Translated from Arabic

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company – Under Public Free Zone)

Separate interim financial statements for the
Financial period ended April 30, 2023
And it's Limited Review Report

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Limited Review Report

To \ The board of directors of Al Arafa for Investment and Consultancies
(An Egyptian Joint company – Under Public Free Zone)

Introduction

We have reviewed the accompanying separate statement of financial position of Al Arafa for Investment and Consultancies (An Egyptian Joint company – Under Public Free Zone) as of April 30, 2023 and the related separate statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these separate interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these separate interim financial statements based on our limited review.

Scope of Limited Review

We conducted our review in accordance with Egyptian Standard on Review Engagements No. (2410), "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company and applying analytical and other review procedures. A 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 financial statements.

Conclusion

Based on our 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 of April 30, 2023 and of its financial performance and its cash flows for the three-month period then ended in accordance with Egyptian Accounting Standards.

Ehab Mohamed Fouad Abo El Magd

***KPMG* Hazem Hassan**
Public Accountants and Consultants

Alexandria June 25, 2023

KPMG Hazem Hassan
Public Accountants and consultants

Translated From Arabic

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company - Under Public Free Zone)
Separate Statement of Financial Position as of April 30, 2023

	Note No.	30 April 2023 USD	31 January 2023 USD
Assets			
Non-current assets			
Property, plant and equipment	(12)	1 788 440	1 840 855
Investments in subsidiaries	(14)	113 245 855	112 386 790
Amounts paid on account of the acquisition of investments in subsidiaries		-	859 065
Investments in associate companies	(13)	4 616 057	4 616 057
Total non-current assets		**119 650 352**	**119 702 767**
Current assets			
Due from related parties	(28)	30 603 524	31 081 688
Debtors and other debit balances	(16)	416 055	378 072
Cash and cash equivalents	(17)	9 288 709	15 111 718
Total current assets		**40 308 288**	**46 571 478**
Total assets		**159 958 640**	**166 274 245**
Equity and Liabilities			
Equity			
Issued and Paid up capital	(23-2)	94 050 000	94 050 000
Reserves	(24)	19 106 191	19 106 191
Retained Losses		(24 817 096)	(20 793 795)
Net (Loss)for the period / year		(1 325 913)	(4 167 825)
Total Equity		**87 013 182**	**88 194 571**
Liabilities			
Non-current liabilities			
Loans	(18)	5 601 229	5 601 229
Total non-current liabilities		**5 601 229**	**5 601 229**
Current liabilities			
Banks - credit facilities	(19)	14 114 660	22 694 974
Loans	(18)	3 000 000	3 000 000
Lease liabilities	(21)	516 006	762 419
Creditors and other credit balances	(20)	18 311 997	18 445 610
Due to related parties	(28)	31 147 115	27 322 009
Provisions	(25)	254 451	253 433
Total current liabilities		**67 344 229**	**72 478 445**
Total liabilities		**72 945 458**	**78 079 674**
Total equity and liabilities		**159 958 640**	**166 274 245**

- The notes on pages (7) to (41) are an integral part of these separate interim financial statements.
- Limited Review Report "attached "

Financial Director	**CFO**	**Vise-Chairman and Manging Director**	**Chairperson**
Mohamed Mahy	**Mohamed Morsy**	**Dr / Alaa Arafa**	**Maria Luisa Cicognani**

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company - Under Public Free Zone)
Separate statement of profit or loss for the Financial period ended April 30, 2023

	Note No.	30 April 2023 USD	30 April 2022 USD
Operating revenue			
Technical Support Services Revenue	(28)	39 040	47 245
Total		**39 040**	**47 245**
Other revenues	(6)	50 670	38 375
Other expenses	(7)	(57 242)	(25 167)
expected credit losses in the value of financial assets	(8)	(325 423)	(478 605)
General and administrative expenses	(9)	(591 139)	(907 071)
(Losses) from operating		**(884 094)**	**(1 325 223)**
Finance income	(10)	317 400	829 510
Finance cost	(11)	(759 219)	(10 371 083)
Net finance cost		**(441 819)**	**(9 541 573)**
Net (losses) for the period		**(1 325 913)**	**(10 866 796)**
Basic and Diluted (Losses) per share (USD / Share)	(27)	**(0.003)**	**(0.0231)**

The notes on pages (7) to (41) are an integral part of these separate interim financial statements.

Al Arafa for Investment and Consultancies

(An Egyptian Joint stock company - Under Public Free Zone)

Separate Statement of Comprehensive Income for the Financial period ended April 30, 2023

	Note No.	30 April 2023 USD	30 April 2022 USD
Net (losses) for the period		**(1 325 913)**	**(10 866 796)**
Other comprehensive income items			
Foreign currency revaluation differences gains	(32)	144 524	-
		(1 181 389)	**(10 866 796)**
Transfer to retained (losses)		(144 524)	-
Total comprehensive income for the period		**(1 325 913)**	**(10 866 796)**

The notes on pages (7) to (41) are an integral part of these separate interim financial statements.

Al Arafa for Investment and Consultancies

(An Egyptian Joint stock company - Under Public Free Zone)

Separate Statement of Changes in Equity for the Financial period ended April 30, 2023

	Note No.	Issued and Paid up Capital USD	Reserves USD	Retained Earnings / Losses USD	Net Profit / (Loss) for the period USD	Total USD
Balance as of 1 February 2022		**94 050 000**	**19 078 938**	**3 488 436**	**545 053**	**117 162 427**
Transactions with company's shareholders						
Closing profits for the financial year ended on 31 January 2022 in retained earnings		-	-	545 053	(545 053)	-
Total transactions with company's shareholders		-	-	**545 053**	**(545 053)**	-
Comprehensive income						
Net loss for the financial period ended 30 April 2022		-	-	-	(10 866 796)	(10 866 796)
Total comprehensive income		-	-	-	**(10 866 796)**	**(10 866 796)**
Balance as of 30 April 2022		**94 050 000**	**19 078 938**	**4 033 489**	**(10 866 796)**	**106 295 631**
Balance as of 1 February 2023		**94 050 000**	**19 106 191**	**(20 793 795)**	**(4 167 825)**	**88 194 571**
Transactions with company's shareholders						
Closing profits for the financial year ended on 31 January 2023 in retained losses		-	-	(4 167 825)	4 167 825	-
Total transactions with company's shareholders		-	-	**(4 167 825)**	**4 167 825**	-
Comperhensive income						
Applying the Egyptian Accounting Standard No. (13) “The Effect of Changes in Exchange Rates”	(32)	-	-	144 524	-	144 524
Net Loss for the financial period ended 30 April 2023		-	-	-	(1 325 913)	(1 325 913)
Total comprehensive income		-	-	**144 524**	**(1 325 913)**	**(1 181 389)**
Balance as of 30 April 2023		**94 050 000**	**19 106 191**	**(24 817 096)**	**(1 325 913)**	**87 013 182**

The notes on pages (7) to (41) are an integral part of these separate interim financial statements.

