

Translated

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Separate Financial Statements
For the financial year ended at December 31, 2023
and independent auditors' report

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Hazem Hassan

Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

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Independent Auditor's Report

To the Shareholders of Egypt Kuwait Holding Company

Report on the Separate Financial Statements

We have audited the accompanying Separate financial statements of Egypt Kuwait Holding Company S.A.E, which comprise the Separate financial position as of December 31, 2023, the Separate statements of income, comprehensive income, changes in 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 Separate Financial Statements

These Separate financial statements are the responsibility of Company's management. Management is responsible for the preparation and fair presentation of these Separate financial statements in accordance with the Egyptian Accounting Standards and in the light of the prevailing 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; management 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 the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether 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 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 Separate financial statements.

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



Hazem Hassan

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Opinion

In our opinion, the Separate financial statements present fairly, in all material respects, the Separate financial position of Egypt Kuwait Holding Company as of December 31, 2023, and of its Separate financial performance and its Separate cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these Separate financial statements.

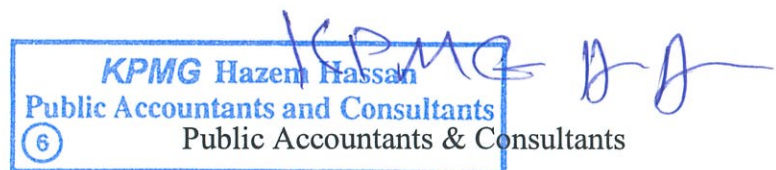
Report on Other Legal and Regulatory Requirements

The Company keeps proper accounting records, which include all that is required by law and the statutes of the Company, the financial statements, are in agreement thereto.

The financial information included in the board of directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

The separate financial statements has been issued in accordance with Companies Law No. 159 of 1981 and as detailed in note no.(14) of the supplementing notes to the financial statements, the company has investments in subsidiaries companies and in accordance with Article No. 188 of the executive regulations of the Companies Law No. 159 of 1981, the company is requested to prepare consolidated financial statements that express the consolidated financial position, consolidated financial performance and consolidated cash flows of the company and its subsidiaries as a single economic entity.

KPMG Hazem Hassan



Cairo, February 25, 2024

All amounts are presented in US Dollars

	Note No.	31/12/2023	31/12/2022
Assets			
Non-current assets			
Investments in subsidiaries	(14)	848 245 535	721 687 805
Investments in associates	(15)	16 913 968	16 913 968
Financial investments at fair value through other comprehensive income	(16)	1 859 332	10 376 631
Property, plant and equipment and projects under construction	(17)	14 512 396	14 459 976
Total non-current assets		881 531 231	763 438 380
Current assets			
Cash and cash equivalents	(18)	10 489 446	10 561 961
Financial investments at fair value through other comprehensive income	(16)	-	12 354 704
Financial investments at fair value through profit or loss	(19)	360 553	5 037 238
Financial assets at amortized cost	(20)	8 392 503	-
Due from subsidiaries, associates & related parties	(29-1)	151 020 183	371 204 915
Other current assets	(21)	5 389 128	5 020 057
Total current assets		175 651 813	404 178 875
Total assets		1 057 183 044	1 167 617 255
Equity and liabilities			
Equity:			
Issued & paid up capital	(22)	281 721 321	281 721 321
Legal reserve	(23)	133 896 975	129 587 671
Other reserves	(24)	442 994	66 715 686
Retained earnings		90 451 740	84 978 682
Treasury shares	(25)	(3 349 840)	(223 619)
Total Equity		503 163 190	562 779 741
Non-current liabilities			
Loans and bank facilities	(26)	257 172 611	328 265 686
Notes payable and other creditors	(27)	3 480 890	5 214 800
Total non-current liabilities		260 653 501	333 480 486
Current liabilities			
Loans and bank facilities	(26)	120 721 591	110 403 266
Due to subsidiaries, associates & related parties	(29-2)	160 757 284	157 024 763
Notes payable and other creditors	(27)	3 378 409	3 682 124
Provisions	(28)	8 509 069	246 875
Total current liabilities		293 366 353	271 357 028
Total liabilities		554 019 854	604 837 514
Total equity and liabilities		1 057 183 044	1 167 617 255

* The accompanying notes are an integral part of the separate financial statements and to be read therewith.

Group Chief Financial Officer

Medhat Hamed Bonna

Managing Director

Sherif Al Zayat

Chairman

Loay Jassim Al-Kharafi

*Independent auditor's report "attached"



Egypt Kuwait Holding Company

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(An Egyptian Joint Stock Company)

