Translation from Arabic

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate interim financial statements
For the financial period ended
30 September 2019
and review report

KPMG Hazem Hassan
Public Accountants & Consultancies
B(105) – Avenue (2) –Smart Village
Km 28 Cairo-Alex Desert Road
Giza- Cairo – Egypt

Mohamed Hilal – Grant Thornton
Public Accountants
A member of Grant Thornton international
87 Ramses St., Cairo

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Report on Limited Review of interim Separate Financial Statements

To: The members of board of directors of Juhayna Food Industries S.A.E

Introduction

We have performed a limited review for the accompanying separate statement of financial position of Juhayna Food Industries S.A.E, as of 30 September 2019 and the related separate statements of income, comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 September 2019, and of its financial performance and its cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

Hatem Montasser
KPMG Hazem Hassan
Public Accountants & Consultants

KPMG Hazem Hassan
Public Accountants and Consultants
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Hossam Hilal
Hossam Hilal
Mohamed Hilal – Grant Thornton

Grant Thornton - Mohamed Hilal
Public Accountants
The Egyptian Member Firm of
Grant Thornton International

Cairo, Oct. 24, 2019
Samir Abz.

Juhayna Food Industries

(An Egyptian Joint Stock Company)

Translated from Arabic

Separate interim Statement of financial position

As of 30 September 2019

	Note no.	30/9/2019 L.E.	31/12/2018 L.E. Restated
Assets			
Non-current assets			
Property, plant and equipment	(12)	159 386 222	165 334 206
Investment in subsidiaries and under joint control companies	(13-1)، (13-2)	2 253 491 193	2 253 491 193
Paid on account of investment	(13-4)	50 000 000	50 000 000
Projects under construction	(14)	1 768 778	123 068
Total non-current assets		**2 464 646 193**	**2 468 948 467**
Current assets			
Debtors and other debit balances	(17)	6 905 644	8 733 955
Due from related parties	(29-1)	146 989 114	245 411 747
Cash at banks and on hand	(18)	1 602 671	1 865 349
Total current assets		**155 497 429**	**256 011 051**
Total assets		**2 620 143 622**	**2 724 959 518**
Equity			
Issued and paid up capital	(19)	941 405 082	941 405 082
Legal reserve		421 358 503	406 271 820
General reserve - share issuance premium	(19-1)	330 920 428	330 920 428
Retained earnings		722 723 134	850 717 791
Total equity		**2 416 407 147**	**2 529 315 121**
Non-current liabilities			
Lease contract liabilities	(27-1)	91 429 999	101 587 848
Deferred tax liabilities	(25)	4 081 496	2 620 561
Other liabilities	(24)	102 282	204 565
Total non-current liabilities		**95 613 777**	**104 412 974**
Current liabilities			
Provisions	(22)	1 949 004	4 416 147
Credit facilities	(21)	69 459 514	63 498 509
Suppliers and other credit balances	(23)	17 032 237	20 312 911
Due to related parties	(29-2)	19 224 583	-
Income tax Liabilities		457 360	3 003 856
Total current liabilities		**108 122 698**	**91 231 423**
Total liabilities		**203 736 475**	**195 644 397**
Total equity and liabilities		**2 620 143 622**	**2 724 959 518**

The notes from no. (1) to no.(32) are an integral part of these separate financial statements and should be read there to.

Financial sector deputy Manager	Chief Financial Officer	Chairman
Hany Shaker	Sameh El-hodaiby	Safwan Thabet

Cairo,24 October 2019

"Limited Review report attached"

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate interim statement of profit or loss
For the financial period ended 30 September 2019

Translated from Arabic

	Note no.	Financial period From 1/1/2019 To 30/9/2019 L.E	Financial period From 1/1/2018 To 30/9/2018 L.E Restated	Financial period From 1/7/2019 To 30/9/2019 L.E	Financial period From 1/7/2018 To 30/9/2018 L.E Restated
Revenue from Investment in subsidaries	(5)	154 914 900	99 933 100	-	-
Other revenue	(6)	2 890 696	2 154 226	1 434 443	671 094
General and administrative expenses	(7)	(3 143 284)	(2 988 452)	(671 977)	(644 398)
Other Operating expenses	(9)	(1 921 604)	(169 408)	(317 970)	(169 408)
Gain (loss) from operating activities		**152 740 708**	**98 929 466**	**444 496**	**(142 712)**
Net finance expenses	(11)	(16 776 120)	(18 472 619)	(4 571 639)	(6 111 577)
Net profit (loss) for the period before income tax		**135 964 588**	**80 456 847**	**(4 127 143)**	**(6 254 289)**
Income tax	(15)	(8 203 105)	(4 996 655)	717 042	-
Deferred tax	(25 ,15)	(1 460 935)	(866 830)	(728 708)	(391 265)
Net profit (loss) for the period after tax		**126 300 548**	**74 593 362**	**(4 138 809)**	**(6 645 554)**
Earning / (loss) per share for the period (L.E /share)	(20)	0.134	0.079	(0.004)	(0.007)

The notes from no. (1) to no.(32) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate interim statement of other comprehensive income
For the financial period ended 30 September 2019

Translated from Arabic

	Financial period From 1/1/2019 To 30/9/2019 L.E	Financial period From 1/1/2018 To 30/9/2018 L.E Restated	Financial period From 1/7/2019 To 30/9/2019 L.E	Financial period From 1/7/2018 To 30/9/2018 L.E Restated
Net profit (loss) for the period after tax	126 300 548	74 593 362	(4 138 809)	(6 645 554)
Total comprehensive income for the period	**126 300 548**	**74 593 362**	**(4 138 809)**	**(6 645 554)**

The notes from no. (1) to no.(32) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Separate interim statement of changes in equity
For the financial period ended 30 September 2019

	Note no.	Issued & paid up capital	Legal Reserve	General reserve-issuance premium	Retained earnings	Total
		L.E.	L.E.	L.E.	L.E.	L.E.
Balance as of 1 January 2018 before adjustments		941 405 082	398 204 287	330 920 428	653 401 492	2 323 931 289
Adjustments for finance lease contracts	(32)	-	940 595	-	17 871 308	18 811 903
Balance as of 1 January 2018 after restatement		941 405 082	399 144 882	330 920 428	671 272 800	2 342 743 192
Legal reserve formed		-	7 126 938	-	(7 126 938)	-
Dividends to shareholders		-	-	-	(94 140 508)	(94 140 508)
Dividends to employees and board of directors		-	-	-	(21 021 220)	(21 021 220)
Total comprehensive income for the financial period ended 30 September 2018		-	-	-	74 593 362	74 593 362
Balance as of 30 September 2018		941 405 082	406 271 820	330 920 428	623 577 496	2 302 174 826
Balance as of 1 January 2019		941 405 082	406 271 820	330 920 428	850 717 791	2 529 315 121
Legal reserve formed		-	15 086 683	-	(15 086 683)	-
Dividends to shareholders		-	-	-	(188 281 016)	(188 281 016)
Dividends to employees and board of directors		-	-	-	(50 927 506)	(50 927 506)
Total comprehensive income for the financial period ended 30 September 2019		-	-	-	126 300 548	126 300 548
Balance as of 30 September 2019		941 405 082	421 358 503	330 920 428	722 723 134	2 416 407 147