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Al Arafa for Investment and Consultancies

(An Egyptian Joint stock company - Under Public Free Zone)

Separate Statement of Cash flows for the Financial period ended April 30, 2023

	Note No.	30 April 2023 USD	30 April 2022 USD
Cash flows from operating activities			
Net (Loss) for the period		(1 325 913)	(10 866 796)
Adjustments for the followings			
Property, plant and equipment depreciation	(12)	52 415	50 348
expected credit losses in the value of financial assets	(8)	325 423	478 605
Interest and finance cost	(11)	600 434	678 048
Credit interest	(10)	(317 400)	(829 510)
capital gain	(6)	-	(10 920)
Translation differences of balances in foreign currencies		-	(325 533)
		(665 041)	**(10 825 758)**
Change in :-			
Debtors and other debit balances	(16)	(37 983)	143 665
Due from related parties	(28-1)	152 741	2 499 469
Creditors and other credit balances	(20)	(133 613)	265 177
Due to related parties	(28-2)	3 825 106	4 200 261
Provisions	(25)	1 018	-
		3 142 228	**(3 717 186)**
Interest and finance cost paid		(600 434)	(564 176)
Net cash generated from (used in) operating activities		**2 541 794**	**(4 281 362)**
Cash flows from investing activities			
Cash Payments for Acqusition of property, plant and equipment	(12)	-	(69 184)
Proceeds from sale of property, plant and equipment		-	10 920
Collected Credit interest	(10)	317 400	829 510
Net cash generated from investing activities		**317 400**	**771 246**
Cash flows from financing activities			
Net (payments for) proceeds from bank-credit facilities	(19)	(8 580 314)	(11 594 924)
Lease payments	(21)	(246 413)	-
Net cash (used in) financing activities		**(8 826 727)**	**(11 594 924)**
Net change in cash and cash equivalents during the period		**(5 967 533)**	**(15 105 040)**
The effect of changes in currency exchange rates on cash and cash equivalents		144 524	-
Cash and cash equivalents at beginning of the period		15 111 718	55 915 948
Cash and cash equivalents at end of the period	(17)	**9 288 709**	**40 810 908**

The notes on pages (7) to (41) are an integral part of these separate interim financial statements.

1- Company's Background and activities

1-1 Legal entity

- Al Arafa for Investment and Consultancies Company - an Egyptian Joint Stock Company (Swiss Garments Company previously), was established in accordance with investment incentives and guarantees Law No.8 of 1997, operating under the Free Zone decree.

- The Board of Directors of Swiss Garments Company (S.A.E.) -Free Zone proposed in its meeting held on the 18th of June 2005 to separate the Company into two Joint Stock Companies (main Company and Spin-off Company) operating according to the Free Zone System with the same shareholders and the same participation percentage in the company's issued capital as of the separation date. The Board also proposed using the book value of the assets and liabilities, as of the 30th of June 2005 as a basis for the separation. As the purpose of the main company will be specialized in investing in financial instruments and the spin-off company will be specialized in manufacturing ready made garments, As the company's Extraordinary General Assembly at its session held on October 14,2005 agreed on the mentioned board of director's proposal, as a final approval on the issuance of the separation decision was taken by the general Authority for Investment and Free Zone as of November 24,2005.

- The main Company's name was changed to Al Arafa for Investment and Consultancies Company, and the commercial register was amended accordingly on January 11, 2006 and was approved on general gazette on January 16, 2006.

- The company's amendment has been registered in the commercial registry with no. 17426 on 16/1/2006.

- According to the merging company's main statute, the company's financial year start from the first of February from each year and ends at 31 January from the next year, rule (55).

- Company's Duration is 25 years starting from the date of registering this amendment in the commercial register.

- Company's location: Nasr city free zone, Arab Republic of Egypt.

- The Company's Chairperson is Mrs. Maria Luisa Cicognani

- The Company's vice Chairman and Managing Director is Dr Alaa Ahmed Abd El Maksoud Arafa

1-2 Merger of both Al Arafa for Investment and Consultancies Company (S. A. E.) with the General Free Zone System (merging company) and Al Arafa for Investment in Garments industry Company (merged company), Al Arafa for Investment in Spinning and Textile Industry Company (merged company), and Al Arafa for Investments in Garments Marketing and Retail Company (merged company)

- The decision of the formed committee was issued by the General Authority for Investment and Free Zone, approved on the first of July 2019 to enquire the initial assessment of the assets and liabilities of the following companies for the purpose of merging with Al Arafa for Investment and Consultancies Company (S. A. E.) merging company with both Al Arafa for Investment in Spinning and Textile Industry Company (S. A. E.) (free zone), and Al Arafa for Investment in Garments industry Company (S. A. E.) (free zone) and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) (free zone) (merged companies) in book values according to the financial statements of the merging company and the merged companies on October 31, 2018. Mainly taken as a basis for the merger. And establishing the net equity of Al Arafa for Investment and Consultancies Company (merging company) on October 31, 2018 amounting USD 146 935 721 (one hundred forty six million nine hundred thirty five thousand seven hundred and twenty one USD) and the net non-controlling interest in the Al Arafa for Investment in Garments industry Company (merged company) deficit of USD 31 971 885 (thirty one million nine hundred seventy one thousand eight hundred eighty five USD) and the Al Arafa for Investment in Spinning and Textile Industry Company (merged company) The amounting USD 16 753 (sixteen thousand seven hundred and fifty three USD) after excluding the value of the investments of Al Arafa for Investment and Consultancies Company (the merging company) in Al Arafa for Investment in Spinning and Textile Industry Company (merged company) amounting USD 2 077 340 (two million and seventy seven thousand and three hundred and forty USD), and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) (merged company) deficit of USD 3 896 892 (three million eight hundred ninety six thousand eight hundred and ninety two USD).

  According to the decision of the extraordinary general assembly of the company on August 4, 2019, it was agreed to specify the authorized capital of the merging company amounting USD 150 million (one hundred and fifty million USD) as the issued and paid-up capital of the company was established amounting USD 94 050 000 (ninety four million fifty thousand USD) distributed over 470 250 000 shares (four hundred seventy million two hundred and fifty thousand shares) each share value is USD 20 cents. It is represented in the total net equity of the merging company, Al Arafa for Investment and Consultancies Company and the net equity of non-controlling interest of the merged companies according to the report of the committee formed by the General Authority for Investment and Free Zone and according to the decision of the Executive chairman of the General Authority for Investment and Free Zone No. 85 of 2019 regarding licensing the merger of each of the Al Arafa for Investment in Spinning and Textile Industry Company (S. A. E.), and Al Arafa for Investment in Garments industry Company (S. A. E.) and Al Arafa for Investments in Garmsents Marketing and Retail Company (S. A. E.) (free zone) (merged companies) in Al Arafa for Investment and Consultancies Company (S. A. E.) (merging company) in the public free Zone system in Nasr City, and this was notified in the company’s commercial registry on December 10, 2019.

1-3 Company's purpose

Providing financial and management consultancy services, investing in Capitals of other Egyptian and Foreign Companies and participating in restructuring companies and providing them with technical and management support.

1-4 Registration in the stock exchange

The Company has been registered in the Egyptian Stock Exchange.

2- Basis of preparation of the separate financial statements

- The attached separate interim financial statements are prepared in accordance with Egyptian accounting standards issued by Minister of Investment Decision No. 110 of 2015 and applied from January 1, 2016 and amended by Minister's Decision No. 69 of 2019 and relevant Egyptian laws and regulations.
- Egyptian accounting standards require reference to international financial reporting standards for events and transactions for which an Egyptian accounting standard or legal requirements have not been issued explaining how to deal with them.
- The separate interim financial statements for the period ended April 30, 2023 were approved for issuance by the company’s board of directors on June 25, 2023.
- Details of the company's accounting policies have been included in Note No. (31).

3- Basis of measurement

The separate interim financial statements have been prepared according to the historical cost principle, with the exception of financial instruments that are measured at amortized cost or at fair value, which are as follows:

- Financial derivatives.
- Financial instruments at fair value through profit or loss.
- Financial assets at fair value through other comprehensive income.

