GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)
SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
TOGETHER WITH AUDIT REPORT

Gadwa For Industrial Development Company (S.A.E.)

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
Contents

UHY United
Auditing, Tax, Advisory & Financial Services

10, Street 213, Maadi
P.O. Box 250 Maadi
Cairo
Egypt

Tel +20 2 251 75598
Fax +20 2 252 14252
Email info@uhy-united.com
Web www.uhy-united.com

AUDITOR'S REPORT

TO THE SHAREHOLDERS of GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)

Report on Financial Statements

We have audited the accompanying separate financial statements of **GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.)** represented in the separate Statement of Financial Position as of 31 December 2023, and the related separate statements of profit or loss, comprehensive income, changes in shareholders equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above, give a true and fair view, in all material respects, of the separate statement of financial position of **GADWA FOR INDUSTRIAL DEVELOPMENT COMPANY (S.A.E.),** as of 31 December 2023 and of its separate financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

Emphasis of Matter

without qualifying our opinion, the company was established on 8 September 2021, and the financial statements for the initial period from 8 September 2021 to 31 December 2022 were approved. For the purpose of presenting the financial statements the company presented comparative figures for the related separate statements of profit or loss, comprehensive income, changes in shareholders equity and cash flows for the year then ended on a 12-month basis to align with the presentation of the financial statements for the current year ending on 31 December 2023.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records that comply with the laws and the Company's articles of association and the financial statements agree with the Company's records.

The financial information included in the General managers' Report, prepared in accordance with Law No. 159 of 1981 and its executive regulation, agrees with the books of the Company insofar as such information is recorded therein.

Cairo: 3 March 2024

Auditor

M. kassim

Mohamed Ahmed Abu EL Kassim

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United For Auditing and Tax

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UHY United
Auditing, Tax, Advisory & Financial Services
10, Street 213, Maadi

SEPARATE STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2023

	Notes	31 December 2023	31 December 2022
ASSETS		**EGP**	EGP
Non-current assets			
Fixed assets	(3)	**4,832,425**	4,293,282
Investments in subsidiaries	(4)	**1,910,668,818**	2,016,790,346
Right-of-use assets	(14-1)	**25,088,081**	28,907,893
Deferred tax assets	(9)	**2,651,140**	1,899,751
Total non-current assets		**1,943,240,464**	2,051,891,272
Current assets			
Due from related parties	(5-A)	**355,267,939**	53,766,424
Prepayments and other debit balances	(6)	**2,815,859**	2,799,931
Cash on hand and at banks	(7)	**50,529,333**	822,218
Total current assets		**408,613,131**	57,388,573
TOTAL ASSETS		**2,351,853,595**	2,109,279,845
EQUITY AND LIABILITIES			
EQUITY			
Capital	(8)	**2,004,129,804**	2,004,129,804
General reserve	(8)	**29,678,496**	29,678,496
Legal reserve		**371,012**	-
Splitting process result		**(88,916,974)**	(88,916,974)
Retained earnings (Accumulated losses)		**6,344,304**	(973,327)
Profit for the year		**368,503**	8,393,566
TOTAL EQUITY		**1,951,975,145**	1,952,311,565
LIABILITIES			
Non-current liabilities			
Non-Current portion of lease liabilities	(14-2)	**26,333,723**	27,567,477
Total non-current liabilities		**26,333,723**	27,567,477
Current liabilities			
Current portion of lease liabilities	(14-2)	**4,318,958**	4,570,895
Due to related parties	(5-B)	**345,373,156**	113,602,446
Tax liabilities		**5,059,956**	1,426,969
Accruals and other credit balances	(10)	**18,792,657**	9,800,493
Total current liabilities		**373,544,727**	129,400,803
TOTAL LIABILITIES		**399,878,450**	156,968,280
TOTAL LIABILITIES AND EQUITY		**2,351,853,595**	2,109,279,845

Group Chief Financial Officer	**Chief Executive Officer**
Ahmed Hamdy Helmy	**Yasser Mohamed Zaki**

- The accompanying notes from (1) to (21) are an integral part of these separate financial statements.
- Auditor's report "attached".

SEPARATE STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	**31 December 2023**	31 December 2022
		EGP	EGP
Operations revenue	(11)	**8,098,025**	27,231,339
Operations cost	(12)	**(6,291,913)**	(19,109,542)
GROSS PROFIT		**1,806,112**	8,121,797
General and administrative expenses	(13)	**(33,011,254)**	(18,787,071)
Expected credit loss in due from related parties balance	(5-A)	**(1,132,642)**	(845,500)
Other revenue		**22,435,555**	15,273,750
OPERATING (LOSS) PROFIT		**(9,902,229)**	3,762,976
Foreign exchange differences		**149,947**	1,571,394
Finance expense		**(10,671,173)**	(4,423,879)
Finance income		**21,680,198**	8,591,687
PROFIT BEFORE INCOME TAXES		**1,256,743**	9,502,178
Income taxes	(9)	**(888,240)**	(1,108,612)
PROFIT FOR THE YEAR		**368,503**	8,393,566
EARNINGS PER SHARE	(17)	**0.0003**	0.0072

Group Chief Financial Officer	**Chief Executive Officer**
Ahmed Hamdy Helmy	**Yasser Mohamed Zaki**

- The accompanying notes from (1) to (21) are an integral part of these separate financial statements.

SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	31 December 2023	31 December 2022
	EGP	EGP
Profit for the year	**368,503**	8,393,566
Items related to comprehensive income	**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**368,503**	8,393,566

- The accompanying notes from (1) to (21) are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Paid up capital	General reserve	legal reserve	Splitting process adjustments	Retained earnings (Accumulated losses)	Profit for the year	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Balance as of 1 January 2023	2,004,129,804	29,678,496	-	(88,916,974)	(973,327)	8,393,566	1,952,311,565
Transferred to legal reserve and (accumulated losses)	-	-	371,012	-	8,022,554	(8,393,566)	-
Dividends for year 2022	-	-	-	-	(704,923)	-	(704,923)
Profit for the year	-	-	-	-	-	368,503	368,503
Balance as of 31 December 2023	**2,004,129,804**	**29,678,496**	**371,012**	**(88,916,974)**	**6,344,304**	**368,503**	**1,951,975,145**
Balance as of 1 January 2022	2,004,129,804	29,678,496	-	(88,916,974)	-	(973,327)	1,943,917,999
Transferred to (accumulated losses)	-	-	-	-	(973,327)	973,327	-
Profit for the year	-	-	-	-	-	8,393,566	8,393,566
Balance as of 31 December 2022	2,004,129,804	29,678,496	-	(88,916,974)	(973,327)	8,393,566	1,952,311,565

- The accompanying notes from (1) to (21) are an integral part of these separate financial statements.

SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	**31 December 2023 EGP**	31 December 2022 EGP
Cash flows from operating activities			
Profit before income taxes		**1,256,743**	9,502,178
Depreciation of fixed assets	(3)	**697,096**	369,926
Amortization of right-of-use assets	(14)	**3,819,812**	3,966,397
Dividend income	(11)	**(8,098,025)**	(27,231,339)
Expected credit loss in due from related parties balance	(5-A)	**1,132,642**	845,500
Impairment in investments in subsidiaries	(12)	**6,128,229**	19,052,534
Loss from sale of investments in financial instruments	(12)	**163,684**	57,008
Finance expense		**10,671,173**	4,423,879
Finance income		**(21,680,198)**	(8,591,687)
Operating (Loss) profit before changes in working capital		**(5,908,844)**	2,394,396
Changes in due from related parties		**(274,390,639)**	5,848,857
Changes in prepayments and other debit balances		**(720,851)**	(822,639)
Changes in due to related parties		**231,770,710**	38,022,883
Changes in tax liabilities		**2,804,586**	591,012
Changes in accruals and other credit balances		**2,259,370**	8,128,905
Net cash flows (used in) provided from operating activities		**(44,185,668)**	54,163,414
Cash flows from investing activities			
Payments to acquire fixed assets	(3)	**(1,236,239)**	(4,105,286)
Proceeds from the sale of investments in subsidiaries	(4)	**99,829,615**	-
(Payments) in investments in subsidiaries	(4)	**-**	(58,376,047)
Finance income received		**723,477**	8,591,687
Net cash flow provided from (used in) investing activities		**99,316,853**	(53,889,646)
Cash flows from financing activities			
Payments for lease liabilities		**(1,485,691)**	(349,667)
Finance expense paid		**(3,938,379)**	(4,423,879)
Net cash flows (used in) financing activities		**(5,424,070)**	(4,773,546)
Net change in cash and cash equivalent during the year		**49,707,115**	(4,499,778)
Cash and cash equivalent – beginning of the year	(7)	**822,218**	5,321,996
Cash and cash equivalent – end of the year	(7)	**50,529,333**	822,218

- The accompanying notes from (1) to (21) are an integral part of these separate financial statements.

1- Background

Gadwa For Industrial Development Company (S.A.E.) was established in accordance with Law No. (159) for the year 1981 as a result of the splitting of Aspire Capital Holding Company for Financial Investments (S.A.E) (previously - Pioneers Holding Company for Financial Investments) in according to Law No. (159) of 1981 and without violating Article (27) of the Capital Market Law No. (95) for the year 1992 and Article (121) and Article (122) of the Executive regulations.

The main purpose of the Company is to invest in, share and contribute, directly and indirectly in all fields of industrial investments, and the Company is allowed to have an interest or engage by any means with companies and others that practice similar businesses to its own or that may assist it in achieving its purpose in Egypt or abroad, also the Company may merge with such previous entities, purchase, or acquire in accordance with the law and its executive regulations.

The Company was registered in the Commercial Register under No. 171850 - Cairo on 5 September 2021.

The Company was registered in the Egyptian Exchange on 10 October 2021.

The Company duration is 25 years starting from 5 September 2021.

The separate financial statements for the year ended 31 December 2023 were approved by the Board of Directors resolution on 3March 2024.

2- Significant Accounting Policies

2-1 Basis of preparation the financial statements

The financial statements have been prepared under the going concern assumption on a historical cost basis, except for financial assets and Investments at fair value through profit or loss, and Investments at fair value through comprehensive income measured at fair value.

Statement of compliance

The financial statements of the Company have been prepared in accordance with the Egyptian Accounting Standards and the applicable laws and regulations.

Changes in accounting policies

Accounting policies applied this year is the same as in the previous years.

As of 6 March 2023, the Prime Minister issued decree No. (883) for the year 2023, to amend some Egyptian Accounting Standards, given that these adjustments did not affect the financial statements issued as of 31 December 2023 as explained in Note (21).

2-2 Lease contracts

Contract is defined to be (or include) a lease contract based on its contents, The contract is a lease contact or include a lease contract if it transfers the control over the use of the asset described for a period for a price.

At the commencement of the contract, lease is classified as a financial lease or operating lease; where the contract is classified as a financial lease if it transfers in a material respect mostly all the risks and rewards from owning the contractual asset and classified as an operating lease if it doesn't transfer in a material respect mostly all the risks and rewards from owning the contractual asset.

At the commencement of the contract, asset is measured (right of use) at cost, where cost includes all initiation costs incurred to prepare the asset to the condition required as per the contract.

The lease liability is measured by the present value of the unpaid lease payments at the date, deducting the lease payments using the imbedded interest in the contract, if it can be easily measured, or using interest on extra lending for the lessor if it can't be measured, in addition to any other variable payments, expected payments, and price for the right of purchasing the asset, according to the contract.

Interest on lease payments, or any variable payments not included in the measurement of the lease liability is included in the statement of profits or losses.