The notes from no. (1) to no.(32) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries

(An Egyptian Joint Stock Company)

Translated from Arabic

Separate interim statement of cash flows

For the financial period ended 30 September 2019

	Note no.	Financial period From 1/1/2019 To 30/9/2019 L.E.	Financial period From 1/1/2018 To 30/9/2018 L.E. Restated
Cash flows from operating activities			
Net profit for the period before income tax		135 964 588	80 456 847
Adjustments for the period :			
PP&E depreciation	(12)	6 703 905	8 431 647
Capital gain from sale of fixed assets	(6)	(786 254)	(11 094)
Impairment of other debit balances	(9)	1 187 615	-
Provision for claims	(22)	315 000	-
Forex loss / (gain)		802 360	(738 865)
Credit interests		(417 312)	(87 315)
Finance interests and expenses		25 076 122	36 660 289
		168 846 024	124 711 509
Changes in:			
Debtors and other debit balances	(17)	640 696	(1 096 694)
Due from related parties	(29-1)	98 422 633	(7 328 040)
Suppliers and other credit balances	(23)	(5 483 363)	(19 912 296)
Provisions used	(22)	(2 782 143)	(83 853)
Due to related parties	(29-2)	19 224 583	6 651 728
		278 868 430	102 942 354
Collected credit interest		417 312	87 315
Finance expenses paid		(25 076 122)	(36 660 289)
Dividend paid to board of directors and employees		(50 927 506)	(21 021 220)
Tax paid		(10 749 601)	-
Net cash flows result from operating activities		192 532 513	45 348 160
Cash flows from investing activities			
Acquisition of PP&E and projects under construction		(2 401 631)	(737 448)
Proceeds from sale of fixed assets		786 254	11 094
Net cash flows (used in) investing activities		(1 615 377)	(726 354)
Cash flows from financing activities			
Collected from bank facilities	(21)	5 961 005	52 575 941
Payment of finance lease liability	(27-1)	(8 057 443)	(4 458 562)
Divideneds paid to shareholders		(188 281 016)	(94 140 508)
Net cash flows (used in) financing activities		(190 377 454)	(46 023 129)
Net change in cash and cash equivalents during the period		539 682	(1 401 323)
Net change in foreign currency		(802 360)	738 865
Cash at banks and on hand at 1 January		1 865 349	(1 450 983)
Cash at banks and on hand at 30 September	(18)	1 602 671	(2 113 441)

The notes from no. (1) to no.(32) are an integral part of these separate financial statements and should be read there to.

Juhayna Food Industries
(An Egyptian Joint Stock Company)
Notes to the separate interim financial statements
For the financial period ended 30 September 2019

1 Reporting the entity

The Company was established in 1995 according to the Investment Law No.(230) of 1989 as replaced by the investment incentives and guarantees law No. (8) of 1997 and the decree of the Minister of Economic and Foreign Trade No. 636 of 1994 approving the Company's establishment. The Company was registered in the commercial registry under No. 100994 on 10/1/1995. Company's period is 50 years starting from the date of registration in the commercial registry.

The address of the Company's registered office is Building no.2, Polygon, Sodic West, Sheikh Zayed, Giza.

Mr. Safwan Thabet is the Chairman of the Board of Directors.

The Company is considered a holding Company.

The Company's purpose

The Company primarily is involved in producing, manufacturing, packaging and packing of all types of dairy, products and all its derivatives, all types of cheeses, fruit juices, drinks and frozen material, preparing, manufacturing, packaging and packing all types of food materials and in general manufacturing of agriculture products.

Registration in the Stock Exchange

The Company is listed in the Egyptian Stock Exchanges list (1).

2 Basis of preparation

2-1 Statement of compliance

The financial statements have been prepared in accordance with Egyptian Accounting Standards ("EAS"), and in the light of prevailing Egyptian laws.

The financial statements were authorized for issue by the Board of Directors on 24 October 2019.

2-2 Basis of measurement

- The separate financial statements have been prepared on the historical cost basis except for the following material items in the balance sheet.
- Non-derivative financial liabilities at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in (Note 4).

2-3 Functional and presentation currency

These financial statements are presented in Egyptian pound, which is the Company's functional currency.

2-4 Use of estimates and judgments

The preparation of financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised and in any future periods affected.
Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Accounting policy no (3-6) : lease contract.

Information about assumptions and estimation uncertainties that have a significant risk resulting in a material adjustment within the next financial statements are included in the following notes:

- Note (17) : impairment of trade and notes receivable.
- Note (22) : provisions
- Note (25) : deferred tax liabilities and assets

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3-1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3-2 Investment

3-2-1 Investment in subsidiary companies

Subsidiaries are those entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Investments in subsidiaries are carried in the balance sheet at cost, less any impairment in the value of individual investments which is charged to the income statement.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

3-2-2 Investment under joint control

The companies under joint control are companies that practice a joint control on the investee company, the investments under joint control are carried in the balance sheet at cost, less any impairment in the value of individual investments which is charged to the income statement.
An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, if no impairment loss had been recognized.

3-3 Financial instruments

Non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non – derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for sale financial assets.

Cash at banks and on hand

Cash at banks and on hand comprise cash balances and call deposits with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Company in the management of its short-term commitments.

Non-derivative financial liabilities

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated as at fair value through profit or loss) are recognized initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

The Company classifies non – derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at the fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables. Generally, trade payables are recorded at their nominal value.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash at banks and on hand for the purpose of the statement of cash flows.

3-4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses (Note 12).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labor, any other costs directly attributable to bringing the asset to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain and loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and is recognized net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Land is not depreciated.
The estimated useful lives for the current and comparative periods are as follows:

Description	Estimated useful life (Years)
Buildings & Construction	50
Transportation & Transport Vehicles	5
Tools	6-7
Office equipment & Furniture	10
Computers	3

Depreciation commences when the fixed asset is completed and made available for use.
Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3-5 Projects under construction

Expenditures incurred on purchasing and constructing fixed assets are initially recorded in projects under construction until the asset is completed and becomes ready for use. Upon the completion of the assets, all related costs are transferred to fixed assets. Projects under construction are measured at cost less accumulated impairment losses (Note 14). No depreciation is charged until the project is completed and transferred to fixed asset

3-6 Lease contracts

Operating lease contracts

- Leases are classified as operating leases. The costs in respect of operating leases are charged on a straight-line basis over the lease term. The value of any lease incentive received to take on an operating lease (for example, rent-free periods) is recognized as deferred income and is released over the life of the lease.