Investments in subsidiaries and associate companies have been presented in the separate financial statements on the basis of cost, which represents the company's direct share in the ownership and not on the basis of business results and net assets of the investee companies. The consolidated financial statements provide a more comprehensive understanding of the consolidated financial position, business results and consolidated cash flows of the Company and its subsidiaries (the Group).

4- Functional and presentation currency

The separate interim financial statements are presented in the USD which is the functional currency and all the financial information included are in USD, unless otherwise indicated in the separate financial statements or in the clarifications complementing them.

5- Use of estimates and judgments

The preparation of separate interim 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.

The estimates and assumptions related to the prevailing experience and other variable elements, The actual results may differ from these estimates in a material way if the circumstances and surrounding factors differ.
Estimates and related assumptions are reviewed periodically. Changes in accounting estimates are recognized in the period in which the estimate is changed if the change affects only that period or the period of change or future periods if the change affects both.

The following are the most significant items and notes related to them, and these estimates and assumptions are used :

1- Useful life of fixed assets and Intangible assets
2- Impairment of the value of financial investments in subsidiaries and associate companies.
3- Impairment of the values of customers, debtors and due from related parties.
4- Provisions.
5- Classification of lease contracts.
6- Revenue recognition: Revenue is recognized in accordance with the detailed accounting policies applied.

a. Judgments

Special information about the judgments taken to implement accounting policies that have a significant impact on the presented values of the financial statements are presented, included in the following notes:

- Note No. (31-11) Revenue recognition: Revenue is recognized in accordance with what is detailed in the applicable accounting policies.
- Note No. (31-3) Classification of lease contracts.

b. Uncertainty assumptions and estimates

Information about assumptions and uncertain estimates on April 30, 2023, which may result in an effective adjustment to the book value of assets and liabilities in the next financial period, is included in the following notes:-

- Note No. (31-11) Revenue recognition.
- Note No. (31-10) Recognition and measurement of provisions and contingent liabilities: basic assumptions about the potential and size of the flow of resources.
- Note No. (31-8) Measurement of expected credit losses for financial assets.
- Note No. (31-2-c) The useful lives of fixed assets
- Note No. (31-4) (31-5) Impairment in the value of financial investments in subsidiaries and associate companies.

Impairment of non-financial assets

On the date of preparing the separate financial statements, the company assesses the asset if there is an indication that the asset has decreased in value. If there is an indication of that, the company evaluates the recoverable amount of the asset. The recoverable amount of the asset is the fair value of the asset less selling costs or its value in use. Whichever is higher, when assessing the value in use, the estimated future cash flows of the asset are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

When determining the fair value less costs to sell, recent market transactions are taken into account.
If the recoverable amount of an asset is estimated to be less than its carrying amount, the separate carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized directly in the profit or loss statement.
Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the carrying amount that would have been determined had no impairment loss existed for the asset in prior years, A reversal of an impairment loss is recognized immediately in the separate statement of profit or loss.

Provisions and contingent liabilities

The management studies the events and indicators that may result in a liability for the company through the exercise of its usual economic activities. In this, the management uses basic estimates and assumptions to judge the extent to which the conditions for recognizing the obligation are met in the separate financial statements. This includes analyzing information to estimate whether past events lead to the emergence of a current obligation on the company and building future expectations regarding the cash flows that are likely to be incurred to settle that obligation and their timing, in addition to choosing a method that enables the management to measure the value of the obligation in a reliable manner.

Estimating the useful life of fixed and intangible assets

The company's management determines the estimated useful life of fixed assets and intangible assets at the end of each financial year for the purpose of calculating depreciation and amortization. This estimate is made after taking into account the expected use of the asset or actual obsolescence. Management periodically reviews the useful lives on an annual basis at least and the method of depreciation to ensure that the method and periods of depreciation are consistent with the expected pattern of economic benefits of the assets.

Leases - Incremental borrowing rate report

The company cannot easily determine the interest rate implicit in the lease contract, and therefore it uses the incremental borrowing rate to measure the lease liabilities. The incremental borrowing rate is the interest rate that the company must pay in order to borrow the necessary financing over a similar term and with a similar guarantee to obtain an asset of the same value as the “right of usufruct” in a similar economic environment. Therefore, the incremental borrowing rate reflects what the company “Usufruct right” which requires an estimate when published rates are not available or when they need to be adjusted to reflect the terms and conditions of the lease.

c. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinarily transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability will take place either

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its best and best use or selling it to another participant who will use the asset in its best and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities that are measured or disclosed in the separate financial statements at fair value are categorized in fair value hierarchy categories. This is described, as follows, based on the lowest level input that is significant to the entire fair value measurement as a whole:

- **Level 1 :** Quoted prices (unadjusted) in an active market for identical assets or liabilities.
- **Level 2 :** Evaluation techniques in which the lowest level inputs considered significant for the entire measurement are directly or indirectly observable.
- **Level 3 :** Assessment techniques in which the lowest level input considered significant for the entire measurement is unobserved.

6- Other revenues

	Notes No.	Financial period ended in 30 April 2023 USD	Financial period ended in 30 April 2022 USD
Rental income		50 670	27 455
Capital gain		--	10 920
		50 670	**38 375**

7- Other expenses

	Notes No.	30 April 2023 USD	30 April 2022 USD
50 % on rent		25 335	13 728
1 % on revenue		4 071	9 151
Provision for claims and contingencies	(25)	1 018	2 288
Others		26 818	--
		57 242	**25 167**

8- Impairment losses in the value of financial assets

	Notes No.	Financial period ended in 30 April 2023 USD	30 April 2022 USD
Expected credit losses in related parties	(28-1)	325 423	478 605
		325 423	**478 605**

9- General and Administrative expenses

	Notes No.	30 April 2023 USD	30 April 2022 USD
Wages and salaries	(12)	23 726	35 308
Property, plant and equipment depreciation		52 415	50 348
Others		514 998	821 415
		591 139	**907 071**

10- Finance income

	30 April 2023 USD	30 April 2022 USD
Credit interest	317 400	829 510
	317 400	**829 510**

11- Finance costs

	30 April 2023 USD	30 April 2022 USD
Debit interest on lease contract	158 785	154 860
Debit Interest, bank commission and expenses	600 434	678 048
Foreign currency exchange balances and transactions translation differences	--	9 538 175
	759 219	**10 371 083**

12- Property, plant and equipment

	Buildings & Constructions resulting from lease contracts USD	Vehicles USD	Furniture & Office Equipment USD	Improvements in leasehold USD	Total USD
Cost as of February 1, 2023	**1 551 523**	**446 403**	**426 870**	**584 494**	**3 009 290**
Cost as of april 30, 2023	**1 551 523**	**446 403**	**426 870**	**584 494**	**3 009 290**
Accumulated depreciation as of February 1, 2023	**279 274**	**193 070**	**329 628**	**366 463**	**1 168 435**
Depreciation for the period	7 758	19 811	10 234	14 612	52 415
Accumulated depreciation as of april 30, 2023	**287 032**	**212 881**	**339 862**	**381 075**	**1 220 850**
Net book value as of april 30, 2023	**1 264 491**	**233 522**	**87 008**	**203 419**	**1 788 440**
Fully depreciated fixed assets and still working as of april 30, 2023	**-**	**50 195**	**259 156**	**-**	**309 351**
Cost as of February 1, 2022	**1 551 523**	**473 684**	**368 234**	**562 606**	**2 956 047**
Additions during the period	-	-	47 294	21 890	69 184
Disposals during the period	-	(27 281)	-	-	(27 281)
Cost as of april 30, 2022	**1 551 523**	**446 403**	**415 528**	**584 496**	**2 997 950**
Accumulated depreciation as of February 1, 2022	**248 243**	**140 201**	**292 048**	**308 415**	**988 907**
Depreciation for the period	7 758	20 720	7 657	14 213	50 348
Accumulated depreciation of disposals	-	(27 281)	-	-	(27 281)
Accumulated depreciation as of april 30, 2022	**256 001**	**133 640**	**299 705**	**322 628**	**1 011 974**
Net book value as of april 30, 2022	**1 295 522**	**312 763**	**115 823**	**261 868**	**1 985 976**
Fully depreciated fixed assets and still working as of april 30, 2022	**-**	**50 195**	**259 155**	**-**	**309 350**

