,217)	(1,282,999)	(21,086)	-	(1,747,483)
Transfers	-	124,759	1,075,300	87,094	1,032,166	68,214	(2,387,533)	-
Foreign currencies translation	(1,237,808)	(412,072)	(260,851)	(265,546)	(2,349,379)	(106,064)	(19,800)	(4,651,520)
Balance - End of the Year	7,891,189	20,731,635	3,804,597	4,984,460	33,149,141	1,390,299	4,623,933	76,575,254
Accumulated Depreciation:								
Balance - beginning of the year	-	7,747,811	1,883,790	2,611,986	17,048,316	779,345	-	30,071,248
Additions through acquisition	-	90,008	270,791	141,676	1,568,167	15,158	-	2,085,800
Deprecation for the year	-	835,708	303,914	498,339	2,161,536	140,750	-	3,940,247
Disposal	-	(3,238)	(347,951)	(72,408)	(1,243,276)	(20,846)	-	(1,687,719)
Foreign currencies translation	-	(63,204)	(66,864)	(74,557)	(722,592)	(168,770)	-	(1,095,987
Balance - End of the Year	-	8,607,085	2,043,680	3,105,036	18,812,151	745,637	-	33,313,589
Net Book Value as of December 31, 2021	7,891,189	12,124,550	1,760,917	1,879,424	14,336,990	644,662	4,623,933	43,261,665
For the year ended December 31, 2020								
Cost:								
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
Deprecation for the year	-	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
Annual depreciation rates %	-	2 - 20	10 - 25	10 - 20	7 - 25	10 - 20	-	

- Fully depreciated property and equipment amounted to JD 13,168,665 as of December 31, 2021 (10,159,233 as of December 31, 2020)
- 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 2021 and 2020 as follows:

	For the year ended December 31, 2021		
	Properties	Cars*	Total
	JD	JD	JD
Beginning balance	639,418	162,055	801,473
Increase due to acquisition of a subsidiary company	187,411	122,767	310,178
Add: Contracts added during the year	284,257	228,868	513,125
Less: Depreciation for the year	(324,413)	(104,083)	(428,496)
Less: Cancelled contracts during the year	(82,941)	-	(82,941)
Foreign currencies translation	(89,465)	(101,072)	(190,537)
Ending balance	614,267	308,535	922,802

	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

* 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 242,213 and accumulated depreciation amounted to JD 151,160 as 31 December 2021. (As of 31 December 2020, the right of use assets that 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).

b. Lease obligations

The movement for lease obligations during the 2021 and 2020 were as follows:

	For the year ended December 31, 2021		
	Properties	Cars	Total
	JD	JD	JD
Beginning balance	598,910	155,177	754,087
Increase due to acquisition of a subsidiary company	750,803	79,819	830,622
Add: Additions during the year	299,354	263,204	562,558
Interest during the year	56,494	15,716	72,210
Less: paid during the year	(445,560)	(90,577)	(536,137)
Less: Cancelled contracts during the year	(36,822)	-	(36,822)
Foreign currencies translation	(384,170)	(95,059)	(479,229)
Ending balance	839,009	328,280	1,167,289

	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

The following is an analysis of the maturity of lease obligations as at December 31, 2021 and 2020:

	For the year ended December 31, 2021		
	Properties	Cars	Total
	JD	**JD**	**JD**
Less than one year	393,607	95,315	488,922
From one to five years	551,654	77,917	629,571
More than five years	48,796	-	48,796
Ending balance	994,057	173,232	1,167,289

	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

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

	For the year ended December 31, 2021		
	Properties	Cars	Total
	JD	**JD**	**JD**
Depreciation for the year	324,413	104,083	428,496
Interest for the year	56,494	15,716	72,210
Total	380,907	119,799	500,706

	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

12. Due to Banks

This item consists of following:

	Utilized Balance as of December 31,				
	2021	2020	Credit limit	Annual interest rate	Due date
	JD	JD	JD		
Arab Bank - Palestine	-	516,829	1,418,000	3.35%	June 30, 2022
Cairo Amman Bank - Palestine	1,017,742	-	1,418,000	4%	May 31, 2022
Bank of Palestine – Palestine	766,592	-	2,127,000	5%	October 23, 2022
Bank of Jordan – Palestine	569,313	-	709,000	LIBOR 3 Months + 3.75%	September 23, 2022
National Bank – Palestine	1,783	-	354,500	5%	December 20, 2022
Arab Bank – Jordan	-	306,506	354,500	LIBOR 3 Months + 2.25%	May 19, 2022
Soicate General Bank – Jordan	585,937	-	1,000,000	7.25%	July 31, 2022
Jordan Kuwait Bank – Jordan	240,377	-	500,000	8.5%	June 22, 2022
Capital Bank - 1	281,726	-	1,000,000	7%	August 18, 2022
Capital Bank - 2	606,731	-	709,000	LIBOR 1 Month + 2.25%	August 18, 2022
Invest Bank	17,425	-	250,000	8%	April 30, 2022
Bank of Jordan - Jordan	397,810	288,052	800,000	8.25%	April 30, 2022
	4,485,436	1,111,387	10,640,000		

- 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,	
	2021	2020
	JD	JD
Remunerations and accrued salaries	1,626,819	1,364,287
Income tax deposits	647,191	484,094
Provision for lawsuits and other commitments *	261,880	564,255
Accrued customer's sales commissions	355,192	232,186
Accrued insurance expenses	418,862	385,092
Provision for paid leaves	580,048	287,546
Sales return provision	398,985	261,579
Credit cards	130,394	-
Accrued utilities and phone expenses	5,087	95,494
Professional fees	137,704	149,463
Social security deposits	120,252	70,793
Media and advertising	166,209	149,479
Accrued interest expenses	371,505	-
Advanced payment from customers	158,985	33,982
Accrued rent	57,900	-
Mortgage fees	-	70,900
Board of directors' remuneration	45,000	35,000
Board members transportation and representation of committees	170,500	150,000
Other	835,526	601,064
	6,488,139	4,935,214

* 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:

	2021	2020
	JD	JD
Balance – beginning of the year	564,255	493,206
Add: Increase in provision due to acquisition of a subsidiary company	56,817	-
Add: (Released from) / expense during the year	(167,157)	71,049
Less: Paid during the year	(166,549)	-
Less: Foreign currencies translation	(25,486)	-
Balance – End of the Year	261,880	564,255

14. Loans

This item consists of the following:

	December 31, 2021			December 31, 2020		
	Loans installmens due within one year	Loans installments due within more than one year	Total	Loans installmets due within one year	Loans installments due within more than one year	Total
	JD	JD	JD	JD	JD	
Arab Bank – first loan (a)	-	-	-	923,000	-	923,000
Arab Bank – second loan (b)	283,600	-	283,600	283,600	283,600	567,200
Arab Bank – third loan (c)	1,134,400	1,421,600	2,556,000	1,134,400	2,557,600	3,692,000
Arab Bank – forth loan (d)	-	-	-	300,000	-	300,000
Arab Bank – fifth loan (e)	636,900	-	636,900	1,273,800	636,900	1,910,700
Arab Bank – sixth loan (f)	220,893	170,569	391,462	168,875	84,437	253,312
Arab Bank – seventh loan (g)	-	-	-	144,750	298,731	443,481
Arab Bank – eighth loan (h)	255,240	382,860	638,100	255,240	638,100	893,340
Arab Bank – nineth loan (i)	496,300	1,240,750	1,737,050	496,300	1,737,050	2,233,350
Bank of Jordan - first loan (j)	350,000	1,560,601	1,910,601	-	-	-
Bank of Jordan - second loan (k)	354,500	1,681,269	2,035,769	-	-	-
Bank of Jordan - third loan (l)	66,368	-	66,368	-	-	-
Capital Bank – first loan (m)	275,073	-	275,073	-	-	-
Capital Bank – second loan (n)	416,463	-	416,463	-	-	-
Société General – first loan (o)	46,706	-	46,706	-	-	-
Société General – second loan (p)	425,856	-	425,856	-	-	-
Cairo Amman Bank – first loan (q)	1,875,000	13,125,000	15,000,000	-	-	-
Safa Bank – first loan (r)	625,000	4,375,000	5,000,000	-	-	-
Loans granted to the subsidiary in Turkey (s)	4,085,011	209,630	4,294,641	-	-	-
	11,547,310	24,167,279	35,714,589	4,979,965	6,236,418	11,216,383

a. 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. The Company paid the remaining outstanding loan balance during the year 2021.