Sale and lease back

- If the entity (the lessee) transfers the asset to the other entity (the lessor) and leased back the asset, the entity must determine whether the asset is being accounted for sales transaction or not.

- **In case of the transfer of asset is not sales transaction:**
The lessee must continue to recognize the transferred asset and must recognize a financial liability equal to the proceeds of the transfer.

3-7 Impairment

Non –derivative financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives, the recoverable amount is tested annually for impairment.

An impairment loss is recognized if the carrying amount of an asset or cash – generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

Impairment losses are recognized in profit or loss. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3-8 Advantages of pensions

The company pays contributions to the General Authority for Social Insurance for the employees of the company, according to the Social Insurance Law No. (79) of 1975. According to this law, the employees and the company paid fixed subscriptions rate from the salary. The company is under no obligation to pay any further obligations other than the value of the previous mentioned subscriptions.

3-9 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

3-10 Revenue

Revenue dividends from subsidiaries

Revenue dividends from subsidiaries is recognized when the holders of shares have the right to collect dividends and dividend income received from investments is recognized in profit or loss on the date of collection

Rental income

Rental income from other assets is recognized in other income.

3-11 Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Finance costs comprise interest expense on borrowings, fair value losses on financial assets at fair value through profit or loss, impairment losses recognized on financial assets.
Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognized in profit or loss using the effective interest method.
Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3-12 Income tax

Income tax on profit or loss for the period includes both current income tax and deferred tax.

Current income tax:

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly on equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax:

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3-13 Legal reserve

According to the Companies Law requirements and the statutes of the Company, 5% of the annual net profit shall be transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital. The reserve is un-distributable; however, it can be used to increase the share capital or

to offset losses. If the reserve falls below the defined level (50% of the issued share capital), than the Company is required to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital.

3-14 End of service benefits

End of service benefits are recognized as an expense when the company is committed clearly-without having the possibility of cancellation – a formal detailed plan to either finish the work before the normal retirement date or to provide end of service benefits as a result of resignations (voluntary) left the work voluntary according to law (12) of 2003 and related Egyptian Lows and policies approved and declared by the company.

If the bonus is payable for a period of more than 12 months after the date of preparation of the financial statements, they is reduced to their present value.

3-15 Transactions with related parties:

The company records all transactions with the related parties in the context of their regular accounting and as per the conditions established by the board of directors, applying the same principles for dealing with others.

3-16 New Accounting Standards & Restated

On 18 March 2019, the Minister of Investment and International Cooperation introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. (110) of 2015 , which include some new accounting standards as well as introducing amendments to certain existing standards. The most prominent amendments are as follows:

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
The new Egyptian Accounting Standard No. (47) "Financial Instruments"	1- The new Egyptian Accounting Standard No. (47), "Financial Instruments", supersedes the corresponding related issues included in the Egyptian Accounting Standard No. (26), "Financial Instruments: Recognition and Measurement". Accordingly, Egyptian Accounting Standard No. 26 was amended and reissued after cancelling the paragraphs pertaining to the issues addressed in the new Standard No. (47) and the scope of the amended Standard No. (26) was specified and intended to deal only with limited cases of Hedge Accounting according to the choice of the enterprise. 2- Pursuant to the requirements of the Standard, financial assets are classified based on their measurement whether at amortized cost, or fair value through other comprehensive income or at fair value through profit or loss, in accordance with the enterprise business model for managing financial	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard applies to financial periods beginning on or after January1st, 2020, and the early implementation thereof is permitted; provided that the amended Egyptian Accounting Standards (1), (25), (26) and (40) are simultaneously applied.

	assets and the contractual cash flow characteristics of the financial asset. 3- When measuring the impairment of financial assets the Incurred Loss Model is replaced by the Expected Credit Loss (ECL) Models, which requires measuring the impairment of all financial assets measured at amortized cost and financial instruments measured at fair value through other comprehensive income from their initial recognition date regardless whether there is any indication of the occurrence of loss event. 4- Based on the requirements of this standard the following standards were amended : Egyptian Accounting Standard No. (1)"Presentation of Financial Statements" as amended in 2019 Egyptian Accounting Standard No. (4) -"Statement of Cash Flows". Egyptian Accounting Standard No. (25) - "Financial Instruments: Presentation. Egyptian Accounting Standard No. (26) - "Financial Instruments: Recognition and Measurement". Egyptian Accounting Standard - EAS No. (40) - "Financial Instruments: Disclosures"		-These ammendments are effective as of the date of implementing Standard No. (47)
The new Egyptian Accounting Standard No. (48) "Revenue from-Contracts with Customers"	1- The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers" shall supersed the following standards and accordingly such standards shall be deemed null and void. 2- Egyptian Accounting Standard No. (8) - "Construction Contracts" as amended in 2015. Egyptian Accounting Standard No. (11) – "Revenue" as amended in 2015. For revenue recognition, Control Model is used instead of Risk and Rewards Model. 3- incremental costs of obtaining a contract with a customer are recognized as an asset if the enterprise expects to recover those costs and the costs of fulfilling the contract are to be recognized as an asset when certain conditions are met 4- the standard requires that contract must have a commercial substance in order for revenue to be recognized 5- Expanding presentation and disclosure requirements	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	Standard No(48) applies to financial periods beginning on or after January1st, 2020, and the early implementation thereof is permitted
The new Egyptian Accounting Standard No. (49) "Lease Contracts	1- The new Egyptian Accounting Standard No. (49) "Lease Contracts" shall supersed Standard No. (20), "Accounting Rules and Standards related to Financial Leasing" issued in 2015 2- The Standard introduces a single accounting model for the lessor and the lessee where the lessee recognizes the usufruct of the leased asset as part of the company's assets and recognizes a liability that represents the present value of the unpaid lease payments under the company's liabilities, taking into account that the lease contracts are not classified in respect of the lessee as operating one or finance lease contracts .	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements. The disclosure no. (32) represent the adjustments of applying the new accounting standard no. (49).	This standard No. (49) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted if Egyptian Accounting