13- Investments in Associates

	Contribution Percentage	30 April 2023 USD	31 January 2023 USD
Golden Textile Wool Company	48.59 %	4 616 057	4 616 057
Italian Shirts DMCC Company	40 %	10 900	10 900
		4 626 957	4 626 957
Less:			
Impairment in Investments in associates		(10 900)	(10 900)
		4 616 057	**4 616 057**

14- Investments in subsidiaries

Company's Name investee	Country	Percentage Of Contribution In capital %	Paid Percentage From Contribution value %	Cost of Investment as of 30 April 2023 USD	Cost of Investment as of 31 January 2023 USD
• Concrete Garments	Egypt	91.64	100	31 771 464	31 771 464
• Swiss Cotton Garments	Egypt	99.20	100	7 065 223	7 065 223
• Egypt Tailoring Garments	Egypt	99.40	100	16 008 060	16 008 060
• Crystal for Making Shirts	Egypt	99.90	100	3 708 865	2 849 800
• Savini Garments *	Egypt	49.20	100	1 181 090	1 181 090
• Fashion Industry	Egypt	89.80	100	731 313	731 313
• Egypt Portugal Marketing	Egypt	59	100	40 445	40 445
• EP Garments	Portugal	60	100	39 777	39 777
• Euromed for Trading and Marketing	Egypt	97.21	100	970 180	970 180
• White Head Spinning Company	Egypt	52.32	100	366 811	366 811
• Port Said Garments	Egypt	97.17	100	1 150 820	1 150 820
• Swiss Garments	Egypt	99.20	100	18 848 000	18 848 000
• Baird Group	England	98.15	100	35 215 430	35 215 430
• Al Arafa for real estate Investment	Egypt	99.20	100	2 186 160	2 186 160
• FC Trading	Emirates	100	100	13 625	13 625
				119 297 263	**118 438 198**
• Less : Impairment in subsidiaries				(6 051 408)	(6 051 408)
				113 245 855	**112 386 790**

* The company owns 49.2 % of the capital of Savini for ready-made Garments Company, in addition to 50 % indirect ownership through the subsidiary - Swiss for ready-made Garments Company.

15- Financial Investments at Fair Value through other Comprehensive Income

Company's Name investee	Legal Form %	Contribution percentage in capital %	Paid Percentage From contribution value %	Cost of Investment as of 30 April 2023 USD	Cost of Investment as of 31 January 2023 USD
• Al Asher for Real Estate Development and investment	(S.A.E.)	1	100	30 860	30 860
Less:					
Impairment in Investments				(30 860)	(30 860)
				–	–

16- Debtors and other debit balances

	30 April 2023 USD	31 January 2023 USD
Tax authority	53 074	53 074
Sold assets clients (sold companies)	--	44 580 084
Notes receivables	5 216	16 178
Prepaid expenses	26 828	40 924
Letters of guarantee Insurance	16 671	16 499
Other debit balances	314 266	1 249 417
	416 055	**45 956 176**
Less:		
Expected credit losses on debit balances*	--	(45 578 104)
	416 055	**378 072**

* The Ordinary General Assembly of the Company approved the proposal submitted by the Board of Directors held on 15 January 2023 regarding the write off of the obsolete debit balances from previous years which have a impairment of the full amount of 45 578 104 USD

17- Cash and cash equivalents

	30 April 2023 USD	31 January 2023 USD
Bank - Time deposits	8 351 000	14 243 922
Bank - Current accounts	825 860	621 683
Cash on hand	111 849	246 113
Cash and cash equivalents	**9 288 709**	**15 111 718**

18- Medium-term loan

	Medium-term loan Non-current portion USD	Medium-term loan Current portion USD	Total USD
The remaining of the medium-term loan granted to the company by Arab African International Bank (AAIB) with an amount of USD 29,971,343 to finance the purchase of 38% of Concrete's ready Made Garments capital.	5 601 229	3 000 000	8 601 229
The rescheduling of that loan payment has been activated with an amount of USD 13,907,087 from March 1, 2021 on nine unequal semi-annual installments ending June 2025.			
Balance on 30 April 2023	**5 601 229**	**3 000 000**	**8 601 229**

The following table shows the reconciliation of the loan movement during the period / year to arrive at the net cash generated from borrowing activities:

	30 April 2023 USD	31 January 2023 USD
The balance at the beginning of the period	8 601 229	11 101 229
Current borrowing	(3 000 000)	(2 500 000)
Non-current borrowing	5 601 229	8 601 229
Payments for borrowing	--	(2 500 000)
Balance	**8 601 229**	**8 601 229**
Current borrowing	**(3 000 000)**	**(3 000 000)**
Non-current borrowing	**5 601 229**	**5 601 229**

19- Banks - Credit facilities

	Balance at 30 April 2023 USD	Balance at 31 January 2023 USD
Bank credit facilities	14 114 660	22 694 974
	14 114 660	**22 694 974**

* The credit facilities is represented in withdrawals from short-time current facilities with a term deposit guarantee granted by local banks in USD based on an interest rate linked to the LIBOR rate on the amounts withdrawn in USD.

20- Creditors and other credit balances

	Notes No.	30 April 2023 USD	31 January 2023 USD
Deposits from others		111 758	111 758
Accrued expenses		81 198	91 547
General Authority for Investment		43 807	36 361
Notes payable	(28-1)	17 575 546	18 022 634
Accrued interest – Lease contracts		81 176	87 859
Accrued Debit interest		380 963	53 741
Other Credit balances		37 549	41 710
		18 311 997	**18 445 610**

21- Lease contracts liabilities

Total lease contracts liabilities	516 006	762 419
Less:		
Installments due within a year	(516 006)	(762 419)
The balance of non-current Lease contracts	--	--

Lease contracts (Sale and lease-back system).

The company has sold and re-leased the administrative building of the company's headquarters in the public free zone in Nasr City, with a financial lease contract established with Corp Lease Egypt (SAE), according to the provisions of the law No. 95 of 1995, its executive regulations and amendments, and the data for these contracts are as follows:

Contract No. 5963 - selling and re- leased the administrative building in the public free zone in Nasr City:

Description	Contract value USD	Accrued interest USD	Contract duration Month	Purchase value at the contract end USD
The contract from 20 November 2021 to 20 August 2023	1 639 344	166 061	22	1

Finance expense included in the profit or loss statement, with an amount of 158 785 USD during the period represent the value of the installment interest due for the above-mentioned contract in addition to the amount of 139 267 USD, the value of interest of the contracts transferred from Al-Arafa for Real Estate Company (a subsidiary) (Note no 11).