If the lease contract transfers the ownership of the asset, or the asset cost reflects the right of purchasing the asset, the asset is amortized over its useful life (right of use), and except for that, the asset is amortized (right of use) starting from the contract commencing Date To its useful life (right of use) or the end of the contract date, whichever is shorter.

2- Significant Accounting Policies (Cont'd)

2-2 Lease contracts (Cont'd)

The Company assesses at each reporting date whether there is an indication that asset may be impaired, Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, Impairment loss is recognized in the statement of profits or losses.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized, The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years, Such reversal is recognized in the statement of profits or losses.

2-3 Foreign currency translation

- The financial statements are prepared and presented in Egyptian pound, which is the Company's functional currency.
- Transactions in currencies other than Egyptian pound are initially recorded using the prevailing exchange rates on the transaction date.
- Monetary assets and liabilities denominated in currencies other than Egyptian pound are retranslated using the exchange rates prevailing at the statement of financial position date, all differences are recognized in the statement of profit or loss.
- Nonmonetary items that are measured at historical cost in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date of the initial recognition.
- Nonmonetary items measured at fair value in currencies other than Egyptian pound are translated using the exchange rates prevailing at the date when the fair value is determined.

2-4 Fixed assets

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses, Such cost includes the cost of replacing part of the Fixed assets when the cost is incurred, if the recognition criteria are met, Likewise, when a major improvement is performed, its cost is recognized in the carrying amount of the Fixed assets as a replacement if the recognition criteria are satisfied, All other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the assets as follows:

	Years
Furniture	16.7
Telecommunications Equipment	8
Computers	8
Electrical Equipment	5-8
Leasehold Improvements	As per contract term
Vehicles	5
Tools and Equipment	10

Fixed assets are derecognized upon disposal or when no future economic benefits are expected from its use or disposal, any gain or loss arising on derecognizing of the asset is included in the statement of profit or loss when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end. The Company assesses at each reporting date whether there is an indication that Fixed assets may be impaired, Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, Impairment loss is recognized in the statement of profit or loss.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized, The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years, Such reversal is recognized in the statement of profit or loss.

2- Significant Accounting Policies (Cont'd)

2-5 Investments

Investments in subsidiaries

Investments in subsidiaries are investments in entities which the company has control, Control is presumed to exist when the parent has direct or indirect control through subsidiaries on the investee having the power to control the financial and operating policies of the company to benefit from its operations, unless, in exceptional circumstances, it can be clearly demonstrated that this is not the case.

Investments in subsidiaries are accounted for in the separate financial statements at cost inclusive transaction cost and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the separate statement of profit or loss for each investment separately.

2-6 Accounts receivable and other debit balances

Accounts and other receivables are stated at original invoice amount net of any impairment losses.

Impairment losses are measured as the difference between the accounts and other receivables carrying amount and the present value of estimated future cash flows, The impairment loss is recognized in the statement of profit or loss, Reversal of impairment is recognized in the statement of profit or loss in the year in which it occurs.

2-7 Legal reserve

According to the Company's articles of association, 5% of the profits are transferred to the legal reserve until this reserve reaches 50% of the capital, The reserve is used upon a decision from the general assembly meeting according to board of directors' suggestion.

2-8 Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and it's carrying amount in the statement of financial position (accounting base) using the applicable tax rate.

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognized as income or an expense and included in the statement of income for the period, except to the extent that the tax arises from a transaction or an event which is recognized, in the same or a different year, directly in equity.

2-9 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, Revenue is measured at the fair value of the consideration received, excluding discounts and rebates.

- **Revenue from contracts with customers**

An Egyptian standard no.48 revenue from contract with customers set out five step model to be applied as follow:

Step one: Identify the contract (contracts) with the customer. A contract is an agreement between two parties or more creates enforceable rights or obligations A company applies the revenue guidance to contracts with customers.

Step two: Identify the separate performance obligations in the contract. A performance obligation is a promise in a contract to provide a product or service to a customer.

Step three: Determine the transaction price. The transaction price is the amount of consideration that a company expects to receive from a customer in exchange for transferring goods and services, except the amount that collect on behalf of third parties.

2- Significant Accounting Policies (Cont'd)

2-9 Revenue recognition (Cont'd)

Step Four: Allocate the transaction price to the separate performance obligations. If more than one performance obligation exists in a contract, allocate the transaction price based on relative standalone selling prices.

Step five: Recognize revenue: when the company satisfies its performance obligation.

Companies satisfy performance obligations and recognize revenue over a period of time if one of the following criteria is met.

a. The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
b. The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
c. The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If an entity does not satisfy its performance obligation over time according to previous conditions, the entity will recognize revenue at point in time when performance obligation is satisfied.

The following specific recognition criteria must also be met before revenue is recognized:

- **Selling goods**
  Revenue from the sale of goods is recognized when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer. This usually occurs on delivery of the goods and issuance of an invoice in the case of domestic sales and when the goods leave the factory in the case of export sales.
- **Interest income**
  Interest income is recognized as interest accrues according to timeline considering the targeted return on the financial asset.
- **Dividends revenue**
  Revenue is recognized when the company's right to receive the payment is established.

2-10 Expenses

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of profit or loss in the financial year in which these expenses were incurred.

2-11 Accounts payable and other credit balances

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

2-12 Related parties' transactions

Related parties represent associated companies, major quota holders, directors and key management personnel of the Company, and entities controlled, jointly controlled, or significantly influenced by such related parties. Pricing policies and terms of these transactions are approved by the board of directors. Pricing policies and terms of these transactions with related parties are not different from those with others.

2-13 Significant accounting estimates

The preparation of these financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, revenues, and expenses during the financial years, while the actual results may vary from those estimates.

2- Significant Accounting Policies (Cont'd)

2-14 Impairment

Impairment of financial assets

The Company assesses at each statement of financial position date whether there is any objective evidence that a financial asset or a group of financial assets is impaired, A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired, Where the carrying amount of an asset or cash-generating unit's (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount, Impairment losses are recognized in the statement of profit or loss.