b. 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.

c. 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.

d. 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.

e. 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 2.25 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.

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 LIBOR + 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 LIBOR + 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 loan agreement with Bank of Jordan for JD 3,500,000 to finance the Company’s Property, Plants and Equipment’s with an annual interest rate of 7%. This loan was granted by Siniora Food Industries Company – Jordan to be repaid in 20 equal quarterly installments, amount of each installment JD 175,000 for 5 years. The payment of first installment will start after 12 months from the loan execution date on June 30, 2022 which interest is paid monthly.

k. Siniora Food Industries Company - Jordan signed a loan agreement with Bank of Jordan for USD 5 million to complete the Company’s several Capital expenditure with an interest rate of three months LIBOR + 3% minimum limit of 3.25%. This loan was granted by Siniora Food Industries Company – Jordan to be repaid in 20 equal quarterly installments amount of each installment USD 250,000 for 5 years. The payment of first installment will start after 12 months from the loan execution date on June 30, 2022 which interest is paid monthly.

l. The Company signed a revolving loan agreement with Bank of Jordan for JD 300,000 to finance the working capital for Company with an interest rate 8.25%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.

m. The Company signed a revolving loan agreement with Capital Bank for JD 1 million to finance the working capital for Company with an interest rate 7%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.

n. The Company signed a revolving loan agreement with Capital Bank for USD 1 million to finance the working capital for Company with an interest rate of six months LIBOR + 2.25%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.

o. The Company signed a revolving loan agreement with Société General for JD 1.3 million to finance the working capital for Company with an interest rate 7.25%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.

p. The Company signed a revolving loan agreement with Société General for USD 1 million to finance the working capital for Company with an interest rate six months LIBOR + 3%. The loan is guaranteed by Siniora Food Industries Company – Jordan. Each withdrawal from the revolving loan is to be paid by maximum of 150 days from the date of the withdrawal transaction.

q. Siniora Food Industries Company - Palestine signed a loan agreement with Cairo Amman Bank for JD 15,000,000 during the first half of year 2021 to finance acquisition deal of Tarakya Meat Industry Company shares located in Republic of Turkey through Siniora Food Industries - Jordan with an interest rate of (JD Monthly CAB Prime + 1%). 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 Palestine in additions to guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 24 quarterly installments after a grace period of 12 months during which interest is paid, noted that the first installment is due on May 15, 2022.

r. Siniora Food Industries Company - Palestine signed a loan agreement with Safa Bank (Palestine) for JD 5,000,000 during the first half of year 2021 to finance acquisition deal of Tarakya Meat Industry Company shares located in Republic of Turkey through Siniora Food Industries - Jordan with Morabaha 5.5%. 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 Palestine in additions to guaranteed by Siniora Food Industries Company – Jordan. The loan is to be repaid in 24 quarterly installments after a grace period of 12 months during which Morabaha is paid, noted that the first installment is due in May 15, 2022.

s. Tarakya for the Manufacture and Trade of Meat and Dairy Products (Subsidiary Company) obtained several loans totaling 27 loans from several banks in the Republic of Turkey with total value 80.84 million Turkish Liras (Equivalent to JD 4.3 million as of December 31, 2021) to finance working capital of the Company. Interest rates range from 7.5% to 31.5% and the due installment range from February 1, 2022 to September 7, 2023.