Separate income statement for the financial year ended December 31, 2023

All amounts are presented in US Dollars

	Note No.	2023	2022
<u>Operating Revenues</u>			
Income from investments in subsidiaries	(5)	126 916 982	94 071 399
Income from investments in associates	(6)	-	219 797
Income from financial investments at fair value through profit or loss		441 283	1 435 253
Income from financial investments at fair value through other comprehensive income		575 285	-
Change in fair value of financial investments at fair value through profit or loss		430 668	(527 824)
Income from financial assets at amortized cost		250 467	-
Income from selling financial assets at fair value through profit or loss		(45 685)	-
Income from selling financial assets at fair value through other comprehensive income		1 030 146	86 915
Income from selling financial investments at amortized cost		-	16 426
Total		129 599 146	95 301 966
General and administrative expenses		(6 502 939)	(5 915 536)
Board members remunerations		(31 000)	(23 000)
Fixed assets' depreciation	(17)	(393 543)	(392 975)
Expected credit loss	(7)	(1 428 173)	(124 514)
Other revenues	(8)	517	27 630
Other expenses	(9)	(8 319 360)	(79 720)
Total operating profit		112 924 648	88 793 851
Finance income	(10)	12 801 668	22 122 022
Finance costs	(10)	(44 446 981)	(24 729 802)
Net finance costs		(31 645 313)	(2 607 780)
Net profit before income tax		81 279 335	86 186 071
Income tax	(11)	-	-
Net profit for the year		81 279 335	86 186 071
Basic / diluted earnings per share (US cent / Share)	(12)	7.12	6.45

* The accompanying notes are an integral part of the separate financial statements and to be read therewith.

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)

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Separate comprehensive income statement for the financial year ended December 31, 2023

All amounts are presented in US Dollars

	Note No.	2023	2022
Net profit for the year		81 279 335	86 186 071
Other comprehensive items			
<u>Items may be reclassified in the separate income statement</u>			
Investments at fair value through other comprehensive income	(16)	62 317	(20 689 928)
Total other comprehensive income (loss) for the year after deducting tax		62 317	(20 689 928)
Total comprehensive income for the year		81 341 652	65 496 143

* The accompanying notes are an integral part of the separate financial statements and to be read therewith.

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

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Separate statement of changes in equity for the financial year ended December 31, 2023

All amounts are presented in US Dollars

Description	Issued & paid up capital	Legal reserve	Other reserves				Retained (losses) earnings	Treasury shares	Total
			Special reserve - Share premium	General reserve	Fair value reserve	Total			
Balance as of January 1, 2022	281 721 321	128 055 146	57 954 547	8 380 462	21 070 605	87 405 614	89 030 981	-	586 213 062
Comprehensive income									
Net profit for the year	-	-	-	-	-	-	86 186 071	-	86 186 071
Other comprehensive loss for the year	-	-	-	-	(20 689 928)	(20 689 928)	-	-	(20 689 928)
Total comprehensive income for the year	-	-	-	-	(20 689 928)	(20 689 928)	86 186 071	-	65 496 143
Transactions with shareholders									
Transferred to legal reserve	-	1 532 525	-	-	-	-	(1 532 525)	-	-
Employees' dividends	-	-	-	-	-	-	(1 280 892)	-	(1 280 892)
Shareholders' dividends	-	-	-	-	-	-	(78 881 970)	-	(78 881 970)
Board members' remunerations	-	-	-	-	-	-	(8 542 983)	-	(8 542 983)
Purchase of treasury shares	-	-	-	-	-	-	-	(223 619)	(223 619)
Total transactions with shareholders	-	1 532 525	-	-	-	-	(90 238 370)	(223 619)	(88 929 464)
Balance as of December 31, 2022	281 721 321	129 587 671	57 954 547	8 380 462	380 677	66 715 686	84 978 682	(223 619)	562 779 741
Balance as of January 1, 2023	281 721 321	129 587 671	57 954 547	8 380 462	380 677	66 715 686	84 978 682	(223 619)	562 779 741
Comprehensive income									
Net profit for the year	-	-	-	-	-	-	81 279 335	-	81 279 335
Other comprehensive income for the year	-	-	-	-	62 317	62 317	-	-	62 317
Total comprehensive income for the year	-	-	-	-	62 317	62 317	81 279 335	-	81 341 652
Transactions with shareholders									
Transferred to legal reserve	-	4 309 304	-	-	-	-	(4 309 304)	-	-
Employees' dividends	-	-	-	-	-	-	(1 501 852)	-	(1 501 852)
Shareholders' dividends	-	-	(57 954 547)	(8 380 462)	-	(66 335 009)	(57 622 373)	-	(123 957 382)
Board members' remunerations	-	-	-	-	-	-	(12 053 137)	-	(12 053 137)
Purchase of treasury shares	-	-	-	-	-	-	-	(7 888 934)	(7 888 934)
Sale of treasury shares	-	-	-	-	-	-	(319 611)	4 762 713	4 443 102
Total transactions with shareholders	-	4 309 304	(57 954 547)	(8 380 462)	-	(66 335 009)	(75 806 277)	(3 126 221)	(140 958 203)
Balance as of December 31, 2023	281 721 321	133 896 975	-	-	442 994	442 994	90 451 740	(3 349 840)	503 163 190

* The accompanying notes are an integral part of the separate financial statements and to be read therewith.

