

# **Jerusalem Cigarette Co. Ltd.**

## **Annual Report 2023 & Financial Statements ending 31 December 2023**

Presented to the  
General Shareholders Meeting  
Mondy, July 01<sup>st</sup> 2024

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**Jerusalem Cigarette Co. Ltd.**  
**Board of Directors**

**Chairman**                      **“Mohammad Ali” Mustafa Alami, Ph.D.**

**Deputy Chairman**            **Jerusalem Investment Co. Ltd.**  
Represented by Omar M. Alami,

**Members**

**Dr. Ghazi Hana Hanania**

**Ayoub Yacoub Rabah**

**Walid Abdel Jabbar Badarneh**

**Saleem Baker Hashem**

**Bashar Yousef Barghouti**

**Arab Investors Co. Ltd.**  
Represented by Ms. Dara O. Alami

**Arab Investors Co. Ltd.**  
Represented by Dr. Bassam S. Hanania

**Jerusalem Investment Company Ltd.**  
Represented by Issa M. Alami, Ph.D.

**Jerusalem Investment Company Ltd.**  
Represented by Mustafa M. Alami

**Jerusalem Cigarette Co. Ltd.**  
**Jerusalem**

**The General Shareholders Meeting**  
**JCC Main Office**

**Monday, July 01<sup>st</sup> 2024**

**Agenda:**

1. Presentation of the Board of Director's report for the year ending 31 December 2023 for approval by the General Shareholders Meeting.
2. External Auditor's report for the year 2023.
3. Presentation of the financial statements for the year 2023 for approval by the General Shareholders Meeting.
4. Presentation of the recommendations of the Board of Directors for approval by the General Shareholders Meeting.
5. Election of the Board of Directors for the years (2024-2027).
6. Election of the External Auditor for the Year 2024.

**In the name of God, the Most Merciful**

**Jerusalem Cigarette Company Ltd (JCC)  
Annual Report 2023**

**Management's Discussion and Analysis of Financial Condition and Results of Operations**

*The following discussion should be read in conjunction with the consolidated financial statements and accompanying notes included in the annual financial report for the year ended December 31, 2023.*

**Fiscal Year Highlights**

**Major Events**

The devastating conflict in Gaza that started in early October 2023 had a severe effect on the Palestinian economy overall. The widespread destruction and intense airstrikes on Gaza, along with Israeli military activities in the West Bank, led to substantial financial setbacks across various sectors in Palestine. The blockade of Gaza and the shutdown of checkpoints in the West Bank by the Israeli forces were significant obstacles to progress in the third quarter of 2023. Nonetheless, these challenges pale in comparison to the tragic scenes of suffering, starvation, and loss of life due to this brutal war. Our heartfelt prayers are for the cessation of hostilities, the lifting of the blockade, and for the people throughout the region to live freely and securely.

The year 2023 also witnessed an increase in the excise tax on cigarettes by 5.27%. It is expected that it will rise again in the year 2024 by at least 3.34%. These are expected to have negative effects on the course of our business as it encourages smokers to deviate from purchasing our brands and consume illegally smuggled cigarette brands that tend to penetrate the market in considerable quantities. The impact of the rise in excise tax and its consequences are a result of the consumer's inability to withstand the heavy costs of cigarettes which is precisely why it is critical that the government continues to support locally produced brands via tax incentives as in the case of our brand "Capital".

The global rise of interest rates and inflation also concern JCC. Worldwide inflation also contributes to significant increases in the prices of raw materials globally which comprise the bulk of JCC's cost of sales.

**Financial Position**

The Company's management continued its successful implementation of the financial plan during 2023. The Company's total assets increased by 15% as a result of the business growth of its subsidiary Rift Valley for Investment and Development Ltd. (Rift Valley). Consequently, the Company's receivables increased by JOD 5.4m in addition to an increase in its Fixed Assets of JOD 2m that are expected to generate significant revenues over the next 5 years.

The Company's liabilities increased by around 31% as of December 31, 2023 as a result of obtaining new working capital loans and overdraft facilities. These have been readily obtained due to the Company's good credit worthiness. Furthermore, to mitigate risk of default, the

Company currently prepays all custom duties on Cigarettes which constitute its largest liability.