22- Financial instruments

22-1 Financial Risk Management

Financial instruments are represented in cash balances in banks, cash on hand, Trade receivables, debtors, Trade payables, notes payable, creditors, loans, credit facilities and financial lease obligations. The book value of these financial instruments does not differ materially from their fair value on the date of the financial position.

i) Credit risk

The book value of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk at the date of the separate financial statements is as follows:

	30 April 2023 USD	31 January 2023 USD
Debtors and other debit balances	336 153	284 074
Due from related parties	30 603 524	31 081 688
Cash and cash equivalents	9 288 709	15 111 718

The following is the analysis of the aging for Al-Arafa Investments and Consulting Company, as follows:

	30 April 2023 USD	31 January 2023 USD
Balances not due	26 697 220	23 058 356
Balances due from 0 to 90 days	879 404	819 370
Balances due from 91 to 180 days	818 624	224 495
Balances due from 181 to 270 days	45 060	--
Balances due from 271 to 365 days	--	1 778 491
Balances due over one year	3 331 571	6 043 908
	31 771 879	**31 924 620**

ii) Liquidity risk

The following statement shows the contractual terms of the company's financial obligations on 30 April 2023:

Related parties:

	Book value	Due date	
	USD	Within year USD	2 – 5 years USD
Banks - credit facilities	14 114 660	14 114 660	--
Creditors and other credit balances	18 311 997	18 311 997	--
Due to related parties	31 147 115	31 147 115	--
Lease liabilities	516 006	516 006	--
Medium-term loan	8 601 229	3 000 000	5 601 229

iii) Foreign exchange risk

Foreign currency risk is the risk of financial instrument's value fluctuation due to changes in foreign exchange rates.

Foreign currency risk is the risk of foreign currency exchange fluctuation which will affect the payments and receipts in foreign currency as well as the foreign currency translation of monetary assets and liabilities.

The Company's exposure to foreign exchange risk on 30 April 2023 was in accordance with the amounts in foreign currencies are as follows:

Foreign currencies	30 April 2023 Surplus/ (Deficit)	31 January 2023 Surplus/ (Deficit)
Euro	(1 772 254)	(1 791 791)
Sterling Pound	74 725	67 756
Egyptian Pound	(157 970 243)	(52 674 732)

The following is a statement of foreign exchange rates against the USD:

	Closing Rate		Average exchange rate	
	30 April 2023 USD	31 January 2023 USD	30 April 2023 USD	30 April 2022 USD
Euro	1.1024	1.0836	1.0833	1.1090
Sterling Pound	1.2576	1.2326	1.2337	1.3245
Egyptian Pound	0.0323	0.0331	0.0324	0.0592

22-2 Fair value estimate

An approximation of nominal fair value less any estimated credit adjustments to financial assets and liabilities with maturity dates of less than one year is assumed. For disclosure purposes, the company's interest rates for similar financial instruments are used to deduct future contractual cash flows to assess the fair value of financial obligations.

To assess the fair value of non-current financial instruments, the company uses many methods and makes the assumptions set out on market conditions at the date of each financial position statement. Market prices and customer prices for financial management or similar instrument are used for long-term debt. Other methods, such as the estimated current value of future cash flows, are used to determine the fair value of the rest of the financial instruments. At year end, the fair value of non-current obligations is not materially different from their book value.

Investments

a Fair value is determined on the basis of the declared market rates at the date of the financial position, without deducting transaction-related costs, except for investments in equity recognized at cost and mentioned above, less impairment loss (if any).

Interest-bearing facilities

Fair value is calculated on the basis of deduction of cash flows for the principal amount and expected future interest.

Debtors and creditors
The nominal value of debtors and creditors with a residual useful life of less than one year reflects the fair value.

Interest rate used to determine fair value
The company uses the rate of return applicable in the history of the financial position as well as a regular credit distribution to deduct the financial instruments.

23- Capital

23-1 The Authorized Capital

The authorized capital of the company amounting USD 150 million (one hundred and fifty million US dollars), and the issued capital of the company is the sum of the net equity of the merging company according to the report of the formed committee by the General Authority for Investment and Free Zone according to the decision of the CEO of the General Investment Authority And the free Zone No. 127 of 2019, and this was indicated in the company's commercial register in the commercial registry on 15 December 2019.

23-2 Issued and paid-up capital

The issued and paid-up capital after the amendment has reached USD 94 050 000 according to the decision of the extraordinary general assembly of the company.
The issued and paid-up capital of the company consists of 470 250 000 nominal shares, at a value of 20 cents per share, and the issued capital is fully paid, which is the sum of the net equity in the merging company, according to the report of the formed committee by the General Authority for Investment and Free Zone in accordance with the decision of the CEO of the General Authority for Investment and Free Zone No. 127 of 2019.

24- Reserves

	30 April 2023 USD	31 January 2023 USD
Legal reserve	18 184 994	18 184 994
General reserve	30 990	30 990
Other reserves (treasury bills reserve)	890 207	890 207
	19 106 191	**19 106 191**

Legal reserve
According to the requirements of the companies' laws and the articles of association of the group companies, 5% of the annual net profit of the companies is set aside to form the statutory reserve until it reaches 50% of the issued capital of each company. No distribution is made from this reserve, but it can be used to increase capital or reduce losses

Treasury bills reserve
The balance represents profit from sale of treasury bills amounting 11 396 151 shares sold in 2008.

25- Provisions

	Balance at 1/02/2023 USD	Formed during the period USD	Balance at 30/04/2023 USD
Provision for claims	253 433	1 018	254 451
	253 433	**1 018**	**254 451**

- The claims provision represents the value of claims for obligations of an unspecified timing or amount related to the company's activities. The management reviews these provisions annually and adjusts the amount of the provision according to the latest developments, discussions and agreements with those parties. The formed provisions are included in the separate profit or loss statement.

- The usual information about provisions was not disclosed in accordance with Egyptian Accounting Standard No. (28) amended "Provisions, Contingent Assets and Liabilities" because the company's management believes that doing so may severely affect the final settlement of those potential claims.

26- Tax status

As mentioned in the Company's tax card, the Company and the company`s dividends are not subject to tax laws and charges applied in Republic of Egypt (article No. 35 of law No.8 of 1997 which replaced by Article 41 of Law 72 of 2017).

26-1 Payroll tax

The payroll tax has been inspected from the beginning of the activity until 2018 and the payment has been made. The tax deducted is paid monthly on legal dates.

26-2 Withholding Tax

The company provides the withholding tax to the Central Department of withholding tax under the tax account on the legal dates.

26-3 Stamp tax

The company is obligated to pay tax on advertisements, and there are no taxes due from the company.

26-4 Real estate tax

The company is exempted according to the provisions of the law 72 for the year 2017.

27- Basic per share (losses) earnings

Basic per share (losses) earnings was calculated as follows:

		30 April 2023	30 April 2022
Net (Loss) for the period		(1 325 913)	(10 866 796)
Weighted-average number of paid ordinary shares	(Share)	470 250 000	470 250 000
Basic per share (losses)	(USD/Share)	**(0.0028)**	**(0.0231)**

28- Transactions with related parties

Transactions with related parties represent the company's transactions with company's shareholder and the companies owned by the shareholders whether directly or indirectly and the company's top management as they have a significant influence and control, as the following:

28-1 Due from related parties

Company's Name	Nature of transactions	Value of transactions USD	Balance as of 30 April 2023 USD	Balance as of 31 January 2023 USD
• Al Arafa for real estate investment *	Financial transactions	348 130	27 710 848	27 362 718
• Golden Tex Wool Company	Financial transactions	356 351	2 268 180	1 911 829
• Crystal for Making shirts	Financial transactions	(412)	79 936	80 348
• Egypt Portugal Marketing Company	Financial transactions	13	18 630	18 617
• Italian Shirts DMCC	Financial transactions	--	5 538	5 538
• EP Garments	Financial transactions	27	5 193	5 166
• FC Trading	Financial transactions	(662 075)	--	662 075
• Baird Group	Financial transactions	(10 968)	112 228	123 196
• Euromed For Trade and Marketing	Financial transactions	(745)	8 057	1 512
	Technical Support	7 290		
• Concrete Company	Financial transactions	(37 174)	73 041	81 055
	Technical Support	29 160		
• Port said for Readymade Garments	Financial transactions	(182 334)	1 490 088	1 672 422
• White Head	Financial transactions	(4)	140	144
			31 771 879	**31 924 620**
Expected credit losses			(1 168 355)	(842 932)
			30 603 524	**31 081 688**

* Al-Arafa Investments and Consultations Company bears all obligations arising from the financial leasing contracts of Arafa Real Estate Investment Company and transferred to Arafa Investments and Consultations, its contracts with the company are being concluded and documented in accordance with the agreement concluded regarding the transfer of the right under which Arafa Investments and Consulting Company bears all the obligations arising from these contracts and notes payables were issued against these liabilities (Notes 21,11).