Separate statement of cash flows for the financial year ended December 31, 2023

All amounts are presented in US Dollars

	Note No.	2023	2022
<u>Cash flows from operating activities</u>			
Net profit for the year before income tax		81 279 335	86 186 071
<u>Adjustments for:</u>			
Fixed assets' depreciation	(17)	393 543	392 975
Income from investments in subsidiaries	(5)	(126 916 982)	(94 071 399)
Income from investments in associates	(6)	-	(219 797)
Income from financial investments at fair value through profit or loss		(441 283)	(1 435 253)
Income from financial investments at fair value through other comprehensive income		(575 285)	-
Income from financial investments at amortized cost		(250 467)	-
Changes in fair value of financial investments at fair value through profit or loss		(430 668)	527 824
Income from selling financial assets at fair value through other comprehensive income		(1 030 146)	(86 915)
Income from selling financial assets at fair value through profit or loss		45 685	-
Income from selling other financial assets at amortized cost		-	(16 426)
Expected credit loss		1 428 173	124 514
Impairment losses of investments in subsidiaries		15 893	-
Capital gain		(502)	(27 630)
Unrealized foreign exchange translation differences		(13 130 235)	(1 059 388)
Finance costs	(10)	44 446 981	24 729 802
Credit interest	(10)	(206 906)	(199 383)
		(15 372 864)	14 844 995
<u>Change in:</u>			
Other current assets		(1 044 532)	718 697
Due from subsidiaries, associates & related parties		326 726 377	(12 993 116)
Due to subsidiaries, associates & related parties		3 732 521	114 066 349
Notes payable and other creditors		(2 037 625)	(4 222 159)
Provisions		8 262 194	(71 155)
Financial investments at fair value through profit or loss		5 061 668	2 400 000
Cash resulted from operating activities		325 327 739	114 743 611
<u>Cash flows from investing activities</u>			
Collected credit interest	(10)	206 906	199 383
Payments for acquisition of fixed assets and projects under construction		(445 963)	(4 601 571)
Proceeds from the sale of fixed assets		502	35 775
Proceeds from financial investments at fair value through other comprehensive income		22 539 751	6 852 102
Net (payments) proceeds from financial investments at amortized cost		(8 223 991)	16 426
Payments for the acquisition of investments in subsidiaries		(125 992 886)	(25 449 174)
Dividends collected from investments in subsidiaries		17 642 150	14 065 333
Income collected from financial investments at fair value through profit or loss		441 283	1 787 378
Income collected from financial investments at fair value through other comprehensive income		-	86 915
Net cash used in investing activities		(93 832 248)	(7 007 433)
<u>Cash flows from financing activities</u>			
Payments of loans		(111 989 989)	(24 117 395)
Proceeds from loans		114 488 411	98 510 071
Proceeds from bank facilities		149 930 494	243 903 799
Payments of bank facilities		(200 073 431)	(314 726 284)
Payments of finance costs		(44 446 981)	(21 807 773)
Payments for purchasing treasury shares		(7 888 934)	(223 619)
Proceeds from sale of treasury shares		4 443 102	-
Dividends payments		(136 010 519)	(87 424 953)
Net cash used in financing activities		(231 547 847)	(105 886 154)
Net change in cash and cash equivalents during the year		(52 356)	1 850 024
Cash and cash equivalents at beginning of the year		10 900 378	9 050 354
Cash and cash equivalents at end of the year	(18)	10 848 022	10 900 378

* The accompanying notes are an integral part of the separate financial statements and to be read therewith.

1- Background and activities

- Egypt Kuwait Holding Company “The Company” was incorporated by virtue of the Chairman of General Investment Authority's resolution No. 197 of 1997, according to the provisions of Investment Law No. 230 of 1989 and according to Law No. 72 of 2017, concerning Investment Incentives & Guarantees and Law No. 95 of 1992 concerning Capital Market. The Company was registered in Giza Governorate Commercial Registry under No. 114 648 on 20/7/1997. The duration of the Company according to the Company's Statute, is 25 years starting from the date of registration in the Commercial Registry.
- On March 31, 2022, the General Assembly of the shareholders of the Holding Company approved to extend the duration of the Company for additional 25 years.
- The Company's financial year starts on January 1st and ends on December 31st each year.
- The Company's purpose is represented in investment in all activities stated in Article 1 of Law No. 230 of 1989, provided that its object does not include accepting deposits or performing banking transactions.

In addition, the Company is entitled to establish other projects or modify its purposes in conformity with the Investment Law. The Company is also entitled to establish or participate in projects not governed by the Investment Law subject to the approval of the General Investment Authority & General Capital Market Authority.

On March 6, 2002, the General Investment Authority gave permission to the Company to use the excess funds in investing outside the Arab Republic of Egypt by participating in establishing companies & contributing to projects & portfolios of marketable securities managed abroad.

- The registered office of the Company is located at 14 Hassan Mohamed El Razaz St.-Dokki- Egypt. Mr. Loay Jassim Al-Kharafi is the Chairman of the Company.

2- Basis of preparation of separate financial statements

- The separate financial statements have been prepared in accordance with Egyptian accounting standards and in compliance with Egyptian Laws.
- The separate financial statements were authorized for issuance by the Board of Directors of the Company on February 22, 2024.
- The details of the most important accounting policies of the company are included in Note No. 36.

3- Functional and presentation currency

- The separate financial statements are presented in USD which is the Company's functional currency.

4- Basis of measurement and assumptions

- The preparation of separate financial statements in conformity with the Egyptian Accounting Standards requires management to make judgment, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclose about contingent liabilities on each reporting date. However, uncertainty about these assumptions and estimates may lead to results that would require a material adjustment to the carrying amount of the related asset or liability in the future.
- The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period

in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

A- Judgments

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

- Note No. 36-2 – revenue recognition: revenue is recognized as detailed in the accounting policies applied.
- Note No. 36-8 – equity-accounted investees (associates Companies): whether the company has significant influence over an investee.

B- Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties on December 31, 2023, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note No. 36-2 – revenue recognition: estimation of expected revenues.
- Note No. 36-14 – measurement of ECL for cash at banks, due from related parties, debtors and other debit balances.
- Note No. 36-15 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

C- Measurement of fair value

- A certain number of the Co.'s accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.
- The Company has established control framework with respect to measurement fair of values. This includes the presence of valuation team that has overall responsibility for reviewing all fair values including fair value up to level (3), and a report of those values and methods of measuring is being issued directly to the CFO.
- Valuation team regularly reviews important non-observable inputs and evaluation adjustments.
- If third party information is used to measure fair values, such as broker quotations or pricing services, the valuation team evaluates the evidence obtained from third parties to support the conclusion that such valuations meet the requirements of accounting standards, including the level in the fair value hierarchy in which the valuations should be classified.
- Material valuation issues are reported to the Company's Audit Committee.
- Accreditation is measured in the fair value of assets and liabilities mainly on available market data, and the data that is relied upon in the evaluation is classified according to the following hierarchy:
 - Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: inputs of the quoted prices included in level (1) that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
 - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- If the inputs used to measure the fair value of an asset or liability are located at different levels in the fair value hierarchy, the entire fair value measurement will be classified at the same level as the lowest level of the material input for the entire measurement.
- The Company recognizes transfers between levels of the fair value hierarchy at the end of the financial period during which the change has occurred.

Notes to the separate financial statements (Cont.)

for the financial year ended December 31, 2023

All amounts are presented in US Dollars unless otherwise indicated

5- Income from investments in subsidiaries

	2023	2022
International Financial Investments Co.	-	51 700 000
Bawabet Al Kuwait Holding Co.	100 648 441	-
Delta Insurance	1 641 616	2 908 865
Alexandria for Fertilizers	16 826 244	13 460 996
Fayoum Gas	378	1 080
National Gas "Natgas"	303	458
OGI Capital Limited	7 800 000	26 000 000
	126 916 982	94 071 399

6- Income from investments in associates

	2023	2022
EL - Mohandas Insurance Co.	-	219 797
	-	219 797

7- Expected Credit Loss

	Balance as of 31-12-2022	Allocated on income statement during the year	Balance as of 31-12-2023
Cash & cash equivalents	338 417	20 159	358 576
Financial investments at fair value through other comprehensive income	90 041 645	-	90 041 645
Other financial assets at amortized cost	-	81 955	81 955
Due from related parties	-	1 326 059	1 326 059
	90 380 062	1 428 173	91 808 235

8- Other revenues

	2023	2022
Capital gain	517	27 630
	517	27 630

9- Other expenses

	2023	2022
Provisions formed	8 303 467	-
Write off	-	79 720
Others	15 893	-
	8 319 360	79 720

Notes to the separate financial statements (Cont.)

for the financial year ended December 31, 2023

All amounts are presented in US Dollars unless otherwise indicated

10- Finance income (costs)

	<u>2023</u>	<u>2022</u>
<u>Finance income:</u>		
Credit interest	206 906	199 383
Net gain from foreign exchange translation differences	12 594 762	21 922 639
	<u>12 801 668</u>	<u>22 122 022</u>
<u>Finance costs:</u>		
Finance expenses	(44 446 981)	(24 729 802)
	<u>(44 446 981)</u>	<u>(24 729 802)</u>
Net finance costs	<u>(31 645 313)</u>	<u>(2 607 780)</u>

11- Income tax

	<u>2023</u>	<u>2022</u>
Current income tax expense	-	-
Deferred income tax benefit	-	-
	<u>-</u>	<u>-</u>

11- 1 Adjustments to calculate effective tax rate

	<u>2023</u>	<u>2022</u>
Net accounting profit before income tax	81 279 335	86 186 071
Tax rate	%22,5	%22,5
Expected income tax on accounting profit	18 287 850	19 391 865
Expenses not applicable to tax deduction	87 248	21 072
Tax exemptions	(21 059 268)	(19 469 926)
Impact of provisions	2 193 195	45 953
Depreciation effect	26 198	17 211
Effect of foreign exchange differences	464 776	-
Capital gains	-	(6 175)
Tax according to separate income statement	<u>-</u>	<u>-</u>
Effective tax rate	<u>-</u>	<u>-</u>

12- Basic / diluted earnings per share

The calculation of basic / diluted earnings per share on December 31, 2023, was based on the profit attributable to shareholders and weighted average number of outstanding shares as follows:

	2023	2022
Net profit for the year	81 279 335	86 186 071
Employees share in profit- (estimated)	(1 064 287)	(1 501 852)
Board member's remuneration share in profit- (estimated)	-	(12 053 137)
Shareholders' share in profit for the year	80 215 048	72 631 082
Weighted average number of outstanding shares at the year end	1 126 055 961	1 126 720 287
Basic / diluted earnings per share (US cent / Share)	7.12	6.45

Weighted average number of outstanding shares is calculated as follows:

	2023	2022
The number of outstanding shares at the beginning of the year	1 126 720 287	1 126 885 287
Weighted average of treasury shares sold during the year	585 959	-
Weighted average of treasury shares purchased during the year	(1 250 285)	(165 000)
Weighted average of outstanding shares at year end	1 126 055 961	1 126 720 287

13- Non-cash transactions

For the purpose of preparing the separate statement of cash flows for the financial year ended as of December 31, 2023, the effect of following transactions of investing and financing activities were excluded as it represents a non-cash transaction.