### ***Results of Operations***

The Company's revenues are composed of sales of manufactured cigarettes, imported cigarettes and other tobacco products, and services. The revenues of its subsidiaries include revenues from agricultural produce, post-harvest services, rent, and gains on financial instruments. Sales revenues increased by 7% compared to the year 2022 mainly due the increase in excise tax as the Company presents its revenues on a gross method basis. To a lesser extent, other factors contributing to the increased revenues are the rise in sales of our locally manufactured brands in addition to the "Nakhleh" imported brand. The Company's production capacity of the brand "Capital" also increased by around 8.5% in 2023 compared to the previous year. JCC continues to work towards increasing its market share in both the West Bank and Israeli markets. QCP, a subsidiary of JCC, has witnessed significant rise in its sales and growth in market share during the year 2023 compared to the previous year.

The Company's increased cost of sales rose by around 8% as a result of the increase in the prices of raw materials.

The overall net profit decreased by 18% from the previous year. This is a direct result of rising inflation, rising costs of raw materials, fuel, and interest rates combined with the increase in excise tax and the negative impact of the political situation on our revenue growth during the last quarter of 2023. Nevertheless, the achieved results prompted the Board of Directors to recommend that dividends be paid to shareholders at the rate of 10% of nominal value.

### ***Investments***

During the year 2023, the Company increased its investments in its agricultural subsidiary Rift Valley for Development and Investment, "Rift Valley". As of December 31, 2023, the Company's share of Rift Valley total 87.9% of total capital.

### ***The company's shares and shareholders***

The number of shareholders of JCC (the parent company) reached 6,066 shareholders as of December 31, 2023. The highest trading price per share in the Palestinian Exchange Market was JOD 3.08, falling to JOD 1.80 during the same year. The closing price of the share at December 31, 2023 was at JOD 2.36. This represented an increase from the closing price at the end of 2022, which closed at JOD 1.90. As expected, financial markets in general witnessed a noticeable decline in share prices as a result of recent events.

### ***Future Plans***

In order to increase revenues and mitigate risks, the company's management's is heavily focused on diversifying its investments to include other products and services and expand its market beyond the Palestinian territories. This can be pursued via its subsidiary Rift Valley with plans to generate revenues through the sales, marketing, and distribution of premium agricultural crops to local and export markets in addition to its ability to provide the best quality post-harvest services to Medjool Date farmers through its state of the art packing facility which is to be completed by July 2024. Additionally, JCC is to increase efforts and

hence sales revenues by increasing the market share of its products in Israel through its subsidiary QCP.

JCC strives to continue its growth in both its core activities as well as achieve a promising return on its invested capital in the upcoming years. The aim of the recent corporate restructuring plans is to increase the efficiency and cost effectiveness of its operations as well as diversify the Company's investment portfolio to mitigate uncontrollable risk factors attributed to its core business.

### **Board of Directors' Resolutions**

1. Approval of the Board of Directors' management report for the year 2023
2. Approval of the audited financial Statements and audit report for the year ending December 31, 2023
3. Approval of the distribution of dividends to registered shareholders of JCC of 0.10 Jordanian Dinars per share.
4. Approval of the transfer of the remaining profits after statutory deductions and the distribution of cash gains to the voluntary reserve,
5. Approval of the board of directors' performance for the year 2023, including loans borrowed from the local banks

In conclusion, we pray that the suffering of the people in the Gaza Strip and elsewhere be relieved and that peace and justice prevail. The Board of Directors would like to express its gratitude to our valued employees for their hard work and to our shareholders for their precious confidence in the company's board of directors and employees.

**Dr. Muhammad Ali Mustafa Alami**  
**Chairman of the board of directors**  
**Jerusalem Cigarettes Company Ltd**

Jerusalem, 29<sup>th</sup> of April 2024



معاية وشركاهم  
Maayah & CO.