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized, The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, had no impairment loss been recognized for the asset in prior years, such reversal is recognized in the statement of profit or loss.

2-15 Statement of cash flows

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

2-16 Cash and cash equivalent

For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within Nine months after deducted banks credit balances.

2-17 Financial Instruments

A. Initial Recognition

The institution is to recognize in the balance sheet the financial asset, or liability only when the institution is a contractual part in a financial instrument.

At initial recognition the financial asset, or liability is measured at fair value if they are classified as financial assets, or liabilities at fair value through profits or losses.

At initial recognition, the financial assets classified as financial assets at fair value through other comprehensive income, and financial assets at amortized cost are recognized at fair value plus the transaction cost.

At initial recognition, the financial liabilities classified as amortized cost are recognized at fair value minus the transaction cost.

B. Classification and measurement of financial assets and liabilities

The Egyptian standard number (47) – Financial Instruments include six main categories based on the subsequent measurement for the financial assets, as follows:

- Financial assets by amortized cost.
- Financial assets at fair value through other comprehensive income.
- Financial assets through profits or losses.

In general, the classification of the financial assets as per the Egyptian standard number (47) – Financial Instruments is based on the business model managing the financial asset and related contractual cash flows.

Financial assets are classified based on amortized cost, or fair value through other comprehensive income, or fair value through profits or losses.

The financial asset is classified based on the business model managing the financial asset and related contractual cash flows.

2- Significant Accounting Policies (Cont'd)

2-17 Financial Instruments (Cont'd)

B. Classification and measurement of financial assets and liabilities (Cont'd)
Financial assets are measured by amortized cost, if two conditions were met, and if was not measure by fair value through profits or losses.

- The asset is included in a business model planning to keep the asset for its contractual future cash flows.
- The asset contractual conditions generate cash flows in specific dates, based on only the asset and related interest payments for the principal amount due.
- The debt instrument is measured at fair value through other comprehensive income, if two conditions were met, and if was not measured by fair value through profits or losses.

∗ The asset is included in a business model. Its goal is to collect contractual cash flows and sale of the financial asset.

The financial asset must be measured at fair value through profits or losses, if not measured by the amortized cost, or at fair value through comprehensive income.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, if this would materially result in reducing the volatility of measurement and recognition.

The institution must classify all its assets to be subsequently measure at amortized cost, except for the following:

∗ Financial liabilities at fair value through profits or losses, where those kinds of liabilities and related derivatives representing these liabilities, subsequently, at fair value.

∗ Financial liabilities resulting from financial asset not qualified to be disposed from books, or when continuous interference is not applicable, in accordance with the Egyptian accounting Standards, like those financial liabilities.

∗ Financial guarantee contracts: after initial recognition, the issuer must subsequently measure the contract in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

A- Impairment loss in accordance with Egyptian accounting standard.
B- Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).

∗ Granting loans engagements with a lower interest than the market: the issuer must in accordance with the Egyptian Accounting Standards, by the lager one of the two following amounts:

A- Impairment loss in accordance with Egyptian accounting standard.
B- Or the recognized balance- initially minus, when it is applicable, the consolidated income balance recognized in accordance with the Egyptian Accounting Standard number (48).

∗ Expected return recognized by the acquirer through consolidation applied by the Egyptian accounting Standard number (29), where subsequent measurement for such return must be in fair value, with changes are to be recognized through profits and losses.

The institution can, without recourse, assign a financial asset to be measured at fair value through profits or losses, when applicable by the Egyptian Accounting Standards, or when it results in better information, for:

A- Eliminate, or materially reduce – the measurement or recognition non-steadiness (shown as – sometimes – as "accounting non uniformness"), resulting from, except from that, measuring the assets and liabilities, or profits or losses recognition, from it, on different bases.

B- There were other financial liabilities, or financial assets, managed and performance valuated based on fair value bases, in accordance with the approved strategy for managing risks and investments; and internally, information is presented for this group on this base to the top management of the institution (also as defined in the Egyptian Accounting Standard number (15) "Disclosing the Related Party", example, the institution board of directors and the managing president.

2- Significant Accounting Policies (Cont'd)

2-17 Financial Instruments: (Cont'd)

B. Classification and measurement of financial assets and liabilities (Cont'd)

Classification of the financial assets and liabilities for the company in accordance with the Egyptian accounting standard number (47) "Financial Instruments".

Financial Statements items	Classification as per Standard number "47"
Cash and cash equivalent	Amortized cost
Due from / to related parties	Amortized cost
Prepayments and other debit balances	Amortized cost
Accruals and other credit balances	Amortized cost
Lease liabilities	Amortized cost

Financial assets and liabilities – re-classification: financial instruments are re-classified only when the financial model of the portfolio as a total change.

C. Impairment of financial assets value

The "Expected Credit Loss" model is applied on the financial assets measured at amortized cost, and contractual assets, and debt investments, at fair value through other comprehensive income, but not based on investments in equity.

The company valuates all available information, including future-based information for the expected credit losses related to the included assets at amortized cost.

The "Expected Credit Loss" model is based on if there is an increase in the expected credit losses. And to valuate if there is a material increase in credit risk, the failure to pay risk, at the separate financial statements date, is compared with the failure to pay risk at the initial recognition date, according to all the available information, and reasonable supporting future information.

As for only trading debtors' balances, due from related parties, and cash and cash equivalent, the company recognize the expected credit losses according to simple approach as per Egyptian Accounting Standard number (47).

The simple approach for recognizing expected credit losses, don't require the company to track the credit risk changes, but it can recognize impairment losses according to the permanent expected credit losses, at the preparation date of the separate financial statements.