- **Expected credit losses in the value of related parties**

	Balance as of 1/02/2023 USD	Formed during the period USD	Balance as of 30/04/2023 USD
Expected credit losses in the value of related parties	842 932	325 423	1 168 355
	842 932	**325 423**	**1 168 355**

28-2 Due to related parties

Company's Name	Nature of transactions	Value of transactions USD	Balance as of 30 April 2023 USD	Balance as of 31 January 2023 USD
• Swiss Garments Company	Financial transactions	(1 520 561)	5 194 688	6 715 249
• Egypt Tailoring Company	Financial transactions	588 955	7 604 726	7 015 771
• Savini Garments Company	Financial transactions	(73)	2 381 622	2 381 695
• Fashion Industry	Financial transactions	(970)	943 994	944 964
• Swiss Cotton Garments Company	Financial transactions	440 126	10 664 456	10 264 330
• FC Trading	Financial transactions	4 357 629	4 357 629	--
			31 147 115	**27 322 009**

- There are no transactions with the top management.

29- Contingent liabilities

The value of the letters of guarantee issued by banks on behalf of the company and some of its subsidiaries and on behalf of others on 30 April 2023 amounting USD 9 812 052.

30- Capital Commitments

There are no capital commitments on April 30, 2023.

31- Significant accounting policies

The separate interim financial statements have been prepared by following the same accounting policies that are applied continuously when preparing the company's annual separate financial statements.

31-1 Translation of transactions in foreign currencies

The company maintains its accounts in USD. Foreign transactions are translated in the functional currency at the exchange rate prevailing on the transaction dates. On the date of the separate financial statements, assets and liabilities of monetary nature in foreign currencies are translated into USD according to the prevailing exchange rates on that date, and the resulting currency differences are included in the separate profit or loss statement. Assets and liabilities of a non-monetary nature denominated at historical cost in foreign currency are translated using the prevailing exchange rates at the date of the transaction, and the currency differences resulting from transactions during the period and from revaluation at the date of the separate financial statements are included in the separate profit or loss statement.

On an exceptional basis, the Egyptian Cabinet agreed to deal with the exceptional economic decision related to moving the exchange rate by setting an additional option for Paragraph No. (28) of the amended Egyptian Accounting Standard No. (13) “The Effects of Changes in Foreign Exchange Rates,” which requires recognition of currency differences within The statement of profits or losses for the period in which these differences arise so that the standard allows the recognition of debit and credit currency differences on the translation of assets and liabilities of monetary nature in foreign currencies existing at the end of the fiscal year within the items of other comprehensive income in accordance with Paragraph No. (9) of the appendix to the standard amendment, as well Paragraph No. (10) of the amendment made it possible to include the amount of currency differences resulting from the retranslation of monetary items, which were presented in the items of other comprehensive income in accordance with Paragraph No. (9) of this appendix, in the profit or loss carried forward at the end of the financial period for applying the treatment. contained in this appendix.

31-2 Property, plant and equipment

a. Initial recognition and measurement

Items of property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses.
If the substantive components 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.

Profit and losses resulted from disposal of assets are recognized within separate profits or losses statement

b. Subsequent acquisition costs

The costs subsequent to acquisition are capitalized on the assets only if it is probable that it will generate and increase the future economic benefits of the assets. As all the other expenses are recognized in the separate profits or losses statement as an expense when incurred, maintenance and repair costs are also charged to the profit or loss statement for the fiscal year in which they occurred

c. Depreciation

Depreciation of fixed assets applicable to be depreciated - which is the cost of an asset deducting its scrap value – according to the straight-line method over the estimated useful life of each type of fixed asset and the depreciation is charged to the separate profit or loss statement. Land is not depreciated.

The residual value, useful life, and method of depreciation of assets are reviewed on the date of the financial statements, taking into account that the effect of any changes in those estimates is accounted for on a future basis.

The book value of an item of fixed assets is excluded from the books upon its disposal or in the event that no future economic benefits are expected from its use. The profits or losses resulting from the disposal of an item of fixed assets are included in the separate statement of profits or losses, and are determined on the basis of the difference between the net disposal proceeds and the book value of the item.

The following are the estimated useful lives for each type of fixed assets as of the current financial period and the comparative one.

The following are the estimated useful lives.

Fixed assets	**Useful life Years**
* Buildings	50
* Transport & Transportation Vehicles	5
* Office furniture and equipment	2-16.66
* Leasehold improvements	10

31-3 Lease contracts

Financial Lease contracts (sale and lease-back)

If the entity (the lessee) transfers the asset to another entity (the lessor) and re-leases this asset, the entity must determine whether the transfer of the asset is accounted for whether or not a sale of this asset.

In the case of transferring the asset is not a sale:
The lessee must continue recognizing the transferred asset and must recognize a financial liability equal to the transfer proceeds.

31-4 Investments in subsidiaries

Investments in subsidiaries are accounted for in the company's independent financial statements using the cost method, so that investments in subsidiaries are recorded at acquisition cost, minus impairment in value. Impairment is estimated for each investment separately and is recorded in the profit or loss statement. Subsidiaries are companies controlled by the company when the investor achieves all of the following:

- Power over the investee.
- Exposure or right to variable returns through its participation in the investee.
- The ability to use its power over the investee to affect the amount of returns it obtains from it.

The Company shall reassess control over the investee if facts and circumstances indicate that there are changes to one or more of the three elements of control mentioned above.

31-5 Investments in associate companies

An associate company is an entity over which the company has significant influence through participation in the financial and operating decisions of that entity, but it does not amount to control or joint control. Investments in associate companies are accounted for at cost, unless they are classified as non-current investments held for sale, in which case they are measured at book value or fair value minus costs necessary for sale, whichever is less. The company does not follow the equity method in accounting for its investments in associate companies in the attached separate financial statements in application of Paragraph (44) of Egyptian Accounting Standard No. (18), provided that in the event that some indications and indicators appear on the possibility of impairment losses in the value of investments in companies On the date of the separate financial statements, the book value of those investments is reduced to its recoverable value, and the resulting impairment losses are immediately included in the separate profit or loss statement.

31-6 Impairment in the value of non-financial assets

At the end of each fiscal year, or whenever necessary, the company reviews the book values of the company's non-financial assets and intangible assets to determine whether there is an indication of impairment. If this is the case, the company makes an estimate of the recoverable value of the asset.

For 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 CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.
Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
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 in the previous years.

31-7 Cash and cash equivalents

Cash and cash equivalents include cash balances in the treasury and banks, and treasury bills that mature in less than three months. Short-term, highly liquid investments that can be easily converted into specified amounts of cash, provided that their exposure to the risk of change in their value is minimal, and that the maturity date of the short-term investment is within three. months or less from the date of its acquisition.