محاسبون قانونيون  
Certified Public Accountants

## Independent Auditors' Report

### To the Shareholders of Jerusalem Cigarette Company Ltd.

#### Opinion

We have audited the consolidated financial statements of Jerusalem Cigarette Company Ltd., Public Shareholding Company (the Group), which comprise the consolidated statement of financial position as at December 31, 2023, consolidated statement of profit and loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) together with the ethical requirements that are relevant to our audit of the financial statements in Palestine, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 are those matters that, in our professional judgment, were of most significance 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 focused in our audit on the purchase of banderol because it represents the largest proportion of the cost of producing cigarette packs. We reviewed the purchased quantities, matched them with the receipt vouchers, and compared them with the balances of customs employees residing at the company. We also followed up on the settlement of its cost, and reconciled the unused quantity at year end between the warehouse and the books.



### **Other information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. Since, the other information were not available until the date of our audit report, we have nothing to report in this regard.

### **Responsibilities of Management and Board of Directors for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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.

The board of directors are responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing 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 consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, 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 the purpose of expressing an opinion on the effectiveness of the Group's 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 evidence 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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 the board of directors, 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 the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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 of Regulatory Requirements:**

The Group maintains duly organized accounting records that comply with applicable laws and related regulations.

**Maayah & Co.**

**Abia S. Maayah, CPA**

License no. 167

**Ramallah on April 29, 2023**

**Jerusalem Cigarette Company**  
**Bethany/ Jerusaem**

	<b>Statement 1</b>	
	<b>2023</b>	<b>2022</b>
	<b>JOD</b>	<b>JOD</b>
<b>Consolidated Statement of Financial Position as at Decemeber 31, 2023</b>		
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	901,970	1,967,305
Trade and other receivables	13,738,437	9,240,756
Inventory	4,907,228	5,584,522
Biological assets- current	209,827	21,321
Value added tax	1,000,708	-
Other debit balances	172,196	83,782
Income tax	309,928	309,060
<b>Total current assets</b>	<b>21,240,294</b>	<b>17,206,746</b>
<b>Non- current assets</b>		
Property, plant and equipment	15,527,191	13,387,066
Right of use assets	1,624,183	1,518,620
Investment property	9,636,552	9,266,445
Biological assets- non-current	1,502,797	1,050,184
Construction in progress	1,972,525	1,646,175
Financial notes	1,577,547	1,577,547
Financial assets at fair value through other comprehensive income	5,675,117	5,384,222
<b>Total non-current assets</b>	<b>37,515,912</b>	<b>33,830,259</b>
<b>Total assets</b>	<b>58,756,206</b>	<b>51,037,005</b>

**Liabilities and equity****Current liabilities**

Due to banks	10,867,871	8,623,123
Trade and other payables	10,809,987	5,863,812
Accruals and other credit balances	973,562	736,182
Cigarette banderol – Palestine	-	1,718,652
Value added tax	950,086	1,956,841
Lease liabilities- current	222,899	175,398
Board of directors expenses	216,998	187,507
<b>Total current liabilities</b>	<b>24,041,403</b>	<b>19,261,515</b>

**Non-current liabilities**

Lease liabilities- npn-current	1,384,381	1,329,987
Bank loans	5,055,515	2,596,436
Provision for severance pay	660,045	523,294
<b>Total non-current liabilities</b>	<b>7,099,941</b>	<b>4,449,717</b>
<b>Total liabilities</b>	<b>31,141,344</b>	<b>23,711,232</b>

**Equity**

Share capital	10,000,000	10,000,000
Treasury stock	(1,234,609)	(1,233,779)
Statutory reserve	9,679,127	9,474,923
Voluntary reserve	1,120,879	1,120,879
Retained earnings	2,230,143	2,034,349
Investments revaluation to fair value reserve	905,495	808,083
Currency translation into Jordanian Dinars	759,451	1,110,182
<b>Total equity attributable to parent</b>	<b>23,460,486</b>	<b>23,314,637</b>
Non-controlling interests	4,154,376	4,011,136
<b>Total equity</b>	<b>27,614,862</b>	<b>27,325,773</b>
<b>Total liabilities and equity</b>	<b>58,756,206</b>	<b>51,037,005</b>