	3- As for the lessor, he shall classify each lease contract either as an operating lease or a finance lease contract. 4- As for the finance lease, the lessor must recognize the assets held under a finance lease contract in the Statement of Financial Position and present them as receivable with an amount equivalent to the amount of the net investment in the lease contract . 5- As for operating leases, the lessor must recognize the lease payments of operating lease contracts as income either based on the straight-line method or based on any other regular basis.		Standard No. (48) "Revenue from Contracts with Customers" is simultaneously applied. Except for the above-mentioned date of enforcement, Standard No. (49) applies to lease contracts that were subject to Finance Lease Law No. 95 of 1995 and its amendments and were treated according to Egyptian Accounting Standard No. 20,"Accounting rules and standards related to financial leasing " as well as the finance lease contracts that arise under and are subjected to Law No. 176 of 2018 to the effect of regulating both financial leasing and factoring activities starting from the beginning of the annual reporting period in which Law No. (95) of 1995 was cancelled and Law No. (176) of 2018 was issued.
Egyptian Accounting Standard No. (38) as ammended " Employees Benefits "	Anumber of paragraphs were introduced and amended in order to amend the Accounting Rules of Settlements and Curtailments of Benefit Plans	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard No. (38) applies to financial periods beginning on or after January 1st, 2020, and the

			early implementation thereof is permitted.
Egyptian Accounting Standard No. (42) as ammended " Consolidated Financial Statements"	Some paragraphs related to the exclusion of the Investment Entities from the consolidation process were added . This amendment has resulted in introducing an amendment to some of the standards related to the subject of the Investment Entities. The standards that were ammended are as follows: - (EAS 15) Related Party Disclosures - (ESA 17)Consolidated and Separate Financial Statements - (EAS 18) Investments in Associates - (EAS 24) Income Taxes - (EAS 29)Business Combinations - EAS (30) Periodical Financial Statements - EAS (44) Disclosure of Interests in Other Entities.	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard applies to financial periods beginning on or after January 1st, 2020, and the early adoption is permitted. -The new or amended paragraphs pertaining to the amended standards concerning the investment entities shall apply on the effective date of Egyptian Accounting Standard No. (42) "Consolidated Financial Statements", as amended and issued in 2019
Egyptian Accounting Standard No. (22) as ammended " Earnings per Share	The scope of implementaion of the Standard was amended to be applied to the separate, or consolidated financial statements issued to all enterprises.	The amendment of the standard on the financial statements is implemented.	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.
Egyptian Accounting Standard No. (4) as ammended " Statemnet of Cash Flows"	This standard requires the entity to provide disclosures that enable users of the financial statements to assess changes in liabilities arising from finance activities, including both changes arising from cash flows or non-cash flows .	The amendment of the standard on the financial statements is implemented.	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.

4- Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non- financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Financial asset values are determined at the current purchase prices of those assets, while the value of financial liabilities is determined at the current rates at which such liabilities can be settled.

In the absence of an active market to determine the fair value of financial instruments, fair value is estimated using the various valuation techniques, taking into consideration recent transaction prices, and guidance on the current fair value of other instruments that are substantially similar - discounted cash flow method or other valuation method Results in reliable values.

When using deductible cash flow method as a revaluation method, the future cash flows are estimated on the base of the best estimates for the management. The used discount rate is determined according to the price at reporting date for the same financial instruments of its nature and activities.

Wherever possible, additional disclosures about the assumptions used in determining fair value are disclosed in the notes to these assets and liabilities.

4-1 Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

5 Revenue from Investment in subsidiaries

	Financial period from 1/1/2019 To 30/9/2019	Financial period from 1/1/2018 To 30/9/2018	Financial period From 1/7/2019 To 30/9/2019	Financial period From 1/7/2018 To 30/9/2018
	L.E	L.E	L.E	L.E
Egyptian Company for Dairy Products	39 996 000	11 998 800	-	-
Egyptian Company for Food Industries (Egyfood)	31 993 600	20 995 800	-	-
Tiba for Trading and Distribution	-	11 988 000	-	-
Al-Marwa for Food Industries	82 925 300	54 950 500	-	-
	154 914 900	**99 933 100**	-	-
Less: tax on investment revenue	(7 745 745)	(4 996 655)	-	-
Total	**147 169 155**	**94 936 445**	-	-

6 Other revenue

	Financial period from 1/1/2019 to 30/9/2019 L.E	Financial period from 1/1/2018 to 30/9/2018 L.E	Financial period from 1/7/2019 to 30/9/2019 L.E	Financial period from 1/7/2018 to 30/9/2018 L.E
Income from rental assets to subsidiaries	1 980 000	1 980 000	660 000	660 000
Capital gain	786 254	11 094	650 001	11 094
Refund service fees	124 442	163 132	124 442	-
	2 890 696	**2 154 226**	**1 434 443**	**671 094**

7 General and administrative expenses

	Financial period from 1/1/2019 to 30/9/2019 L.E	Financial period from 1/1/2018 to 30/9/2018 L.E	Financial period from 1/7/2019 to 30/9/2019 L.E	Financial period from 1/7/2018 to 30/9/2018 L.E
Personnel expenses	47 526 779	42 507 527	16 637 354	14 366 550
Depreciation expense	6 714 597	8 431 647	1 914 539	2 758 445
Subscription fees and licenses	470 381	657 583	162 034	88 146
Other administrative expense	11 215 882	7 217 843	3 306 350	2 051 117
Expense charged to subsidiaries*	(62 784 355)	(55 826 148)	(21 348 300)	(18 619 860)
	3 143 284	**2 988 452**	**671 977**	**644 398**

* The amount L.E 62 784 355 of general and administrative expenses was deducted and charged to subsidiaries (note 31).

8 Board of Directors remunerations

	Financial period from 1/1/2019 to 30/9/2019 L.E	Financial period from 1/1/2018 to 30/9/2018 L.E	Financial period from 1/7/2019 to 30/9/2019 L.E	Financial period from 1/7/2018 to 30/9/2018 L.E
Board of directors remunerations	885 000	330 000	525 000	105 000
Expense charged to subsidiaries*	(885 000)	(330 000)	(525 000)	(105 000)
	-	-	-	-

* The amount of board directors' remunerations on 30 September 2019 L.E 885 000 (against amount L.E 330 000 as of 30 September 2018) was deducted and distributed to subsidiaries (note 31).