31-8 Financial Instruments:
Financial assets

Classification

The company classifies its financial assets into the following measurement categories:

- Those that will subsequently be measured at fair value (either through other comprehensive income or through profit or loss), and
- Those that will be measured at amortized cost.

The classification depends on the company's business model for managing those financial assets and the contractual terms of the cash flows.
For assets measured at fair value, gains and losses will be recorded either in the statement of profit or loss or in other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies its investments when and only when its business model for managing those assets changes.

a- Recognition and exclusion

The usual way of buying and selling financial assets, on the trade-off date, which is the date on which the company is committed to buying or selling the financial asset.
A financial asset is derecognized when the contractual rights to obtain cash flows from the financial asset expire, or those rights are transferred in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

b- Measurement

On initial recognition, the Company measures the financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs of financial assets carried at fair value through profit or loss are recognized as an expense in the statement of profit or loss. Financial assets that contain embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories by which the company classifies debt instruments:

- Amortized cost : Assets held to maturity to collect contractual cash flows, as those cash flows represent only payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in financing income using the effective interest method. Any profits or losses resulting from the disposal of investments are recognized directly in the statement of profits or losses, and are classified under other income / other expenses. Impairment losses are presented as a separate item in the statement of profit or loss.

- Fair value through other comprehensive income: Assets that are held for the purpose of collecting contractual cash flows and also for the purpose of selling financial assets, where the assets' cash flows represent only payments of principal and interest, are measured at fair value through other comprehensive income. Changes in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in the statement of profit or loss. When a financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to the statement of profit or loss and recognized in other income/expenses. Any interest income from these financial assets is included in financing income using the effective interest rate method, and impairment expenses are presented as a separate item in the profit or loss statement.

- FVTPL : Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. Gains or losses on investment in debt instruments that are subsequently measured at fair value through profit or loss are recognized in profit or loss and are presented net under other income/expenses in the period in which they arise.

Equity tools

Subsequently, the Company measures all investments in equity instruments at fair value. And when the company's management chooses to present fair value gains and losses on investments in equity instruments in the statement of other comprehensive income, it is not subsequently reclassified to the statement of profit or loss after disposing of the investment. Dividends from these investments shall continue to be recognized in the profit or loss statement as other income when the company's right to receive such distributions is established.

Changes in the fair value of financial assets at fair value through profits or losses are recognized in the other income / expenses item in the profit or loss statement, as the case may be. Impairment losses (and the reversal of impairment losses) on investments in equity instruments that are measured at fair value through other comprehensive income are not recognized separately from other changes in fair value.

Impairment

a. Financial asset

1) Non-derivative financial assets

Financial instruments and contract assets

The company recognizes loss allowances for ECLs on:
- Financial assets measured at amortized cost.
- Debt investments measured at FVOCI; and
- Contract assets.

The company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the company's historical experience and informed credit assessment and including forward-looking information.
The company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:
- The debtor is unlikely to pay its credit obligations to the company in full, without recourse by the company to actions such as releasing security (if any is held); or
- The financial asset according to the terms of payment and the nature of each sector for individual customers and considering the study of expected credit losses prepared by the company.

The company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.
Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the borrower or issuer.
- A breach of contract such as a default or being more than 120 days past due; The restructuring of a loan or advance by the company on terms that the Company would not consider otherwise; It is probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is two years past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

31-9 Capital

i. Common shares

Incremental costs directly attributable to the issuance of common stock and underwriting options are recognized as a deduction from shareholders' equity.

ii. Repurchase and re-issuance of capital share

When issued capital shares are repurchased, the amount of consideration paid against repurchase, including directly attributable costs, is recognized and it will be classified as treasury bills, presenting the treasury bills as a deduction from total equity.

When the treasury shares are sold or reissued, the amount proceed is recognized as an increase in shareholders' equity and the surplus or deficit resulting from the transaction within the reserves.

iii. Dividends

Dividends are recognized as a liability in the period in which they are declared and approved by company's general assembly

31-10 Provisions

The provision is recognized when the company has a current obligation (legal or constructive) as a result of past events, and it is likely that the settlement of that obligation will result in an outflow from the company in the form of resources that include economic benefits, and the estimated costs to meet these obligations are likely to occur, and it is possible to estimate the value of the obligation in a reliable manner. The value recognized as a provision represents the best available estimate of the consideration required to settle the present obligation at the date of the independent financial statements, if the risks and uncertainties surrounding that obligation are taken into account. When a provision is measured using the cash flows estimated to settle the present obligation, the carrying amount of the provision represents the present value of those flows. If the cash flows are discounted, the book value of the provision increases in each period to reflect the time value of money resulting from the period's lapse. This increase in the provision is recognized within the financing expenses in the separate profit or loss statement.

31-11 Revenue

Revenue is recognized at the fair value of the consideration received or due to the company, after excluding any discounts.

i. Return on investments

Dividend income is recognized in the income statement on the date of establishing the company's right to receive the dividends of the investee companies is established and is recognized after the date of acquisition.

ii. Profits (losses) on sale of investments

Gains and losses arising from the sale of financial investments are recognized in the separate statement of profits or losses at the date of disposal, by the difference between the cost and the selling price deducting expenses and commissions.

iii. Management fees and technical support services

Management fees and technical support services are recognized over a period of time according to contracts concluded with subsidiaries and sister companies according to the accrual principle in the separate profit or loss statement, to the extent that the company is considered to have performed services in accordance with the contracts. precisely.

iv. Interest income

Credit interest is recognized in the separate profit or loss statement based on the accrual basis on a time proportion basis, taking into consideration the target rate of return on the asset.

31-12 Expenses

i. Cost of borrowing

Loans are recognized first at fair value less the cost of obtaining loans and later at amortized cost. The separate profit or loss statement is charged with the difference between the proceeds less the cost of obtaining the loan and the value that will be met over the loan period using the effective interest rate method. Loans are classified as short-term unless the company has unconditional rights to postpone the settlement of obligations at least 12 months after the date of the independent financial statements. Borrowing costs include currency differences arising from foreign currency borrowing to the extent that these differences are an adjustment to the interest cost. Those profits or losses that are considered an adjustment to interest cost include interest rate differences between the cost of borrowing in the functional currency and borrowing in the foreign currency.

A specific borrowing may be invested temporarily until it is spent on assets eligible for capitalization. In such a case, the income earned from the temporary investment of that borrowing is deducted from the borrowing costs within the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the separate statement of profit or loss in the period in which they are invested. incurred therein.

ii. Social insurance contribution and Pension Plan

The company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance. Under this law, the employees and the employer contribute into the system on a fixed percentage of salaries basis. The company's liability is confined to the amount of its contribution. Contributions are charged to the income statement according to the accrual basis.

31-13 Basic earnings per share

Earnings per share is calculated by dividing the profit or loss relating to shareholders by their common shares in the company by the weighted average to the number of shares outstanding during the period.

31-14 Legal reserve

According to the Company's bylaws, 5% of the net profit is set aside to form a legal reserve. The transfer to legal reserve ceases once the reserve reaches 50% of the issued share capital, if the reserve falls below the defined percentage, then the company is required to continue setting aside more reserves

31-15 Employees' share in profit

According to its bylaws the company pays a minimum percentage of 10% from cash dividends as employees share in profit on condition not to exceed total annual employee's salaries. Employees' share in profit is recognized as dividends within changes in equity statement and as a liability during the financial year whereas the company's shareholders approved these dividends.