<u>Amount</u>	<u>Investments activities</u>
826 391	Income from investments in subsidiaries - Delta Insurance Company, included in other current assets.

Egypt Kuwait Holding Company
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Notes to the separate financial statements (Cont.)
for the financial year ended December 31, 2023
All amounts are presented in US Dollars

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14- Investments in subsidiaries

The balance is represented in the book value of company's share in subsidiaries' capital as follows:

Description	Legal form	Capital contribution %	Paid contribution %	Book Value as of 31/12/2023	Book Value as of 31/12/2022
Globe telecom	S.A.E	99,93	100	871 483	871 483
Globe Fiber for Communications and Information	S.A.E	44,9	10	119 098	119 098
International Financial Investments Co.	S.A.E under private free zone system	99,99	100	379 962 000	379 962 000
Bawabet Al Kuwait Holding Co. (a)	K.S.C.	94,67	100	290 492 545	164 613 942
Delta Insurance	S.A.E	63,39	100	20 623 170	20 534 209
Globe for Communications & Information technology	S.A.E	99	25	435 039	435 039
ECO for Industrial Developments	S.A.E	99	25	837 091	837 091
EKHN Co.	Limited liability Co. at Netherlands	100	100	1	1
MAT For Trading Co.	S.A.E	99	100	27 903	27 903
Alexandria for Fertilizers Co. * (a)	S.A.E under private free zone system	18,6958	100	51 851 401	51 851 401
National Gas co. " NATGAS" *(a)	S.A.E	0,008	100	8 756	8 756
Sprea Misr for Chemicals and Plastics *	S.A.E	0,022	100	25 990	25 990
National Co. for Electricity Technology *(a)	S.A.E	0,0072	100	6 530	6 530
Fayoum Gas Company *	S.A.E	0,3	100	34 175	34 175
Henosis for Constructions and Real State Development *	S.A.E	5,4	53,33	97 407	97 407
Egyptian Company for Petrochemicals *	S.A.E	0,4	100	13 416	13 416
Asprea for Petrochemicals *	S.A.E	0,000667	100	106	106
Kahraba Future Co.*	S.A.E	0,002	25	16	16
Gas Technology Co. "Go Gas" *	S.A.E	0,01	25	15 895	15 895
Bedayty for Microfinancing Co. *	S.A.E	25,002	100	2 414 434	1 827 335
Bedayty for Consumer finance Co. *	S.A.E	49,996	25	397 803	397 803
MEGA ME For trading Co.	S.A.E	95	100	120 942	127 307
OGI Capital Limited	S.A.E	100	100	100 000 000	100 000 000
Egyptian Kuwaiti Advanced Company for Operation and Maintenance	S.S.C	100	100	25 327	-
				848 380 528	721 806 903
Impairment losses				(134 993)	(119 098)
				848 245 535	721 687 805

* The Company indirectly owns over 50% of these companies' shares through some of its subsidiaries (all these investments under common control).

(a) All shares are pledged to a bank against bank loans granted to the company in US Dollars.

15- Investments in associates

	<u>Ownership %</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
<u>Investments listed in stock exchange</u>			
El Mohandas Insurance Co.	24.99	16 913 968	16 913 968
<u>Investments not listed in stock exchange</u>			
Egyptian for Oil Tankers Co.	30	15 000 000	15 000 000
Building Materials Industries Co.	15.07	18 891 771	18 891 771
		50 805 739	50 805 739
Impairment losses "Egyptian Tankers Co."		(15 000 000)	(15 000 000)
Impairment losses " Building Materials Industries Company "		(18 891 771)	(18 891 771)
		16 913 968	16 913 968

The Company exercises significant influence over the above investee companies based on its meaningful representation of the board of directors and the decision-making process.

The following is a summary of the financial information of the associated companies:

	<u>31/12/2023</u>			<u>31/12/2022</u>		
	<u>Egyptian Co. for Oil Tankers</u>	<u>Building materials industries Co.</u>	<u>Al Mohandes Insurance</u>	<u>Egyptian Co. for Oil Tankers</u>	<u>Building materials industries Co.</u>	<u>Al Mohandes Insurance</u>
Total assets	73 358 835	85 685 536	107 892 067	76 669 370	79 487 112	58 253 220
Total liabilities	(43 607 135)	(94 795 289)	(75 353 041)	(52 441 523)	(99 641 695)	(37 744 154)
Equity	(29 751 700)	9 109 754	(32 539 026)	(24 227 847)	20 154 583	(20 509 066)
The company share in net equity	8 925 510	-	8 131 503	7 268 354	-	5 125 216
Revenues	28 528 623	53 531 339	36 060 187	16 817 526	39 208 036	41 067 097
Net profit / loss	5 312 553	7 032 179	7 082 753	2 664 781	(7 986 666)	8 881 930
The company share in net profit	1 593 766	1 059 581	1 769 980	799 434	-	2 219 594

16- Financial investments at fair value through other comprehensive income

The following investments are classified as financial investments at fair value through other comprehensive income , as per the company management's intention to keep these investments as long term investments for strategic purposes .