9 Other operating expenses

	Financial period from 1/1/2019 to 30/9/2019 L.E	Financial period from 1/1/2018 to 30/9/2018 L.E	Financial period from 1/7/2019 to 30/9/2019 L.E	Financial period from 1/7/2018 to 30/9/2018 L.E
Impairment of debit balances	1 187 615	-	-	-
Provision for claims	315 000	-	315 000	-
Property tax	166 564	169 408	-	169 408
Health insurance contribution	252 425	-	2 970	-
	1 921 604	**169 408**	**317 970**	**169 408**

10 End of Service Cost

	Financial period from 1/1/2019 to 30/9/2019 L.E	Financial period from 1/1/2018 to 30/9/2018 L.E	Financial period from 1/7/2019 to 30/9/2019 L.E	Financial period from 1/7/2018 to 30/9/2018 L.E
End of service	1 462 892	129 767	-	1 200
Expense charged to subsidiaries*	(1 462 892)	(129 767)	-	(1 200)
	-	-	-	-

* The amount LE 1 462 892 of the end of service was deducted and charged to subsidiaries (note 31).

11 Net finance expenses

	Financial period from 1/1/2019 to 30/9/2019 L.E	Financial period from 1/1/2018 to 30/9/2018 L.E	Financial period from 1/7/2019 to 30/9/2019 L.E	Financial period from 1/7/2018 to 30/9/2018 L.E
Interest expense	(25 076 122)	(36 660 289)	(7 471 940)	(12 678 305)
Interest income	417 312	87 315	34 254	30 263
Foreign currency exchange	(802 360)	738 865	(20 468)	(1 618)
Expenses Charged to subsidiary companies*	8 685 050	17 361 490	2 886 515	6 538 083
	(16 776 120)	**(18 472 619)**	**(4 571 639)**	**(6 111 577)**

*The amount of L.E 8 685 050 of finance expenses was deducted and charged to subsidiaries (note 31).

12-Property, plant, and equipment

Description	Land*	Buildings & constructions	Building and construction result from lease contract	Machinery & equipments	Transportation & transport vehicles	Tools	Office furniture & equipments	Computers	Total
	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.	L.E.
Cost as of 1/1/2018	1 557 594	111 973 490	-	1 160 409	5 625 826	4 353 045	3 588 402	61 357 195	189 615 961
Adjustments from lease contract (note 32)	11 680 388	-	44 387 809	-	-	-	-	-	56 068 197
	13 237 982	111 973 490	44 387 809	1 160 409	5 625 826	4 353 045	3 588 402	61 357 195	245 684 158
Additions during the year	-	-	-	-	-	99 600	1 961 645	565 065	2 626 310
Disposals during the year	-	-	-	-	(105 000)	-	-	(53 809)	(158 809)
Cost as of 31/12/2018	13 237 982	111 973 490	44 387 809	1 160 409	5 520 826	4 452 645	5 550 047	61 868 451	248 151 659
Additions during the period	-	49 305	-	-	-	-	15 008	691 608	755 921
Disposals during the period	-	-	-	-	(932 687)	-	-	(9 997)	(942 684)
Cost as of 30/9/2019	13 237 982	112 022 795	44 387 809	1 160 409	4 588 139	4 452 645	5 565 055	62 550 062	247 964 896
Accumlated depreciation as of 1/1/2018 before adjustments	-	418 332	-	1 160 409	4 853 152	4 342 250	2 561 577	49 573 277	62 908 997
Adjustments from lease contract	-	-	8 877 562	-	-	-	-	-	8 877 562
Accumulated depreciation as of 1/1/2018	-	418 332	8 877 562	1 160 409	4 853 152	4 342 250	2 561 577	49 573 277	71 786 559
Depreciation for the year	-	2 239 470	887 756	-	478 545	8 228	229 601	7 338 322	11 181 922
Depreciation of disposals	-	-		-	(105 000)		-	(46 028)	(151 028)
Accumulated depreciation as of 31/12/2018	-	2 657 802	9 765 318	1 160 409	5 226 697	4 350 478	2 791 178	56 865 571	82 817 453
Depreciation of the period	-	1 680 095	665 818	-	234 604	13 067	241 085	3 869 236	6 703 905
Depreciation of disposals	-	-	-	-	(932 687)	-	-	(9 997)	(942 684)
Accumulated depreciation as of 30/9/2019	-	4 337 897	10 431 136	1 160 409	4 528 614	4 363 545	3 032 263	60 724 810	88 578 674
Net book value as of 30/9/2019	13 237 982	107 684 898	33 956 673	-	59 525	89 100	2 532 792	1 825 252	159 386 222
Net book value as of 31/12/2018	13 237 982	109 315 688	34 622 491	-	294 129	102 167	2 758 869	5 002 880	165 334 206

- The cost of fully depreciated assets and still in use amounted to L.E.63 186 269 as of 30 Septmeber 2019.

* The land item amounted to L.E 13 237 982 on 30/9/2019 include amount of L.E 1 367 244 representing the not registered land in Marsa Allam thus procedures of registering the land are in progress and include amount of L.E 11 680 388 representing the not registered land in Crazy water Axis thus procedures of registering the land are in progress

13- Investments

Name of the investee company	Legal entity	Number of purchased shares	Participation percentage	Nominal value per share	Total Nominal value	Percentage paid	Total investment cost	Impairment in the value of investment as at	Net Investment	Net Investment
							30/09/2019	30/09/2019	30/09/2019	31/12/2018
			%	L.E.	L.E.	%	L.E.	L.E.	L.E.	L.E.
(13-1) Investment in subsidiary companies										
Egyptian Company for Dairy Products	SAE	2 999 700	99.99	100	299 970 000	100	359 911 533	-	359 911 533	359 911 533
International Company For Modern Food Industries	SAE	4 999 500	99.99	100	499 950 000	100	499 950 000	-	499 950 000	499 950 000
The Egyptian Company For Food Industries "Egyfood"	SAE	499 908	99.98	1 000	499 908 000	80	386 893 852	-	386 893 852	386 893 852
Tiba for Trading and Distributing	SAE	1 998 000	99.9	100	199 800 000	100	199 800 000	-	199 800 000	199 800 000
Al-Marwa for Food industries	SAE	9 991 000	99.91	10	99 910 000	100	196 815 808	-	196 815 808	196 815 808
Enmaa for Agriculture Development Co. and biological wealth	SAE	5 999 700	99.995	100	599 970 000	100	599 970 000	-	599 970 000	599 970 000
(13-2) Investment in subsidiary and under joint control companies										
Arju For Food Industries	SAE	1 015 000	50.75	10	10 150 000	100	10 150 000	-	10 150 000	10 150 000
Balance as at 30 September 2019					2 209 658 000		2 253 491 193	-	2 253 491 193	2 253 491 193
(13-3) Investments available for sale										
Egyptian for Trading and Marketing	SAE	1 000	0.54	100	100 000	100	100 000	(100 000)	-	-
Balance as at 30 September 2019					100 000		100 000	(100 000)	-	-
(13-4) Down payment for investment										
Tiba for Trading and Distributing	SAE	1 000 000	99.9	100	100 000 000	50	99 900 000	-	50 000 000	50 000 000
Balance as at 30 September 2019					100 000 000		99 900 000	-	50 000 000	50 000 000

- Juhayna Food Industries is committed to retain at least 75.1 % of the Egyptian Company for Food Industries (Egyfood) capital, according to the terms of the loan agreement between CIB and the Egyptian Company for Food Industries (Egyfood).
- Juhayna Food Industries is committed to retain at least 75.1 % of International Company for Modern Food Industries capital, according to the terms of the loan agreement between CIB and International Company for Modern Food Industries.
- Juhayna Food Industries is committed to retain at least 75.1 % of Egyptian Company for Dairy products capital, according to the terms of the loan agreement between CIB and Egyptian Company for Dairy products.