**Jerusalem Cigarette Company**  
**Bethany/ Jerusaem**

**Statement 2**

**Consolidated Statement of Profit and Loss for the year ended Decemeber 31, 2023**

	<b>2023</b>	<b>2022</b>
	<b>JOD</b>	<b>JOD</b>
Sales of cigarettes	69,107,476	64,590,782
Cost of cigarette sales	(64,196,759)	(59,377,647)
<b>Gross profit</b>	<b>4,910,717</b>	<b>5,213,135</b>
Loss on sale of agricultural produce	(6,868)	(53,139)
Net revenues of leased property	422,149	443,672
Other revenues	157,395	116,530
Selling and distribution expenses	(996,209)	(786,390)
General and administrative expenses	(2,078,641)	(1,947,771)
Other operating expenses	(610,215)	(435,725)
Bank charges, interest and finance cost	(931,231)	(911,992)
Currency differential and other expenses	(234,483)	(693,101)
Share of results of associates	906,442	1,533,092
Impairment of financial assets	-	(15,000)
Revaluation of investment properties	502,985	0
<b>Profit before income tax</b>	<b>2,042,041</b>	<b>2,463,311</b>
Income tax expense	(261,554)	(274,769)
Income tax expense-prior years	(2,617)	(12,094)
<b>Profit for the year</b>	<b>1,777,870</b>	<b>2,176,448</b>
Attributable to:		
Owners of the company	1,741,646	2,259,864
Non-controlling interests	36,244	(83,416)
Basic and diluted earnings per share- owners of the company	0.174	0.226

Jerusalem Cigarette Company  
Bethany/ Jerusaem

Statement 3

Consolidated Statement of Comprehensive Income for the year ended Decemeber 31, 2023

	<u>2023</u>	<u>2022</u>
	<u>JOD</u>	<u>JOD</u>
Profit for the year- statement 2	1,777,870	2,176,448
Other comprehensive income:		
Currency translation into Jordanian Dinar	(350,731)	(428,250)
Changes in fair value of investments	97,412	74,346
<b>Total comprehensive income for the year</b>	<u><b>1,524,551</b></u>	<u><b>1,822,544</b></u>
Attributable to:		
Owners of the company	1,488,327	1,905,960
Non-controlling interests	36,224	(83,416)
<b>Total</b>	<u><b>1,524,551</b></u>	<u><b>1,822,544</b></u>

Jerusalem Cigarette Company  
Bethany/ Jerusalem

Statement 4

Consolidated Statement of Comprehensive Income for the year ended December 31, 2023

	Share capital		Treasury stock		Statutory reserve		Voluntary reserve		Retained earnings		Investments revaluation reserve		Translation into JOD		Total attributable to owners of the parent		Non-controlling interest		Total	
	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Balance at 1 January 2022	10,000,000	(1,223,249)	3,477,373	4,672,098	3,213,106	733,737	1,538,432	22,411,497	3,840,189	26,251,686										
Profit for the period- owners of the company	-	-	-	-	2,259,864	-	-	-	2,259,864	-	-	-	-	-	2,259,864	(83,416)	2,176,448			
Other comprehensive income	-	-	-	-	-	74,346	(428,250)	(353,904)	0	(353,904)										
<b>Total comprehensive income for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,259,864</b>	<b>74,346</b>	<b>(428,250)</b>	<b>1,905,960</b>	<b>(83,416)</b>	<b>1,822,544</b>										
Treasury stock	0	(10,530)	0	0	0	0	0	0	0	(10,530)	0	0	0	0	0	0	0	0	0	(10,530)
Transfer to statutory reserve	0	0	5997550	-3551219	(2,446,331)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividend distributions for 2021	0	0	0	0	0	(1,000,000)	0	0	0	(1,000,000)	0	0	0	0	0	0	0	0	0	(1,000,000)
Adjustment of provision for severance pay	0	0	0	0	0	3,310	0	0	3,310	0	0	0	0	0	3,310	0	0	0	0	3,310
Differences in depreciation rates	0	0	0	0	0	4,400	0	0	4,400	0	0	0	0	0	4,400	0	0	0	0	4,400
Non-controlling interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	254363	254,363			
<b>Balance at December 31, 2022</b>	<b>10,000,000</b>	<b>(1,233,779)</b>	<b>9,474,923</b>	<b>1,120,879</b>	<b>2,034,349</b>	<b>808,083</b>	<b>1,110,182</b>	<b>23,314,637</b>	<b>4,011,136</b>	<b>27,325,773</b>										
Profit for the period- owners of the company	0	0	0	0	1,741,646	0	0	1,741,646	0	1,741,646	0	0	0	0	1,741,646	36,244	1,777,890			
Other comprehensive income	0	0	0	0	0	97412	(350,731)	(253,319)	0	(253,319)	0	0	0	0	0	0	(253,319)			
<b>Total comprehensive income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,741,646</b>	<b>97,412</b>	<b>(350,731)</b>	<b>1,488,327</b>	<b>36,244</b>	<b>1,524,571</b>										
Treasury stock	0	(830)	0	0	0	0	0	(830)	0	(830)	0	0	0	0	0	0	0	0	0	(830)
Adjustment of provision for severance pay	0	0	0	0	0	0	0	(141,648)	0	(141,648)	0	0	0	0	0	0	0	0	0	(141,648)
Transferred to statutory reserve	0	0	204204	0	(204,204)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Dividends distributions for 2022	0	0	0	0	0	(1,200,000)	0	0	0	(1,200,000)	0	0	0	0	0	0	0	0	0	(1,200,000)
Non-controlling interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	107016	107,016			
<b>Balance at December 31, 2023</b>	<b>10,000,000</b>	<b>(1,234,609)</b>	<b>9,679,127</b>	<b>1,120,879</b>	<b>2,230,143</b>	<b>905,495</b>	<b>759,451</b>	<b>23,460,486</b>	<b>4,154,396</b>	<b>27,614,882</b>										