The impairment in the credit losses value guide may include indicators showing that debtors or group of debtors are facing material financial problems, or failure, or delay in profits or principal payment, or liquidation problem, or any other financial restructuring, and as the observable information are showing a measurable impairment in the expected future cash flows, like, delays variables, or economic conditions related to payment failure. The trading debtors are audited in kind, depending on each situation, to detect if there is any reason for disposal.

The company measures the expected credit losses through considering payment failure risks during the contractual period, and includes, during measurement, the future information.

D. Disposing of the financial asset from the books

The institution is to dispose of the financial assets from the books, only when:

* The contractual rights of the financial asset cash flows are over, or
* The institution transfers the financial asset.

The institution must dispose of the financial asset from the books (or part of the financial liability) from the balance sheet, when only it is reconciled – meaning that, the liability is paid to the contractual exact time, or canceled, or expired.

2- Fixed Assets

	Furniture	Tele-communications Equipment	Computers	Electrical Equipment	Leasehold Improvements	Vehicles	Tools and Equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
1 January 2023	339,262	548,401	302,360	937,515	2,327,763	200,000	9,918	4,665,219
Additions for the year	64,866	325,713	44,800	100,860	-	700,000	-	1,236,239
31 December 2023	404,128	874,114	347,160	1,038,375	2,327,763	900,000	9,918	5,901,458
Accumulated depreciation								
1 January 2023	(13,063)	(66,009)	(27,812)	(85,134)	(166,103)	(13,667)	(149)	(371,937)
Depreciation for the year (Note 13)	(22,797)	(76,441)	(41,196)	(122,841)	(285,885)	(146,944)	(992)	(697,096)
31 December 2023	(35,860)	(142,450)	(69,008)	(207,975)	(451,988)	(160,611)	(1,141)	(1,069,033)
Net book value								
As of 31 December 2023	**368,268**	**731,664**	**278,152**	**830,400**	**1,875,775**	**739,389**	**8,777**	**4,832,425**

- There is no mortgage over the ownership of fixed asset.

3- Fixed Assets (Cont'd)

	Furniture	Tele-communications Equipment	Computers	Electrical Equipment	Leasehold Improvements	Vehicles	Tools and Equipment	Total
	EGP	EGP	EGP	EGP	EGP	EGP	EGP	EGP
Cost								
1 January 2022	-	234,900	76,400	-	248,633	-	-	559,933
Additions for year	339,262	313,501	225,960	937,515	2,079,130	200,000	9,918	4,105,286
31 December 2022	339,262	548,401	302,360	937,515	2,327,763	200,000	9,918	4,665,219
Accumulated depreciation								
1 January 2022	-	(734)	(1,198)	-	(79)	-	-	(2,011)
Depreciation for the year	(13,063)	(65,275)	(26,614)	(85,134)	(166,024)	(13,667)	(149)	(369,926)
31 December 2022	(13,063)	(66,009)	(27,812)	(85,134)	(166,103)	(13,667)	(149)	(371,937)
Net book value								
As of 31 December 2022	326,199	482,392	274,548	852,381	2,161,660	186,333	9,769	4,293,282

4- Investments In Subsidiaries

		Nature	**Share**	**31 December 2023**	Share	31 December 2022
				EGP		EGP
(1)	Semow For Consulting Company (S.A.E)	Subsidiary	**99.99%**	**350,209,984**	99.99%	350,209,984
(2)	El Hessn For Consulting Company (S.A.E)	Subsidiary	**99.65%**	**64,850,184**	99.65%	64,850,184
(3)	Arabian Company for Dairy Products (Arab Dairy) (S.A.E)	Subsidiary	**36.66%**	**855,756,330**	39.89%	788,139,963
(4)	Giza Power For Manufacturing Company (S.A.E)	Subsidiary	**0.00003%**	**3,625,136**	0.00003%	3,625,136
(5)	Electro Cable Egypt Company (S.A.E)	Subsidiary	**24.62%**	**472,566,777**	29.24%	586,466,215
(6)	Universal For Papers And Packing Materials Company (Unipack) (S.A.E)	Subsidiary	**35.89%**	**188,777,613**	45.73%	242,487,841
(7)	El Noor Pharmaceutical Company (S.A.E)	Subsidiary	**60.00%**	**630**	60.00%	630
(8)	PFA For Consulting Company (S.A.E)	Subsidiary	**0.04%**	**62,827**	0.04%	62,827
(9)	Orange for pharmacies management Company (L.L.C)	Subsidiary	**0.10%**	**100**	0.10%	100
				1,935,849,581		2,035,842,880
	Impairment in investments in subsidiaries			**(25,180,763)**		(19,052,534)
				1,910,668,818		2,016,790,346

(1) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Semow For Consulting Company was valuated according to equity method taken as a base for splitting as of 31 December 2020.

During year 2021, Semow For Consulting Company had increased its capital by amount of EGP 350,000,000, Aspire Capital Holding Company for Financial Investments (Previously - Pioneers Holding Company for Financial Investments) had fully subscribed in that capital increase, which had transferred to Gadwa For Industrial Development Company as a result of splitting process. The investment value became EGP 350,209,984 for 49993750 shares, representing 99.99% of capital.

(2) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in El Hessn For Consulting Company was valuated according to equity method taken as a base for splitting as of 31 December 2020.

During year 2021, El Hessn For Consulting Company had increased its capital by amount of EGP 25,000,000, Aspire Capital Holding Company for Financial Investments (Previously - Pioneers Holding Company for Financial Investments) had fully subscribed in that capital increase, which had transferred to Gadwa For Industrial Development Company as a result of splitting process. The investment value become EGP 64,850,184 for 2516230 shares, representing 99.65 % of capital.

(3) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Arabian Company for Dairy Products (Arab Dairy) was valuated according to the closing price taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 736,284,329 for 63821732 shares, representing 39.89% of capital.