14 Projects under constructions

	30/9/2019 L.E.	31/12/2018 L.E.
Advance payments for purchase of fixed Assets	294 626	123 068
Software programs	1 474 152	-
	1 768 778	**123 068**

15 Income tax expenses

	Financial period from 1/1/2019 to 30/9/2019 L.E	Financial period from 1/1/2018 to 30/9/2018 L.E	Financial period from 1/7/2019 to 30/9/2019 L.E	Financial period from 1/7/2018 to 30/9/2018 L.E
Tax on Dividends	(7 745 745)	(4 996 655)	-	-
Income tax	(457 360)	-	717 042	-
Deferred tax revenue/ (expense) from lease contract	(1 259 477)	(935 897)	(515 448)	(399 579)
Deferred tax income (expense)	(201 458)	69 067	(213 260)	8 314
	(9 664 040)	**(5 863 485)**	**(11 666)**	**(391 265)**

Reconciliation of effective tax rate

	Financial period from 1/1/2019 to 30/9/2019 L.E.	Financial period from 1/1/2018 to 30/9/2018 L.E.
Profit for the period before income tax	**135 964 588**	**80 456 847**
Dividends tax	(7 745 745)	(4 996 655)
Deferred tax from lease contract	(1 259 477)	(935 897)
Deferred tax income (expense)	(201 458)	69 067
Total tax expense based on statement of profit or loss	**(9 206 680)**	**(5 863 485)**
Profit before tax	**135 964 588**	**80 456 847**
Income tax using the Company's domestic tax rate (22.5%)	30 592 032	18 102 791
Non-Deductible expenses	338 088	–
Tax on revenue exempted by law	(34 855 853)	(22 484 948)
Other adjustments	3 468 373	4 382 157
Income Tax	**457 360**	-
Effective tax rate	**0.34%**	**0%**

16 Tax status

16-1 Corporation tax

The corporate tax due from the Company is an annual tax according to income tax law No. 91 for the year 2005 and payments due over annual taxable profits.

The period from the beginning of operation till year 2009

The Company has been inspected and all tax inspection differences were paid.

Years from 2010 till 2013

The Company has been inspected and all tax inspection differences were paid.

Years from 2014 till 2017

The company received Forms (31 and 32) for inspecting these tax years and the company requested postponing the inspections by Form (26) and the inspection is being processed.

Years 2018

The Company submitted the annual tax return for the income tax in the due date.

16-2 Salaries tax

The period from the beginning of operation till year 2014

The tax inspection performed, and differences settled.

Year 2015/2016

The tax inspection performed, and differences settled.

Year 2017/2018

The inspection is being processed.

16-3 Stamp tax

The period from the beginning of operation till 2010

The tax inspection performed, and differences settled.

The period from 2011 till 2014

The tax inspection performed, and differences settled.

Year 2015/2016

The tax inspection performed, and differences settled

Year 2017/2018

The tax inspection not yet performed

16-4 Sales tax / Value added tax

Years from 2013 till 2015

The tax inspection performed, and the company settled differences till 31/12/2015.

The sales tax was replaced by value added tax by the issuance of the law no. 67 for year 2016 to be applied as of the day following its issuance date on 7 September 2016.

The company submits monthly sales tax declarations and the company remitted the sales tax for this period.

Years from 2016 till 2018

The tax inspection performed, and the dispute is being resolved in the internal committee.

16-5 Withholding tax

The company remitted the amount that was deducted to tax authority on due dates.

17 Debtors and Other debit balances

	30/09/2019	31/12/2018
	L.E.	L.E.
Suppliers – advance payments	1 128 739	601 962
Prepaid expenses	5 265 266	7 774 411
Letter of guarantee margin	25 398	25 398
Deposits with others	305 908	295 908
Other debit balances	280 333	136 276
	7 005 644	**8 833 955**
Less: Impairment in other debit balances	(100 000)	(100 000)
	6 905 644	**8 733 955**

18 Cash at banks and on hand

	30/9/2019	31/12/2018
	L.E.	L.E.
Banks – current accounts	1 359 094	1 605 836
Time deposits*	120 750	111 500
Cash on hand	122 827	148 013
Cash at banks and on hand in the statement of cash flows	**1 602 671**	**1 865 349**

*The above-mentioned time deposits are maturing within 3 months.

19 Capital

Authorized capital

The Company's authorized capital amounts to L.E 5 Billion.

Issued and paid up capital

The Company's issued and fully paid up capital was amounted to L.E 941 405 082 (Nine hundred forty one million and four hundred five thousands and eighty two) divided into 941 405 082 (Nine hundred forty one million and four hundred five thousands and eighty two) shares at par value L.E 1 each.

Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the reserve for own shares. When treasury shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is presented in share premium.

	30/9/2019	31/12/2018
	L.E.	L.E.
Authorized capital	5 000 000 000	5 000 000 000
Issued & paid up capital (divided into 941 405 082 shares with nominal value L.E 1 each)	941 405 082	941 405 082

19-1 General reserve - issuance premium

The balance of general reserve – issuance premium as follows: -

Collected from issuance premium of 205 972 632 shares during the year 2010	999 379 210
Less:	
Nominal value of issued shares with a premium	205 2 632
Issuance fees	38 07 164
Legal reserve formed to reach 50 % of paid up capital	350 398 732
Difference between the nominal value and the cost of own shares cancelled on 5/2/2012.	73 580 254
General reserve balance	**330 920 428**

20 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year after reducing dividends to employees and BOD as follows :

	Financial period from 1/1/2019 to 30/9/2019	**Financial period from 1/1/2018 to 30/9/2018**	**Financial period from 1/7/2019 to 30/9/2019**	**Financial period from 1/7/2018 to 30/9/2018**
	L.E	L.E	L.E	L.E
Net profit (loss) of the Period	126 300 548	74 593 362	(4 138 809)	(6 645 554)
Weighted average number of ordinary shares	941 405 082	941 405 082	941 405 082	941 405 082
EPS (L.E/EPS)	**0.134**	**0.079**	**(0.004)**	**(0.007)**