Jerusalem Cigarette Company  
Bethany/ Jerusaem

Statement 5

Consolidated Statement of Cash Flows for the year ended Decemeber 31, 2023

	<u>2023</u>	<u>2022</u>
	<u>JOD</u>	<u>JOD</u>
<b>Cash flows from (used in) operating activities</b>		
Profit for the year before income tax- statement 2	2,042,041	2,463,311
Differences in depreciation rates	-	4,400
<b>Adjustments:</b>		
Non-cash items		
Depreciation	852,552	768,726
Amortization of right of use assets inclusive of currency variation	236,029	159,187
Provision for severance pay inclusive of currency variation	4,352	29,458
Currency translation into JOD	(350,731)	(428,250)
Revaluation of investment properties	(502,985)	-
Gain on sale of land	-	16,701
Non-controlling interests	107,016	254,363
Share dividends	(40,584)	-
<b>Changes in working capital:</b>		
Trade and other receivables	(4,497,681)	800,056
Inventory	677,294	(73,396)
Other current assets	(1,277,628)	120,836
Trade and other payables	4,946,175	1,211,608
Other current liabilities	(2,458,536)	(3,468,859)
Income tax –paid inclusive of currency variation	(265,039)	(92,644)
Severance payments	(9,249)	(697)
<b>Net cash flows from (used in) operations</b>	<u>(536,974)</u>	<u>1,764,800</u>
<b>Cash flows from (used in) investing activities</b>		
Purchases of property, plant and equipment and construction in progress	(3,327,476)	(1,487,019)
Disposal of property, plant and equipment	8,449	26,567
Net additions to investments	(20,021)	361,207
Net additions of biological assets	(452,613)	(71,945)
<b>Net cash flows from (used in) investing activities</b>	<u>(3,791,661)</u>	<u>(1,171,190)</u>
<b>Cash flows from (used in) financing activities</b>		
Decrease in due to banks and loans	4,703,827	18,652
Distribution of dividends	(1,200,000)	(1,000,000)
Treasury stock	(830)	(10,530)
Lease liability payments	(350,030)	(260,947)
Interest on lease liabilities	110,333	96,521
<b>Net cash flows from (used in) financing activities</b>	<u>3,263,300</u>	<u>(1,156,304)</u>
<b>Net increase (decrease) in cash and cash equivalent</b>	<u>(1,065,335)</u>	<u>(562,694)</u>
Cash and cash equivalent, beginning of year	1,967,305	2,529,999
<b>Cash and cash equivalent, end of year</b>	<u>901,970</u>	<u>1,967,305</u>