As of 2 November 2021 the General Assembly meeting of Arabian Company for Dairy Products (Arab Dairy) decided to increase the company's issued and paid capital by EGP 130 Million, and Company's share in the capital increase amounted to EGP 51,855,634 which was paid on the first quarter of 2022. The investment value amounted to EGP 788,139,963 for 115677366 shares representing 39.89% of capital.

As of 31 July 2023 the General Assembly Meeting of Arabian Company for Dairy Products (Arab Dairy) decided to increase the company's issued and paid capital by EGP 210 Million, and Company's share in the capital increase amounted to EGP 83,766,368 which was paid on the third quarter of 2023. The investment value amounted to EGP 871,906,331 for 199,443,734 shares representing 39.89% of capital.

During year 2022, the Company conducted tests to measure the fair value of its investments to determine the extent to which there is an indication of impairment in those companies, and accordingly, the Company recorded an impairment of EGP 19,052,534 in the value of its investment in the Arabian Company for Dairy Products (Arab Dairy) (Note 12).

During the year, the Company conducted tests to measure the fair value of its investments to determine the extent to which there is an indication of impairment in those companies, and accordingly, the Company recorded an impairment of EGP 6,128,229 in the value of its investment in the Arabian Company for Dairy Products (Arab Dairy), so the impairment balance as of 31 December 2023 become EGP 25,180,763 (Note 12).

4- Investments In Subsidiaries (Cont'd)

(Cont'd) (3) During the year, the Company restructured its investments in Arabian Company for Dairy Products (Arab Dairy) by transferring the ownership of share of its investments equal to 3.23% by 16150000 shares valued EGP 16,150,000 to its subsidiaries, so that the Company's ownership in it reached 36.66% with a value of EGP 855,756,330 for 183293734 shares, resulting in gains of EGP 4,456,236 allocated in the operations cost in the statement of profit or loss (Note 12).

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries control the company's financial and operational policies.

(4) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Giza Power For Manufacturing Company was valuated according to equity method taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 3,625,136 for 10 shares, representing 0.00003% of capital.

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 70,36% from the issued and paid-up capital of Giza Power For Manufacturing Company.

(5) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Electro Cable Egypt Company was valuated according to the closing price taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 534,124,968 for 930094470 shares, representing 26.15% of capital.

During year 2022, the Company purchased 110000000 shares, at a value of EGP 52,341,247, so the total investment value become EGP 586,466,215, for 1040094470 shares, representing 29.24% of capital.

During the year, Electro Cable Egypt Company retired treasury stocks which resulted in increasing the Company's percentage to become 30.55% of the issued and paid-up capital of Electro Cable Egypt Company.

During the year, the Company sold 202000000 shares, at a value of EGP 113,899,437, so the total investment value become EGP 472,566,777, for 838094470 shares, representing 24.62% of capital resulting in gains of 14,239,754 allocated in the operations cost in the statement of profit or loss (Note 12).

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 70.36% from the issued and paid-up capital of Electro Cable Egypt Company.

(6) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Universal For Papers And Packing Materials Company (Unipack) was valuated according to the closing price taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 242,487,841 for 35214990 shares, representing 45.73% of capital.

As of 28 March 2021, Universal For Papers And Packing Materials Company (Unipack) approved the division of the company's shares into ten shares, so the nominal value of each share became EGP 0.1 instead of EGP 1, so The investment value amounted EGP 242,487,841 for 352149900 shares, representing 45.73% of the capital.

During the year, Universal For Papers And Packing Materials Company (Unipack) retired treasury stocks which resulted in increasing the Company's percentage to become 46.10% of the issued and paid-up capital of Universal For Papers And Packing Materials Company (Unipack).

During the year, the Company restructured its investments in Universal For Papers And Packing Materials Company (Unipack) by transferring the ownership of share of its investments equal to 9.84% by 78000000 shares valued EGP 53,710,228 to its subsidiaries, so that the Company's ownership in it reached 35.89% with a value of EGP 188,777,613 for 274149900 shares, resulting in loss of EGP 18,812,314 allocated in the operations cost in the statement of profit or loss (Note 12).

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 73.87% from the issued and paid-up capital of Universal For Papers And Packing Materials Company (Unipack).

4- Investments In Subsidiaries (Cont'd)

(7) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in El Noor Pharmaceutical Company was valuated according to equity method taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 630 for 600000 shares, representing 60% of capital.

(8) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in PFA For Consulting Company was valuated according to equity method taken as a base for splitting as of 31 December 2020. The investment value amounted EGP 62,827 for 6245 shares, representing 0.04% of capital.

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 99.99% from the issued and paid-up capital of in PFA For Consulting Company.

(9) In accordance with the Economic Performance Sector of the General Authority of Investments and Free Zones report, Investment in Orange for Pharmacies Management Company was valuated according to equity method taken as a base for splitting as of 31 December 2020, The investment value amounted EGP 100 for 100 shares, representing 0.10% of capital.

This investment has been classified as investments in subsidiaries companies as the Company and its subsidiaries ownership is 65% from the issued and paid-up capital of in Orange for Pharmacies Management Company.

5- Due From / To Related Parties

A- Due From Related Parties	Affiliation	**31 December 2023 EGP**	31 December 2022 EGP
El Hessn For Consulting Company	Subsidiary	**140,666,823**	1,177,624
El Noor Pharmaceutical Company	Subsidiary	**67,674,300**	49,234,300
Arabian Company for Dairy Products (Arab Dairy)	Subsidiary	**55,818,069**	2,500,000
Electro Cable Egypt Company	Subsidiary	**-**	1,700,000
Semow For Consulting Company	Subsidiary	**93,086,889**	-
		357,246,081	54,611,924
Expected credit loss in due from related parties balance		**(1,978,142)**	(845,500)
		355,267,939	53,766,424

The change in expected credit loss in due from related parties balance is as following:

	31 December 2023 EGP	31 December 2022 EGP
Beginning balance	**845,500**	-
Charged during the year	**1,132,642**	845,500
Ending balance	**1,978,142**	845,500