21 Credit facilities

	30/9/2019	**31/12/2018**
	L.E	**L.E**
The value of this credit facility is L.E 50 million borrowed from QNB with a monthly variable interest with a guarantee of a promissory note amounted to L.E 50 million	49 564 835	43 307 498
The value of credit facilities is L.E 51 million borrowed from HSBC with a monthly variable interest with a guarantee of a promissory note amounted to L.E 51 million	19 894 679	20 191 011
	69 459 514	**63 498 509**

22 Provision

Description	Balance on 1/1/2019 L.E	Provision formed L.E	Provision used L.E	Balance on 30/9/2019 L.E.
Provision for claims	**4 416 147**	**315 000**	**(2 782 143)**	**1 949 004**

23 Suppliers and other credit balances

	30/9/2019 L.E.	31/12/2018 L.E.
Suppliers	1 755 505	5 697 185
Accrued expenses	1 144 420	703 561
Taxes	2 623 893	1 604 174
Deposits from others	15 151	10 993
Sales tax installments on the imported machineries and equipment-short term	102 282	102 282
Due to Sodic - current portion	-	3 230 787
Lease liability –short term (Note 27-1)	10 040 203	7 939 797
Dividends payable	27 337	30 025
Accrued health insurance	666 938	414 513
Social Insurance Authority	290 155	195 750
Other credit balances	366 353	383 844
	17 032 237	**20 312 911**

24 Other liabilities

	30/9/2019 L.E	31/12/2018 L.E
The value of sales tax installments on the imported machineries and equipment due from September 2017 till January 2021 as agreed with the Sales Tax Authority. The installments due within amounted to L.E 102 282 are shown under the item of trade and other payables in the statement of financial position (Note 23).	102 282	204 565
	102 282	**204 564**

25 Deferred tax liabilities

Deferred tax asset and liabilities arising from lease contract

	30/09/2019 L.E	31/12/2018 L.E
Deferred tax liabilities	(9 199 347)	(7 790 062)
Deferred tax assets	6 751 561	6 601 754
Net Deferred tax liabilities	**(2 447 786)**	**(1 188 308)**
Deferred tax liabilities		
Fixed assets (liabilities)	(1 633 710)	(1 432 253)
Total deferred tax liabilities	**(4 081 496)**	**(2 620 561)**

Deferred tax movement

	Balance on 1/1/2019	Deferred tax expense during the period ended 30 September 2019	Balance on 30/9/2019
	L.E	L.E	L.E
Total Deferred tax liability	**2 620 561**	**1 460 935**	**4 081 496**

26 Financial instruments

Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the B.O.D.

Credit risk

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer including the default risk of the industry in which customers operate, as these factors may have an influence on credit risk

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	30/09/2019	31/12/2018
	L.E	L.E
Debtors and other debit balances	511 639	357 583
Due from related parties	146 989 114	245 411 747

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.
The company is keeping the following credit process:

Credit facilities totalling L.E 69 459 514. The interest is paid for the facilities in Egyptian pound and US dollar with a variable interest rate

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements

	Carrying amount	Contractual cash flows
	L.E.	L.E.
Credit facilities	69 459 514	101 000 000
Suppliers and other credit balances	4 368 141	4 368 141

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

The Company incurs financial liabilities, in order to manage market risks. All such transactions are carried out within the guidelines set by the management.

Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily L.E. The currencies in which these transactions primarily are denominated are Euro, USD, and Swiss Francs (CHF).
In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances

Foreign currency risk

Exposure to currency risk

The Group's exposure to foreign currency risk was as follows based on notional amounts:

	USD	Euro
Cash at bank and on hand	6 632	2 420
Creditors & other credit balances	(15 758)	(4 099)
30 September 2019	**(9 126)**	**(1 679)**
31 December 2018	**(56 472)**	**1 848**

The following significant exchange rates applied during the year:

	Average rate		Actual closing Rate	
	2019	**2018**	**30/9/2019**	**31/12/2018**
USD	16.93	17.83	16.32	17.95
Euro	19.01	21.27	17.76	20.84

Interest rate risk

The Company adopts a policy of ensuring that its exposure to changes in interest rates on borrowings is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Total equity consists of paid up capital and retained earnings and reserves. The Board of Directors monitors the return on capital, as well as the level of dividends to shareholders.

	30/09/2019	31/12/2018
	L.E.	L.E.
Total liabilities	203 736 475	195 644 397
Less: cash at banks and on hand	(1 602 671)	(1 865 349)
Net debt	**202 133 804**	**193 779 048**
Total equity	2 416 407 147	2 529 315 121
Net debt to equity ratio	**8.37 %**	**7.66 %**

-There were no changes in the company's approach to capital management during the period.

27 Financial lease contracts

Lease contracts (Sale and lease back)

On 23/3/2016 the Company signed a contract with regard to a sale & lease back for a land (including the building built thereon), for land located on plot no. 21 of the Crazy Water's Corridor in Zayed City with a total area of 15 374.47 m². The contract terms became effective starting 24/3/2016. The following is a summary of the above-mentioned contract:

Description	Lease value		Lease period	Purchase value at end of contract	Quarterly lease value rounded
	Contractual value	Accrued interest			
	L.E	L.E	Months	L.E	L.E
Contract from 24/3/2016 to 23/3/2026	271 567 140	134 669 241	120	1	6 396 226

- In accordance with the provisions of the transitional rules of the Egyptian Accounting Standard No. 49 of 2019 for leasing contracts, the initial application date for this standard is the beginning of the annual report period in which the financial leasing law No. 95 of 1995 and its amendments has been canceled and the law regulating financial leasing no. 176 for the year 2018 in respect of leasing contracts which were subject to Law 95 of 1995 and were accounted for in accordance with Egyptian accounting standard no. (20) (Standards for Financial Leasing Transactions) which resulted in the following:

	30/9/2019	31/12/2018
	L.E	L.E
Record of cost of land	11 680 388	11 680 388
Record of cost of building and construction	44 387 809	44 387 809
Record of accumulated depreciation	10 874 986	9 765 318
Record of loan (liability from lease contract)	101 470 202	109 527 647
Cancel of prepaid expense	8 031 087	8 625 981
Cancel of deferred income	79 473 163	85 360 064
Restatement effect on legal reserve	(324 545)	940 595
Restatement effect on retained earnings	324 545	11 330 412
Record of deferred tax liabilities	9 199 347	7 790 062
Record of deferred tax assets	6 751 561	6 601 754

- The Company leased the administration building of Tiba for Trading and Distributing Company (Subsidiary) following the operating lease system for a monthly lease rent of L.E. 220 000 based upon the approval from the leaser's company.
- The financial expenses for the lease contract during the financial period ended 30/9/2019 amounted to L.E 14 269 232.