Description	Legal Form	Capital contribution %	Paid contribution %	Book value as of 31/12/2023	Book value as of 31/12/2022
Cairo Poultry Co.	S.A.E	1.48	100	1 858 777	1 024 124
Governmental bonds	-	-	-	90 041 645	111 353 257
Others	-	-	-	555	695
Accrued debt securities	-	-	-	-	394 904
				91 900 977	112 772 980
Expected credit loss - Note No. 7				(90 041 645)	(90 041 645)
				1 859 332	22 731 335
Non-current				1 859 332	10 376 631
Current				-	12 354 704
				1 859 332	22 731 335

The movement of the financial investments at fair value through other comprehensive income is represented in the following:

	31/12/2023	31/12/2022
Cost at the beginning of the year	111 997 399	118 849 501
Payments for acquisition during the year	-	6 060 983
Proceeds from sale or maturity during the year	(21 569 562)	(13 000 000)
Income from selling during the year	1 030 146	86 915
Fair value reserve balance *	442 994	380 677
Accrued debt securities	-	394 904
Expected credit loss	(90 041 645)	(90 041 645)
Balance at year end	1 859 332	22 731 335

Fair value reserve balance

	31/12/2022	Change during the year	31/12/2023
Fair value reserve balance - Debt instruments-governmental	(391 773)	391 773	-
Fair value reserve balance -Equity instruments	772 450	(329 456)	442 994
Fair value reserve balance	380 677	62 317	442 994

Notes to the separate financial statements (Cont.)

for the financial year ended December 31, 2023

All amounts are presented in US Dollars

17- Property, plant and equipment and projects under construction

	Headquarter Land	Headquarter Building	Furniture & office equipment	Furnishing & decorations	Vehicles & transportation	Air Conditions	Computers & software	Advance payments for purchasing fixed assets	Projects under construction	Total
Cost as of 1/1/2022	118 982	1 149 112	404 298	747 223	2 218 561	82 228	947 481	815 107	-	6 482 982
Additions	4 183 494	7 169 347	9 088	4 599	55 945	495	66 715	87 705	-	12 177 388
Disposals	-	-	-	-	(242 919)	-	-	-	-	(242 919)
Cost as of 31/12/2022	4 302 476	8 918 459	413 386	751 822	2 031 587	82 723	1 014 196	902 812	-	18 417 461
Cost as of 1/1/2023	4 302 476	8 918 459	413 386	751 822	2 031 587	82 723	1 014 196	902 812	-	18 417 461
Additions	-	550 485	3 117	-	64 477	2 867	60 888	-	666 941	1 348 775
Disposals	-	-	-	-	-	-	(2 696)	(902 812)	-	(905 508)
Cost as of 31/12/2023	4 302 476	9 468 944	416 503	751 822	2 096 064	85 590	1 072 388	-	666 941	18 860 728
Accumulated depreciation as of 1/1/2022	-	188 136	326 626	551 035	1 863 739	65 928	803 820	-	-	3 799 284
Depreciation	-	62 148	15 370	33 060	196 917	6 232	79 248	-	-	392 975
Accumulated depreciation of disposals	-	-	-	-	(234 774)	-	-	-	-	(234 774)
Accumulated depreciation as of 31/12/2022	-	250 284	341 996	584 095	1 825 882	72 160	883 068	-	-	3 957 485
Accumulated depreciation as of 1/1/2023	-	250 284	341 996	584 095	1 825 882	72 160	883 068	-	-	3 957 485
Depreciation	-	179 766	12 043	36 143	73 160	3 264	89 167	-	-	393 543
Accumulated depreciation of disposals	-	-	-	-	-	-	(2 696)	-	-	(2 696)
Accumulated depreciation as of 31/12/2023	-	430 050	354 039	620 238	1 899 042	75 424	969 539	-	-	4 348 332
Net carrying amount										
As of 31/12/2022	4 302 476	8 668 175	71 390	167 727	205 705	10 563	131 128	902 812	-	14 459 976
As of 31/12/2023	4 302 476	9 038 894	62 464	131 584	197 022	10 166	102 849	-	666 941	14 812 396

- Fixed assets includes fully depreciated assets' cost as of December 31, 2023 of USD 3 304 882 and USD 3 411 623 as of December 31, 2022.

Notes to the separate financial statements (Cont.)

for the financial year ended December 31, 2023

All amounts are presented in US Dollars unless otherwise indicated

18- Cash and cash equivalents

	31/12/2023	31/12/2022
Banks – current accounts	10 374 068	10 356 072
Banks – time deposits (less than three months)	400 104	399 890
Cash on hand	73 850	144 416
	10 848 022	10 900 378
Expected credit losses- Note No. (7)	(358 576)	(338 417)
	10 489 446	10 561 961

For the purpose of preparing the separate statement of cash flows, cash and cash equivalents item is represented as follows:

	31/12/2023	31/12/2022
Cash and cash equivalents	10 848 022	10 900 378
Cash and cash equivalent according to separate cash flow statement	10 848 022	10 900 378

19- Financial investments at fair value through profit or loss

The balance is represented in the market value of portfolio owned by the Co., which consists of Egyptian companies' stocks listed in the Egyptian Stock Exchange and Egyptian treasury bonds managed by investment managers abroad, these investments are as follows:

	31/12/2023	31/12/2022
Local companies' stocks listed in (EGX)- Cairo Poultry Co.	360 553	180 628
Government bonds	-	4 856 610
	360 553	5 037 238

Movements of Financial investments at fair value through profit or loss is represented as follows:

	31/12/2023	31/12/2022
Balance at the beginning of the year	5 037 238	7 965 062
Payments for acquisition during the year	36 629 453	-
Proceeds during the year	(41 691 121)	(2 400 000)
Loss from selling during the year	(45 685)	-
Change in fair value during the year	430 668	(527 824)
Balance at year end	360 553	5 037 238

Notes to the separate financial statements (Cont.)

for the financial year ended December 31, 2023

All amounts are presented in US Dollars unless otherwise indicated

20- Other financial assets at amortized cost

	31/12/2023	31/12/2022
Treasury bills	9 254 785	-
<u>Less:</u> Accrued income	(780 327)	-
	8 474 458	-
Expected credit losses- Note No. (7)	(81 955)	-
	8 392 503	-

Movements of other financial assets at amortized cost is represented as follows:

	31/12/2023	31/12/2022
Balance at the beginning of the year	-	-
Payments for acquisition during the year	12 626 176	-
Proceeds during the year	(4 402 185)	-
Loss from selling during the year	250 467	-
Change in fair value during the year	(81 955)	-
Balance at year end	8 392 503	-

21- Other current assets

	31/12/2023	31/12/2022
Kuwaiti clearing Co.	1 158 063	47 661
Accrued revenues	1 169 862	1 995 983
Dividends debtors	1 064 287	1 501 852
Deposits with others	686 033	35 848
Prepaid expenses	687 613	590 802
Imprests & employee's custodies	284 579	473 782
Tax Authority	32 373	59 235
Letters of guaranteed insurance	36 935	44 661
Other debit balances	269 383	270 233
	5 389 128	5 020 057

22- Share Capital

- The Company's authorized capital is USD 500 million (Five hundred million USD).
- The issued capital was initially determined amounted to USD 120 million (One hundred & twenty million USD) distributed over 12 million shares at a par value of USD 10 per share. The Founders and subscribers through methods other than public subscription have subscribed to 9 million shares at a value of USD 90 million (Only ninety million USD) 3 million shares at USD 30 million (Only thirty million USD) were offered for public subscription and they were fully underwritten. The issued capital was fully paid. The issued capital has been increased and the share of the Company was split several times to reach an amount of USD 281 721 321.75 distributed over 1 126 885 287 shares of par value of US Cent 25 each fully paid and has been noted in the commercial register.

23- Legal reserve

The balance amounting to USD 133 896 975 represents the legal reserve balance as of December 31, 2023 (December 31, 2022: USD 129 587 671), formed according to the Companies' Law and the Parent Company's article of association, the Company is required to set aside 5% of the annual net profit of the Holding Company to from the legal reserve. The transfer to legal reserve ceases once the reserve reaches 50% of the issued share capital of the Holding Company. The reserve is not distributable. However, it can be used to increase the share capital or offset losses by a decision of extraordinary general assembly of the Company.

24- Other reserves

	31/12/2023	31/12/2022
Special reserve – share premium	-	57 954 547
General reserve	-	8 380 462
Fair value reserve	442 994	380 677
	442 994	66 715 686

Special reserve – share premium

On March 30, 2023, the General Assembly decided to use the entire balance of share premium to be distributed to shareholders in accordance with the prevailing laws and regulations of Arab Republic of Egypt.

General reserve

The balance of general reserve as of December 31, 2022, represents the amounts set aside from the Holding Company's profits in previous years according to the resolutions of the General Assembly of the holding Company. This reserve shall be used based on a resolution by the General Assembly based on a proposal from the holding Company's board of directors in matters that could be favorable to the Company's interests. On March 30, 2023, the General Assembly Meeting of shareholders decided to use the entire balance of general reserve for distributions.

Fair value reserve

The fair value reserve comprises:

- the cumulative net change in the fair value of equity securities designated at FVOCI; and
- the cumulative net change in fair value of debt securities at FVOCI until the assets are derecognized or reclassified. This amount is adjusted by the amount of loss allowance.

25- Treasury shares

During the year, an amount of 5 335 080 treasury shares were sold at a cost of USD 4 762 713 and the sale resulted in a loss of USD 319 611.

During the year an amount of 9 167 960 shares were purchased at a cost of USD 7 888 934 of Egyptian Kuwait Holding Company's shares.

26- Loans and bank facilities

	31/12/2023	31/12/2022
Loans	261 029 246	270 287 882
Bank facilities	107 456 142	164 276 276
Accrued interest income	9 408 814	4 104 794
	377 894 202	438 668 952
Classified as follows:		
Current	120 721 591	110 403 266
Non- current	257 172 611	328 265 686
	438 668 952	438 668 952

26-1 Loans

	Currency	Granted Amount	Maturity	31/12/2023	31/12/2022
Loan guaranteed by investment portfolio	USD	60 000 000	2023-2026	43 000 000	60 000 000
Loan guaranteed by investment portfolio	EGP	834 000 000	2024	26 012 849	16 704 549
Loan guaranteed by investment portfolio	USD	200 000 000	2022-2027	160 250 000	193 583 333
Loan guaranteed by investment portfolio	USD	25 000 000	2023-2029	25 000 000	-
Loan guaranteed by investment portfolio	EGP	209 014 000	2024	6 766 397	-
Total				261 029 246	270 287 882
Current				83 112 579	67 037 882
Non- Current				177 916 667	203 250 000
				261 029 246	270 287 882