B- Due To Related Parties	Affiliation	**31 December 2023 EGP**	31 December 2022 EGP
PFA For Consulting Company	Subsidiary	**-**	16,453,838
Pioneers Properties for Urban Development Company	Related party	**343,762,286**	97,148,608
Shareholders current account	Shareholders	**1,610,870**	-
		345,373,156	113,602,446

6- Prepayments And Other Debit Balances

	31 December 2023 EGP	31 December 2022 EGP
Advance payments to acquire assets	**686,691**	1,417,518
Prepaid expenses	**-**	266,026
Deposits with others	**846,158**	846,158
Employees custodies and trusts	**28,124**	25,000
Amounts paid to employees under dividends distributions	**1,254,862**	245,205
Other debit balances	**24**	24
	2,815,859	2,799,931

7- Cash On Hand And At Banks

	31 December 2023 EGP	31 December 2022 EGP
Local Currency		
Cash on hand	**129,454**	162,391
Current accounts	**50,453,967**	658,191
Current accounts (Credit balances)	**(55,896)**	-
	50,527,525	820,582
Foreign Currency		
Current accounts	**1,808**	1,636
	1,808	1,636
	50,529,333	822,218

8- Capital

As of 24 July 2021, the Extraordinary General Assembly Meeting unanimously approved the report number 534 as of 15 June 2021 from the Economic Performance Sector of the General Authority for Investment and Free Zones reports, confirming the preliminary book and fair value assessment of the company's assets and liabilities for the purpose of splitting the company into three companies (an original company and two resulted companies). The report concluded that net owners' equity value of Aspire Capital Holding Company for Financial Investments (S.A.E) (Previously - Pioneers Holding company for Financial Investments) is EGP 7,039,494,200.

Net shareholders' equity of Gadwa for Industrial Development Company (splitted company) amounted EGP 2,033,808,300 divided as follows:

Issued and paid-up capital of EGP 2,004,129,804, divided on 1054805160 shares with a face value of 1.9 Egyptian pounds per share, and a general reserve amounted to EGP 29,678,496, with authorized capital of 10 billion Egyptian pounds.

The Commercial Register was issued on 5 September 2021.

The capital structure is as follows:

	Percentage %	Number of shares	**Value EGP**
Walid Mohamed Zaki	20.82	219579730	**417,201,487**
Abdelkader Elmohedeb And Sons Company	14.38	151658750	**288,151,625**
Taha Ibrahim Mostafa Mohamed Eltelbani	10.08	106344921	**202,055,350**
Hossam Mohamed Zaki Ibrahim	7.82	82485236	**156,721,948**
Hesham Ali Shoukry Hafez	7.08	74643766	**141,823,155**
EGYCAP Investments Ltd.	6.73	70935897	**134,778,204**
Nawaf bin Abdullah bin Ibrahim bin Dail	5.92	62432802	**118,622,324**
Other shareholders	27.17	286724058	**544,775,711**
Total	100	1054805160	**2,004,129,804**

9- Income Taxes

Deferred Tax	**31 December 2023 EGP**	31 December 2022 EGP
Beginning balance – asset	**1,899,751**	282,579
Deferred tax for the year – revenue	**751,389**	1,617,172
Ending balance – asset	**2,651,140**	1,899,751

	31 December 2023 EGP	31 December 2022 EGP
Current income tax	**828,401**	2,650
Income tax on dividends	**811,228**	2,723,134
Deferred income tax – (revenue)	**(751,389)**	(1,617,172)
	888,240	1,108,612

10- Accruals And Other Credit Balances

	31 December 2023 EGP	31 December 2022 EGP
Accrued expenses	**2,553,108**	329,289
Brokerage companies' liabilities	**16,058,477**	9,297,300
Other credit balances	**181,072**	173,904
	18,792,657	9,800,493

11- Operations Revenue

	31 December 2023 EGP	31 December 2022 EGP
Dividends income	**8,098,025**	27,231,339
	8,098,025	27,231,339

12- Operations Cost

	31 December 2023 EGP	31 December 2022 EGP
Impairment in investments in subsidiaries (Note 4)	**6,128,229**	19,052,534
Loss from sale of investments in financial instruments (Note 4)	**163,684**	57,008
	6,291,913	19,109,542

13- General And Administrative Expenses

	31 December 2023 EGP	31 December 2022 EGP
Salaries and wages	**19,043,051**	8,361,655
Registrations and other fees	**1,087,428**	2,116,872
Other expenses	**8,363,867**	3,972,221
Depreciation of fixed assets (Note 3)	**697,096**	369,926
Amortization of right-of-use assets (Note 14)	**3,819,812**	3,966,397
	33,011,254	18,787,071

14- Lease Contracts

During year 2021, the Company leased a headquarter in the New Cairo area, Cairo Governorate, for a period of nine years. The total undiscounted rental value according to the contract amounted to EGP 58,343,174, to be paid in quarterly instalments of EGP 1,269,237, with an annual increase of 5% for the second year and 7% starting from the third year.

1- Right-of-use assets

	31 December 2023 Buildings EGP	31 December 2022 Buildings EGP
Cost		
Beginning balance	**33,741,671**	30,647,466
Additions for the year	**-**	3,094,205
Ending balance	**33,741,671**	33,741,671
Accumulated Amortization		
Beginning balance	**(4,833,778)**	(867,381)
Amortization for the year (Note 13)	**(3,819,812)**	(3,966,397)
Ending balance	**(8,653,590)**	(4,833,778)
Net book value at year end	**25,088,081**	28,907,893

2- Lease liability

	31 December 2023 Operating Lease EGP	31 December 2022 Operating Lease EGP
Non-Current portion	**26,333,723**	27,567,477
Current portion	**4,318,958**	4,570,895
Liability balance	**30,652,681**	32,138,372

15- Tax Position

Corporate tax

- The Company was established in September 2021 and submitted tax returns on the legal dates for year 2022 according to Law No. 91 for year 2005 and has not been examined till the financial statements date.