The movement for lease obligations during the year 2021 and 2020 were as follows:

	For the year ended December 31,	
	2021	2020
	JD	JD
Beginning balance	11,216,383	15,884,936
Additions due to acquisition of a subsidiary company	6,054,632	-
Borrowed funds	25,314,986	1,095,334
Loans installments paid	(5,111,421)	(5,763,887)
Foreign currencies translation	(1,759,991)	-
Ending balance	35,714,589	11,216,383

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:

	2021	2020
	JD	JD
Balance - beginning of the year	2,987,130	2,525,253
Add: Increase in provision due to acquisition of a Subsidiary company	590,830	-
Add: Additions during the year	486,608	473,557
Less: Paid from the provision	(336,462)	(183,524)
Foreign currency translation	(93,768)	156,833
Actuarial loss	17,299	15,011
Balance – End of the Year	3,651,637	2,987,130

16. Paid-up Capital and Reserves

a. Paid-up Capital

The authorized and paid-up capital amounted to JD 28 million distributed over 28 million shares, with a nominal value of one JD per share, as of December 31, 2021 (27 million shares with a nominal value of one JD per share as of 31 December 2020). The General Assembly approved on April 21, 2020 to increase the paid-up capital from JD 27 million to JD 28 million which equal JD 1 million through transferring the amount from retained earnings and distributed as free shares to shareholders based on their share percentages of the paid-up capital. (The General Assembly approved 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 legal procedures have completed 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 April 21, 2021 to distribute cash dividends by 15% from Company paid in capital amounting to JD 4,050,000 (The General Assembly approved in its ordinary meeting held on June 3, 2020 to distribute cash dividend by 10% from Company's paid in capital amounted to JD 2,500,000).

Retained earnings include an amount of JD 400,656 that is restricted against deferred tax assets as on December 31, 2021, which cannot be utilized through capitalization or distribution unless actually realized, (JD 287,678 as of December 31, 2020).

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".

e. Foreign Currency Translation Differences

This item represents the Company's share of differences resulting from translated and consolidated the financial statements of subsidiary company (Tarakya Company for the Manufacture and Trade of Meat and Dairy Products).

f. Non-controlling interests

This item represents the non-controlling interests of net assets of Trakia Meat and Dairy Products Company (subsidiary company) amounted to 23%.

17. Cost of Sales

This item consists of the following:

	Note	2021	2020
		JD	JD
Finished goods - beginning of the year	7	3,831,190	3,295,708
Finished goods due to acquisition of a Subsidiary company		1,912,432	-
Cost of production *		73,657,941	45,297,739
Cost of Good Available for Sale		79,401,563	48,593,447
Less: Finished goods - end of the year	7	(4,446,468)	(3,831,190)
Cost of Sales		74,955,095	44,762,257

* Cost of production represents the following:

	Note	2021	2020
		JD	JD
Raw materials - beginning of the year	7	6,348,974	5,892,359
Raw material due to acquisition of a subsidiary company		1,217,424	-
Purchases of raw materials and finished inventory during the year		56,763,409	31,932,866
Raw Materials Available for Production		64,329,807	37,825,225
Less: Raw materials - end of the year	7	(8,992,977)	(6,348,974)
Raw Materials Used in Production		55,336,830	31,476,251
Salaries, wages and other employee benefits		7,019,870	4,782,107
Social security		438,663	229,854
Transportation		189,578	135,817
Training		15,957	12,976
Health insurance		460,450	358,005
		8,124,518	5,518,759
Indirect Industrial Expenses:			
Depreciation of property and equipment		2,911,847	2,651,637
Utilities		2,531,662	1,685,887
Maintenance		1,693,815	1,448,884
Storage and transportation of production supplies		711,297	652,903
Rents		590,354	214,464
Insurance expense		211,084	178,681
Tools, uniform and cleaning		320,727	366,198
Damaged goods		182,828	206,671
Staff meals		98,588	75,773
Laboratory tests		154,143	112,529
Security expenses		104,915	60,048
Research and development		9,769	5,250
Others		675,564	643,804
		10,196,593	8,302,729
Cost of Production		73,657,941	45,297,739

18. Selling and Distribution Expenses

This item consists of the following:

	2021	2020
	JD	JD
Salaries, wages, allowances and benefits	4,058,752	2,989,950
Vehicle expenses	1,843,997	1,615,565
Sales commission	1,587,472	1,383,399
Marketing expenses	1,782,420	1,803,600
Depreciation of property and equipment	650,139	646,378
Depreciation of right of use assets	41,407	-
Exports and tenders expenses	463,526	216,835
Social security	239,631	225,825
Insurance	289,162	239,864
Rent	65,043	69,783
Travel and accommodation expenses	501,093	333,044
Communications	79,053	73,063
Maintenance	47,461	-
Utilities	114,314	33,120
Stationery	8,580	8,459
Others	348,444	390,414
	12,120,494	10,029,299

19. General and Administrative Expenses

This item consists of the following:

	2021	2020
	JD	JD
Salaries, wages, allowances and benefits	4,949,781	3,220,246
Professional fees	1,114,632	764,837
Depreciation of property and equipment	378,261	178,390
Insurance	222,096	270,987
Travel, accommodation and transport	196,949	111,946
Utilities	252,252	235,708
APIC expenses *	160,801	160,801
Maintenance	263,911	206,397
Communications	170,380	124,356
Social security	110,127	94,500
Donations	250,733	456,524
Memberships, subscriptions and licenses	154,495	32,177
Vehicle expenses	135,015	37,858
Amortization of intangible assets	97,257	30,650
Depreciation of right of use assets	387,089	251,904
Printing, stationery and computer accessories	62,921	34,327
Trademark registration	85,384	-
Rent	64,921	126,863
Hospitality	60,860	29,081
Bank charges	117,259	98,544
Others	311,889	275,968
	9,547,013	6,742,064

* 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:

	2021	2020
	JD	JD
Interest expense on bank loans	2,519,630	786,125
Interest expense on leasing	72,210	32,278
	2,591,840	818,403

21. Other Revenue and Expenses – Net

This item consists of the following:

	2021	2020
	JD	JD
Gain from foreign currency translations	4,450	55,563
Gain from the sale of property and equipment	72,521	18,615
Board of Directors' remunerations	(45,000)	(35,000)
Board members transportation and representation of committees	(170,500)	(115,000)
Interest revenue from terms deposits	301,037	-
Supply price difference	231,144	-
Rent revenue	47,296	47,296
Other – Net	48,535	31,578
	489,483	3,052

22. Income Tax

a. Income Tax Provision

The movement on the income tax provision is as follows:

	2021	2020
	JD	JD
Balance - beginning of the year	606,634	432,576
Increase in provision due to acquisition of a subsidiary company	65,405	-
Income tax paid	(1,345,755)	(509,180)
Accrued income tax on current year's profit	1,265,742	683,238
Foreign currency translation	19,467	-
Balance – End of the Year	611,493	606,634

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

	2021	2020
	JD	JD
Income tax expense for the year	1,265,742	683,238
Deferred tax assets for the year	(20,811)	(52,324)
Amortization of deferred tax assets	-	16,831
	1,244,931	647,745

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 2020 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 as at December 31, 2021.

- 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 and 2020 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.

- Tarakya for manufacture and Trade of Meat and Dairy Products (Subsidiary Company) has reached a final settlement up to the end of the year 2020.

- Income tax was calculated for the year ended December 31, 2021 in accordance with the effective income tax law, and in the opinion of the management and the tax consultant of the Company, the provision allocated is sufficient to meet any tax obligations and there is no need to an additional provision for the year ended December 31, 2021.

d. Deferred tax assets

This item consists of the following:

	For the Year Ended December 31, 2021						December 31, 2021	December 31, 2020
Included Items	Balance- Beginning of the Year	Increase in provision due to acquisition of a subsidiary company	Released Amounts	Additional Amounts	Foreign currency translation	Balance- End of the Year	Deferred Tax	
Assets	JD	JD	JD	JD	JD	JD	JD	JD
Provision for expected credit losses / Siniora Food Industries Company – Jordan	1,110,291	-	-	147,800	-	1,258,091	75,485	66,617
Provision for expected credit losses / Siniora Food Industries Company – Palestine	44,401	-	-	8,746	-	53,147	3,986	3,330
Provision for expected credit losses / Turkey	-	489,508	(35,199)	-	(194,250)	260,059	52,012	-
Provision for slow-moving inventory / Siniora Food Industries Company – Jordan	904,763	-	-	85,200	-	989,963	59,397	54,286
Provision for end-of-service indemnity / Siniora Food Industries – Palestine	2,179,272	-	(47,900)	366,196	-	2,497,568	193,130	163,445
Provision for end-of-service indemnity / Turkey	-	251,835	(257,899)	183,492	(93,572)	83,856	16,646	
	4,238,727	741,343	(340,998)	791,434	(287,822)	5,142,684	400,656	287,678

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

	2021	2020
	JD	JD
Balance- beginning of the year	287,687	252,185
Increase due to acquisition of subsidiary company	157,086	-
Additions	130,765	52,324
Release	(109,954)	-
Amortization of deferred tax assets	-	(16,831)
Foreign currency translation	(64,928)	-
Balance- End of the Year	400,656	287,678

23. Earnings per Share for the Company's Shareholders

This item consists of the following:

	2021	2020
	JD	JD
Profit for the year	7,818,636	7,073,141
Weighted average number of shares *	28,000,000	28,000,000
Earnings per share for the year relating to the Company's shareholders / basic and diluted	0,28	0,25

* 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, 2021, 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 125,350 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 121,840 as of 31 December 2020).

b. During the year 2021, the Siniora Food Industries Company – Kingdom of Saudi Arabia (subsidiary company) was subject to an audit by Zakat, Tax and Customs Authority in Kingdom of Saudi Arabia in respect of its customs information. The Authority has issued its final audit report claiming additional customs and VAT differences amounting to SAR 4.89 million and SAR 0.25 million, respectively. (which equal to JD 923 thousand and JD 47 thousand respectively) as at December 31, 2021, and based on the opinion of the independent legal and tax opinions and Group management it is reasonably possible to issue a decision in favor of the Company to collection decision in the future and accordingly, no provision for the additional customs claim was provided for the year ended December 31, 2021.

   Subsequent to the date of the consolidated financial statements, a collection and payment order was issued on March 15, 2022 by the Zakat, Tax, and Customs Authority in the Kingdom of Saudi Arabia with an amount of SAR 4.89 million (equivalent to JD 923 thousand), noting that the subsidiary company has the right to object within 30 days from the date of issuing the decision and in the event of the objection, the subsidiary company have to provide a cash or bank guarantee, and in the opinion of the Company's management, this matter does not affect the Company's position, and the objection will be made.

c. There are several lawsuits filed against Tarakya Company for the Manufacture and Trade of Meat and Dairy Products (subsidiary Company) equivalent to JD 152,443. In the opinion of the Company's legal advisor and its management, no obligations will arise from these lawsuits.

d. The Parent Company had contingent liabilities at the date of consolidated statement of financial position, represented in bank guarantees equivalent to JD 118,175 and guaranteed bank withdrawals equivalent to JD 383,641 and unguaranteed bank withdrawals equivalent to JD 445,108 and bills of collection equivalent to JD 729,183 and letter of credit equivalent to JD 86,563. (Bank guarantees equivalent to JD 123,566 and letters of credit equivalent to JD 65,088, bills of collection equivalent to JD 533,568 and unguaranteed bank withdrawals equivalent to JD 384,369 for prior year).

e. 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 432,205 and bills of collection equivalent to JD 109,965. (The Company had contingent liabilities as December 31, 2020 bank guarantees equivalent to JD 426,750 in addition to bills of collection equivalent to JD 46,140).

f. As of December 31, 2021, the value of projects in progress amounted to JD 4,623,933 and the remaining cost of completion to complete the implementation of these projects is estimated to be amounted to JD 3,437,178 and is expected to be completed and to be ready for use by the Group during the first half of 2022. (The estimated completion to complete the implementation of these projects to be amounted to JD 9,591,507 and is expected to be completed during the first half of 2020).