31-16 Statement of cash flows

The standalone statement of cash flows is prepared using the indirect method.

31-17 Sources of deriving fair value

The application of the above accounting policies requires management to use estimates and assumptions to determine the carrying amount of assets and liabilities that cannot be reliably measured from other sources.

The fair value of the financial instruments traded in the active market depends on the declared market prices for those instruments on the date of the independent financial statements. While the fair value of financial instruments that have not been traded in an active market is determined by using valuation methods that use appropriate inputs and assumptions based on market conditions at the date of the independent financial statements, with adjustment whenever necessary in accordance with the events and circumstances surrounding the company and its transactions with third parties.

32- Currency differences charged to the statement of comprehensive income

On December 27, 2022, Prime Minister Decision No. 1568 of 2022 was issued to amend some provisions of the Egyptian Accounting Standards, represented in the issuance of Appendix C to Egyptian Accounting Standard No. (13), amended in 2015, "The Effects of Changes in Foreign Currency Exchange Rates," which deals with accounting treatment This special optional accounting treatment issued in this appendix is not considered an amendment to the amended Egyptian Accounting Standards currently in force, beyond the time period for the validity of this appendix, and these treatments are as follows:

1- An entity that, prior to the date of the abnormal exchange rate movements, may acquire fixed assets and/or real estate investments and/or exploration and evaluation assets and/or intangible assets (other than goodwill) and/or usufruct assets on lease contracts, funded by existing obligations. On that date in foreign currencies, to recognize within the cost of those assets the currency differences resulting from retranslating the balance of the outstanding liability related to them on the date of moving the exchange rate using the exchange rate on the date of moving the exchange rate. The facility can apply this option for each asset separately.

2- As an exception to the requirements of Paragraph No. 28 of the amended Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Currency Exchange Rates" regarding the recognition of currency differences, an enterprise whose business results were affected by net profits or losses of currency differences as a result of moving the currency exchange rate A foreign entity may recognize within the items of other comprehensive income the debit and credit currency differences resulting from the retranslation of the existing balances of monetary items at the end of the fiscal year using the closing rate on the same date, minus any currency translation differences that were recognized within the cost of assets in accordance with the previous paragraph. Considering that these differences were mainly caused by the decision of the unusual foreign exchange rate movements.

The company's management decided to apply accounting treatment No. (2), as the currency differences charged to the statement of comprehensive income amounted to USD144 524 on April 30, 2023.

33- New Editions and Amendments to Egyptian Accounting Standards:

- On March 6, 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian Accounting Standards, the following is a summary of the most significant amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (10) amended 2023 "Fixed Assets " and Egyptian Accounting Standard No. (23) amended 2023 "Intangible Assets".	1- These standards were reissued in 2023, allowing the use of revaluation model when subsequent measurement of fixed assets and intangible assets. - This resulted in amendment of the paragraphs related to the use of the revaluation model option in some of the applicable Egyptian Accounting Standards, which are as follows: − Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". − Egyptian Accounting Standard No. (24) "Income Taxes" − Egyptian Accounting Standard No. (30) "Interim Financial Reporting" − Egyptian Accounting Standard No. (31) "Impairment of Assets" − Egyptian Accounting Standard No. (49) "Leasing Contracts"	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in those standards and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the company**

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	2- In accordance with the amendments made to the Egyptian Accounting Standard No. (35) amended 2023 "Agriculture", paragraphs (3), (6) and (37) of Egyptian Accounting Standard No. (10) "Fixed assets " have been amended, and paragraphs 22(a), 80(c) and 80(d) have been added to the same standard, in relation to agricultural produce harvested. − The Company is not required to disclose the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) for the current period, which is the period of the financial statements in which the Egyptian Accounting Standard No. (35) amended 2023 and Egyptian Accounting Standard No. (10) amended 2023 are applied for the first time in relation to agricultural produce harvested. However, the quantitative information required under paragraph 28(f) of Egyptian Accounting Standard No. (5) should be disclosed for each comparative period presented. − The company may elect to measure an agricultural produce harvested item at its fair value at the beginning of the earliest period presented in the financial statements for the period in which the company have been applied the above-mentioned amendments for the first time and to use that fair value as its deemed cost on that date. Any difference between the previous carrying amount and the fair value in the opening balance should be recognized by adding it to the revaluation surplus account in equity at the beginning of the earliest period presented.	Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.	**applies this model for the first time**. These amendments are effective for annual financial periods starting **on or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time**.

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (34) amended 2023 "Investment property ".	1- This standard was reissued in 2023, allowing the use fair value model when subsequent measurement of investment property. 2- This resulted in amendment of some paragraphs related to the use of the fair value model option in some of the applicable Egyptian Accounting Standards, which are as follows: − Egyptian Accounting Standard No. (1) "Presentation of Financial Statements" − Egyptian Accounting Standard No. (5) "Accounting Policies, Changes in Accounting Estimates and Errors". − Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates" − Egyptian Accounting Standard No. (24) "Income Taxes" − Egyptian Accounting Standard No. (30) "Interim Financial Reporting " − Egyptian Accounting Standard No. (31) "Impairment of Assets" − Egyptian Accounting Standard No. (32) "Non-Current Assets Held for Sale and Discontinued Operations" − Egyptian Accounting Standard No. (49) "Leasing Contracts"	Management is currently studying the possibility of changing the applied accounting policy and using the fair value model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the fair value model are effective for financial periods starting **on or after January 1, 2023** **retrospectively,** cumulative impact of the preliminary applying of the fair value model shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this model for the first time.**

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (36) amended 2023 "Exploration for and Evaluation of Mineral Resources"	1- This standard was reissued in 2023, allowing the use of revaluation model when subsequent measurement of exploration and valuation assets. 2- The company applies either the cost model or the revaluation model for exploration and valuation assets, the evaluation should carried out by experts specialized in valuation and registered in a register maintained for this purpose at the Ministry of Petroleum, and in the case of applying the revaluation model (whether the model stated in the Egyptian Accounting Standard (10) "Fixed Assets " or the model stated in Egyptian Accounting Standard (23) "Intangible Assets") should consistent with the classification of assets in accordance with paragraph No. (15) of Egyptian Accounting Standard No. (36) amended 2023.	Management is currently studying the possibility of changing the applied accounting policy and using the revaluation model option stated in the standard and assessing the potential impact on the financial statements in case of using this option.	The amendments of adding the option to use the revaluation model are effective for financial periods starting **on or after January 1, 2023, retrospectively**, cumulative impact of the preliminary applying of the revaluation model shall be **added to the revaluation surplus account in equity, at the beginning of the financial period in which the company applies this model for the first time.**

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (35) amended 2023 "Agriculture".	This standard was reissued in 2023, where paragraphs (1-5), (8), (24), and (44) were amended and paragraphs (5a) - (5c) and (63) were added, with respect to the accounting treatment of agricultural produce harvested, (Egyptian Accounting Standard (10) "Fixed assets " was amended accordingly).	Management is currently assessing the potential impact on the financial statements from the application of amendments to the standard.	These amendments are effective for annual financial periods starting **on or after January 1, 2023 retrospectively**, cumulative impact of the preliminary applying of the accounting treatment for agricultural produce harvested shall be **added to the balance of retained earnings or losses at the beginning of the financial period in which the company applies this treatment for the first time.**

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (50) “Insurance Contracts".	1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company’s financial position, financial performance, and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts". 3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: − Egyptian Accounting Standard No. (10) "Fixed Assets ". − Egyptian Accounting Standard No. (23) "Intangible Assets". − Egyptian Accounting Standard No. (34) " Investment property ".	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting **on or after July 1, 2024**, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.