Payroll tax

- The Company deducts payroll taxes from employees according to Law No. 91 for year 2005 and its amendments and reconciled regularly with the Tax Authority.

Withholding tax

- The Company deducts withholding taxes according to the Law and pay the accrued balance to the Tax Authority.

Stamp tax

- The Company was established in September 2021 and has not been examined till the financial statements date.

16- Financial Instruments Risk Management

Financial instruments of the Company are represented in the financial assets includes (cash on hand and at banks, financial investments, trade, and notes receivable, due from related parties, and other debit balances), the financial liabilities include (credit facilities, loans, due to related parties, tax liabilities, accruals and other credit balances).

Note (2) in the accompanying notes of the financial statements includes the accounting policies applied concerning the recognition and measurement of significant financial instruments & the related revenues & expenses.

Interest Rate Risk

The Company is exposed to interest rate risk resulted from the interest on its assets and liabilities (term loans). The interest on term loans is fixed; therefore, there is no effect on the Company's profits from fluctuation of markets interest rate.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, resulting in financial losses beard by the other party, The Company is exposed to credit risk from its deposits with banks, accounts receivables as well as some other assets as represented on the financial position.

The Company seeks to reduce credit risk related to bank deposits by dealing with reputable banks and by setting credit limits to its clients and monitoring their customer outstanding credit balances.

Foreign Currency Risk

The foreign currency risk is the risk that the value of the inflows and outflows in foreign currencies, as well as valuation of assets and liabilities in foreign currencies, will fluctuate due to changes in foreign currency exchange rates.

Liquidity Risk

The Company monitors its risks in shortage of cash amounts using liquidity designing tool and ensure loans and facilities from the banks.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of retained earnings, and company bank balances to match the maturity of the Company's liabilities when due.

Capital Management

The main purpose of the Capital management is to ensure that the Company maintain a proper percent of the capital to support its business and to achieve the maximum increase for the shareholders.

The Company manages the capital structure and adjust it in considerations to the changes in the business environment.

There were no changes in the Company's goals, policies and operations for the year ended 31 December 2023 and the year ended 31 December 2022.

17- Earnings Per Share

Earnings per share is based on a projected distribution, by dividing profit for the year by weighted average number of outstanding shares during the year as follows:

	31 December 2023 EGP	31 December 2022 EGP
Profit for the year	**368,503**	8,393,566
Employee share (estimated)*	**(35,008)**	(797,389)
	333,495	7,596,177
Weighted average number of outstanding shares during the year	**1054805160**	1054805160
Earnings per share for the year	**0.0003**	0.0072

* Employees share in the dividend's distribution is calculated based on an estimated distribution project for the year's profit, for the purpose of calculating the earnings per share; and the board of directors' share was not calculated as the realized profits is less than 5% of the issued and paid-up capital, meaning that there is no share for board of directors.

18- Key Sources for Uncertain Estimates

The Company makes future estimates and assumptions, the results of accounting estimates, as defined, are rarely equal to actual results, Estimates and assumptions with significant risks that could cause a material adjustment to the carrying amounts of assets and liabilities during the next financial year are indicated below:

Income taxes

The Company is subject to corporate tax, a provision for income tax is estimated using an expert opinion, any discrepancies between estimated and actual tax are reflected on provision for income tax and deferred tax for these periods.

19- Related Parties Transactions

Related parties are sister companies, major shareholders, members of the board of directors and members of the top management of the Company or any company that controls or has a significant influence on the Company. Pricing policies and terms related to these transactions are approved by the Company's management.

The transactions with related parties included in the statement of profit or loss are as follows:

Company	Affiliation	Nature of Transaction	31 December 2023 EGP	31 December 2022 EGP
Semow For Consulting Company	Subsidiary	Finance income	**14,377,219**	-
El Hessn For Consulting Company	Subsidiary	Finance income	**6,579,502**	8,019,578
PFA For Consulting Company	Subsidiary	Finance income	**-**	572,116
El Hessn For Consulting Company	Subsidiary	Other revenues	**1,373,750**	3,273,750
Arabian Company for Dairy Products (Arab Dairy)	Subsidiary	Other revenues	**1,122,658**	-
Giza Power For Manufacturing Company	Subsidiary	Other revenues	**-**	12,000,000
El Hessn For Consulting Company	Subsidiary	Dividends income	**8,098,025**	27,231,339
El Hessn For Consulting Company	Related party	Gain from sale of investments in financial instruments	**4,456,236**	-
Wadi For Consulting Company	Subsidiary	Gain from sale of investments in financial instruments	**14,239,754**	-
PFA For Consulting Company	Subsidiary	Loss from sale of investments in financial instruments	**(18,812,314)**	-
Aspire Capital Holding Company For Financial Investments	Related party	Registrations and other fees	**96,100**	849,580
Pioneers Securities Company	Related party	Finance expense	**6,732,794**	56,044

19- Related Parties Transactions (Cont'd)

The balances of related parties included in the statement of financial position are as follows:

Company	**Affiliation**	**Item**	**31 December 2023 EGP**	31 December 2022 EGP
Cairo For Housing & Real Estate Development Company	Related party	Deposits with others	**846,158**	846,158
Cairo For Housing & Real Estate Development Company	Related party	Lease liability	**30,652,681**	32,138,372
Pioneers Securities Company	Related party	Brokerage companies' liabilities	**16,058,477**	9,297,300

20- Capital Commitments

None.

21- Significant Events

New Editions and Amendments to Egyptian Accounting Standards

- On 6 March 2023, the Prime Minister's Decree No. (883) for the year 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 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 applies this model for the first time**.
	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.	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**.

21- Significant Events (Cont'd)

New Editions and Amendments to Egyptian Accounting Standards (Cont'd)

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 of a 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.
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 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.