g. The Group had unutilized overdraft and revolving loans limits at the date of the consolidated statement of financial position amounted to JD 13,743,165 (As 31 December 2020, the unutilized overdraft ceiling was JD 8,263,138).

h. Tarakya Company for the Manufacture and Trade of Meat and Dairy Products (subsidiary company) had contingent liabilities at the date of the consolidated statement of financial position, represented in bank guarantees equivalent to JD 569,605 and letter of credit equivalent to JD 882,812.

25. Balances and Transactions with Related Parties

The Company enters into transactions with companies that fall within the definition of a related party as stated in International Accounting Standard No. 24: "Related Party Disclosures". Related parties consist of companies under common ownership and/or joint management and control and key management personnel. Transactions with these related parties were made on substantially the same terms that prevailed at the same time for similar transactions with customers and third parties. Balances and transactions between the Company and its subsidiaries, which are related parties, are eliminated on consolidation and are not disclosed in this note.

Consolidated financial position items:	December 31, 2021		December 31, 2020	
	Receivables	Payables	Receivables	Payables
Consolidated Statement of Financial Position	JD	JD	JD	JD
Unipal General Trading Company *	875,453	-	388,931	-
Arab Shopping Centers Company *	-	-	23,932	-
Medical Supplies and Services Company *	-	-	-	1,063
Palestinian Automobile Company *	-	-	-	220
Employees receivables	107,851	-	108,015	-
SKY Advertising, Publication and Promotion Company *	-	25,540	-	20,826
Arab Palestinian Investment Company **	-	111,564	7,669	-
Arab financial leasing Company *	-	6,391	-	6,547
Al Jihan General Trading *	-	125,930	-	-
Total	983,304	269,425	528,547	28,656

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

	2021		2020	
	Purchases	Sales	Purchases	Sales
Consolidated Statement of profit or loss	JD	JD	JD	JD
Unipal General Trading Company *	-	5,576,198	-	4,797,497
Arab Palestinian Shopping Centers Company *	-	-	15,040	235,329
SKY Advertising, Publication, and Promotion Company*	112,209	-	325,995	-
Arab Palestinian Investment Company **	160,801	-	160,801	-
Arab Financial Leasing Company *	67,071	-	61,555	-
Medical Supplies and Services Company *	-	-	12,822	-
Al Jihan General Trading *	39,388	-		

* A Company owned by the holding company.

** Holding Company.

The salaries of executive management amounted to JD 1,746,686 for the year 2021 (JD 1,402,158 for the year 2020).

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 74% of the total trade receivables as of December 31, 2021, and the group has a concentration in sales, where sales to ten customers amounted to 68% of the total sales for the year 2021. (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,	
	2021	2020
	JD	JD
Current Assets	42,757,113	25,973,001
Less : Current Liabilities	33,836,683	17,910,955
Excess in Working Capital	8,920,430	8,062,046

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	2021	2020
	JD	JD	JD	JD	JD
Net sales	29,562,505	1,021,191	77,986,265	108,569,961	70,960,810
Cost of sales	(19,170,658)	(750,924)	(55,033,513)	(74,955,095)	(44,762,257)
Gross Profit	10,391,847	270,267	22,952,752	33,614,866	26,198,553
Selling and distribution expenses	(4,442,863)	(222,955)	(7,454,676)	(12,120,494)	(10,029,299)
General and administrative expenses	(3,162,436)	(19,781)	(6,364,796)	(9,547,013)	(6,742,064)
Provision for end-of-service indemnity	-	-	(486,608)	(486,608)	(473,557)
Provision for doubtful debts	(147,800)	-	5,508	(142,292)	(245,678)
Provision for slow-moving inventory	(85,200)	-	(21,769)	(106,969)	(100,669)
(Provision) of lawsuit and other commitment provision	164,574	-	2,583	167,157	(71,049)
Income from operations	2,718,122	27,531	8,632,994	11,378,647	8,536,237
Financing expenses	(1,074,722)	-	(1,517,118)	(2,591,840)	(818,403)
Other revenue – net	81,871	-	407,612	489,483	3,052
Profit for the Year before Income Tax	1,725,271	27,531	7,523,488	9,276,290	7,720,886
Income tax expenses	(408,837)	(1,652)	(834,442)	(1,244,931)	(647,745)
Profit for the Year	1,316,434	25,879	6,689,046	8,031,359	7,073,141