27-1 Financial lease contract liability

	30/9/2019	31/12/2018
	L.E	L.E
Liabilities from lease contract current portion (suppliers and other credit balances) – note no. 23	10 040 203	7 939 797
Long-term liability from lease contract non-current portion	91 429 999	101 587 848
Total	**101 470 202**	**109 527 645**

Payment of lease contracts liabilities are as follows:

	Payment of loan principal		Payment of accrued interest	
	30/9/2019	31/12/2018	30/9/2019	31/12/2018
	L.E	L.E	L.E	L.E
Liabilities during one year	10 040 203	7 939 797	15 544 702	18 759 973
Liabilities between 1-5 years	85 033 772	71 229 845	42 890 754	61 423 058
Liabilities more than 5 years	6 396 227	30 358 003	-	2 805 223

28 Capital commitment

The capital commitments amounted to L.E 50 000 000 on 30/09/2019 is the unpaid portion of the capital increase of Tiba company for distribution.

29 Related party transactions

The related parties are represented in the Company's shareholders and companies in which they own directly or indirectly shares giving them significant influence or control.

The following is a summary of significant transactions concluded, during the current period, between the Company and its related parties.

29-1 Due from related parties

Company's name	Nature of transaction	Total value of transactions		Balance as of	
		30/09/2019	31/12/2018	30/09/2019	31/12/2018
		L.E.	L.E.	L.E.	L.E.
Tiba for trading and distribution	Collection / Current	-	(96 440 486)	-	2 390 050
	Dividends	-	93 906 000		
	Leases	-	2 640 000		
International Company for Modern Food Industries	Current	(636 079)	761 136	961 906	1 597 985
El Marwa For Food Industries	Collection / Current	(66 311 084)	(55 835 594)	16 834 500	220 284
	Dividends	82 925 300	54 950 500		
EGY food	Collection / Current	-	(49 860 786)	-	112 548 984
	Dividends	-	160 967 800		
Modern Concentrates Industrial Company	Current	-	(373 041)	-	297 757
Enmaa for Agriculture Development and Biological Wealth	Current	7 076 555	9 016 683	113 800 849	106 724 294
Egyptian for Dairy products	Collection / Current	(50 297 684)	(27 277 417)	2 416 899	12 718 583
	Dividends	39 996 000	39 996 000		
Enmaa for Reclamation and Agriculture	Current	1 123 012	1 043 379	2 207 318	1 084 306
Enmaa for Livestock	Current	2 928 184	4 026 246	10 745 992	7 817 808
Argo for food industries	Current	9 954	11 792	21 650	11 696
				146 989 114	**245 411 747**

29-2 Due to related parties

Company's name	Nature of transaction	Total value of transactions		Balance as of	
		30/09/2019 L.E.	31/12/2018 L.E.	30/09/2019 L.E.	31/12/2018 L.E.
Egy food	Current	(145 053 915)	-	511 331	-
	Dividends	31 993 600	-		
Modern Concentrates Industrial Company	Current	(1 151 691)	-	853 934	-
Tiba for trading and distribution	Current	(22 229 368)	-	17 859 318	-
	Lease	1 980 000	-		
				19 224 583	-

The company has an agreement with Tiba for Trading and Distribution company–a subsidiary - 99.9% for the rental of company's administrative building with a value of L.E 1 980 000 during the period ended 30 September 2019 (the amount of L.E 1 980 000 through in September 2018).

30 Non-cash transactions in cash flow

The exclusion of the amount of L.E 102 283 of change in suppliers and other credit balances against the exclusion of the same amount of change in long-term liability as this is a non-cash transaction.

31 Distribution some of the holding companies expenses

According to the BOD decision on 19/10/2016, certain expenses of the company are allocated to the subsidiaries based on percentage of consolidated revenues.

32 Comparative figure

The accounting policies applied in the preparation of financial statements on 30 September 2019 are the same accounting policies applied in the preparation of the annual financial statements on 31 December 2018.These policies are applied in all periodic financial statements presented in the interim financial statements, taking into account new issuances and amendments to the Egyptian accounting standards by decision of the Minister of Investment and International Cooperation on 18 March 2019 related to lease contracts that were subject to the law of financial leasing No. 95 of 1995 and its amendments, which been restated from the beginning of the comparison period. The comparative figures and the opening balances for the comparative year have been adjusted following the change in the accounting policy for financial lease contracts (Accounting Policy No. 3-6) to conform to the new version of the Egyptian Accounting Standards in this regard.

The restatements effect on the financial statements are as follows:

Description	31/12/2018 L.E
Increase in PPE	46 302 879
Decrease in debit balances-long term	7 436 192
Decrease in debit balances-short term	1 189 789
Decrease in deferred income	73 586 263
Decrease in deferred capital gain- short term	11 773 802
Increase in deferred tax liabilities from lease contract	1 188 398
Increase in retained earnings	11 380 412
Increase in legal reserve	940 595

The restatement effect on the statement of profit or loss are as follows:

Description	Before restatement From 1/7/2018 to 30/9/2018 L.E	Restatement From 1/7/2018 to 30/9/2018 L.E	After restatement From 1/7/2018 to 30/9/2018 L.E
Deferred realized gain	2 943 450	(2 943 450)	-
Finance lease expense	7 099 785	(7 099 785)	-
Depreciation expense	-	221 939	221 939
Interest and finance expense	-	5 170 757	5 170 757
Deferred tax expense	-	399 579	399 579

Description	Before restatement From 1/1/2018 to 30/9/2018 L.E	Restatement From 1/1/2018 to 30/9/2018 L.E	After restatement From 1/1/2018 to 30/9/2018 L.E
Deferred realized gain	8 830 351	(8 830 351)	-
Finance lease expense	21 857 719	(21 857 719)	-
Depreciation expense	-	665 817	665 817
Interest and finance expense	-	16 506 284	16 506 284
Deferred tax expense	-	935 897	935 897

The restatement effect on the statement of cash flow are as follows:

Description	Before restatement From 1/1/2018 to 30/9/2018 L.E	Restatement From 1/1/2018 to 30/9/2018 L.E	After restatement From 1/1/2018 to 30/9/2018 L.E
Finance lease instalments	(21 857 719)	21 857 719	-
Change in trade and other debit balances	(203 822)	(892 872)	(1 096 694)
Change in lease contracts liabilities	-	(4 458 562)	(4 458 562)