			December 31,	
	Inside the Kingdom	Outside the Kingdom	2021	2020
	JD	JD	JD	JD
Total Assets	36,515,526	64,224,160	100,739,686	68,574,932
Total Liabilities	16,046,802	46,287,164	62,333,966	27,611,037

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, 2021 and 2020 according to the currency type:

	December 31, 2021 / Jordanian Dinar							
Assets:	JD	USD	EUR	SAR	AED	TL	Other Currencies	Total
Cash on hand and at banks	330,112	340,897	1,655	288,941	52,160	1,666,932	347,844	3,028,541
Accounts receivable – net	3,905,679	278,242	-	3,055,838	5,075,153	7,311,363	371,469	19,997,744
Inventory – net	5,487,444	388,552	-	669,198	2,860,329	3,045,422	3,272,884	15,723,829
Due from related parties	323,205	-	-	-	-	43,958	616,141	983,304
Other debit balances	814,527	740,123	58,173	96,455	572,359	302,192	439,866	3,023,695
Deferred tax assets	53,596	278,020	-	-	-	69,040	-	400,656
Intangible assets	1,663,546	303,469	-	-	4,397,541	7,032,894	-	13,397,450
Property and equipment - net	18,350,112	14,538,487	-	1,724,776	4,135,773	4,388,387	124,130	43,261,665
Right of use assets	-	-	-	65,381	-	265,899	591,522	922,802
	30,928,221	16,867,790	59,828	5,900,589	17,093,315	24,126,087	5,763,856	100,739,686
Liabilities								
Due to banks	-	3,322,187	-	-	-	-	1,163,249	4,485,436
Notes payable	121,452	142,004	-	-	-	-	1,335,587	1,599,043
Accounts payable	1,411,971	1,860,309	686,012	108,522	1,054,321	2,488,205	737,575	8,346,915
Due to related parties	125,930	-	-	-	-	-	143,495	269,425
Deposits and accrued expenses	1,973,629	815,662	-	1,203,435	1,527,978	391,380	576,055	6,488,139
Lease liability	285,442	356,276	-	71,166	-	281,359	173,046	1,167,289
Bank loans	473,779	-	-	96,999	-	23,834	16,881	611,493
Income tax provision	21,864,105	8,225,369	-	-	1,028,928	4,596,187	-	35,714,589
Provision for employees end- of-service indemnity	39,112	-	-	280,435	565,782	265,236	2,501,072	3,651,637
	26,295,420	14,721,807	686,012	1,760,557	4,177,009	8,046,201	6,646,960	62,333,966
Net Position	4,632,801	2,145,983	626,184	4,140,032	12,916,306	16,079,886	(883,104)	38,405,720

	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	450,016	4,935,214
Lease liability	272,347	383,330	-	98,410	-	-	754,087
Bank loans	-	8,606,293	-	-	2,610,890	-	11,216,383
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
	4,765,069	11,222,175	625,914	1,479,902	5,145,367	4,371,180	27,611,037
Net Position	26,003,478	455,901	(613,711)	3,588,428	10,532,095	997,504	40,963,895

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 2021		Sensitivity Analysis for the year 2020	
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	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
(402,000)	402,000	(123,286)	123,286

Foreign Currency Risk

The sensitivity analysis for the year 2021 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	(31,309)	31,309
Turkish Lira - TL	(803,994)	803,994
Other currencies	44,155	(44,155)

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)

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 9, 2022 to the General Assembly to distribute cash dividends by 17% of the Company paid-up capital which is equivalent to JD 4,760,000.

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.