26-2 Bank facilities

	<u>Currency</u>	<u>Granted Amount</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
Facility without guarantee	USD & EGP	18 000 000	13 963 780	16 333 055
Facility guaranteed by investment portfolio for one of the subsidiaries	USD & EGP	50 000 000	14 236 415	15 331 636
Facility guaranteed by investment portfolio	USD	110 000 000	40 023 065	49 641 666
Facility guaranteed by investment portfolio for one of the subsidiaries	USD	50 000 000	-	33 000 000
Facility without guarantee	USD & EGP	50 000 000	-	7 595 899
Facility without guarantee	USD & EGP	30 125 208	29 946 227	30 137 148
Facility guaranteed by investment portfolio for one of the subsidiaries	EGP	30 000 000	9 286 655	12 236 872
Total			107 456 142	164 276 276
Current			28 200 198	39 260 590
Non- Current			79 255 944	125 015 686
			107 456 142	164 276 276

*The above-mentioned secured loans are subject to specific covenants

27- Suppliers, contractors, notes payable and other creditors

	<u>31/12/2023</u>	<u>31/12/2022</u>
Notes payables*	4 176 567	5 986 549
Accrued expenses	1 345 386	1 524 794
Shareholders dividends payables	1 196 641	1 196 641
Other credit balances	140 705	188 940
	6 859 299	8 896 924
Current	3 378 409	3 682 124
Non- current	3 480 890	5 214 800
	6 859 299	8 896 924

* Notes payables represents the remaining unpaid balance of the cost of Company's new headquarter, which is due over quarterly installments ends at September 27, 2028, and the notes payables balance consists of the following:

	<u>31/12/2023</u>	<u>31/12/2022</u>
Notes payables	5 540 064	8 373 504
Less: present value	(1 363 497)	(2 386 955)
	4 176 567	5 986 549

28- Provisions

	Balance at the beginning of the year	Provisions Formed	Provisions Used	Balance at year end
Contingent liabilities Provision *	246 875	8 303 467	(41 273)	8 509 069
	246 875	8 303 467	(41 273)	8 509 069

* The management believes disclosing certain information related to the provision recognized would negatively impact the Company's position business negotiation.

29- Transactions with related parties

Related parties are represented in the Company's shareholders and Companies in which they own directly shares giving them significant influence or controls over the Co. as well as the board members of the Co. companies. The Co.'s companies made several transactions with related parties and these transactions have been done in accordance with the terms determined by the Board of Directors of these companies. Significant transactions are represented in following: -

Party	Relationship	Transaction nature	31/12/2023 Volume of transaction Debit (credit)	31/12/2022 Volume of transaction Debit (credit)
International Financial Investments Co.	Subsidiary	Co's share in Dividends	-	51 700 000
		Net transfers and payments	(46 311 520)	(51 971 490)
		Transfers regarding Sprea Capital Increase	-	26 599 423
		Transferring OGI's Due balance form EKH TO IFIC	(198 732 611)	(69 394 143)
Globe for Trading and Agencies	Subsidiary	Net transfers and payments	33 594	315 738
Fayoum Gas Co.	Subsidiary	Net transfers and payments	(3 390 037)	1 325 775
		Co's Share in Salaries Cost allocation	131 077	141 387
		Co's share in Dividends	378	1 080
National Co. For Electricity technology	Subsidiary	Net transfers and payments	(5 537 143)	(11 988 988)
(Kahraba)		Co's Share in Salaries Cost allocation	196 616	282 774
		Capital increase	-	(13 837 147)
Building Materials Industries Co.	Associate	Net transfers and payments	886 305	(3 262 948)

Notes to the separate financial statements (Cont.)

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Party	Relationship	Transaction nature	31/12/2023	31/12/2022
			Volume of transaction Debit (credit)	Volume of transaction Debit (credit)
ECO For Agricultural developments	Subsidiary	Net transfers and payments	-	(1 718 480)
		Capital increase	-	(1 432 209)
Nile Wood	Subsidiary	Net transfers and payments	-	(645 952)
		Capital increase	-	3 500 955
Bawabet Al Kuwait Holding	Subsidiary	Net transfers and payments	(47 839 925)	(49 304 791)
		Co's share in Dividends	100 648 441	-
Nubaria For Natural Gas	Subsidiary	Net transfers and payments	1 677 719	4 080 052
		Co's Share in Salaries Cost allocation	-	141 387
AL Sherouk for Melamine	Subsidiary	Net transfers and payments	(161 944)	239 763
Shield Gas	Subsidiary	Net transfers and payments	4 006 629	(1 232 520)
Spreea Misr for Plastics and Chemicals	Subsidiary	Net transfers and payments	(24 972 841)	25 584 914
		Co's Share in Salaries Cost allocation	262 155	424 161
		Capital increase	-	(26 609 899)
Alexandria for Fertilizers Co.	Subsidiary	Dividend	16 826 243	13 460 995
Bedayty for Microfinance	Subsidiary	Net transfers and payments	(1 076 314)	8 126 715
		Capital increase	(2 349 868)	(5 024 020)
MEGA ME for Trading	Subsidiary	Net transfers and payments	8 092	(187 173)
Nat Energy	Subsidiary	Net transfers and payments	(65 121)	402 826
Midor El Suez for Oil refinery	Subsidiary	Net transfers and payments	4,566	15 089
Egyptian Co. for Petrochemicals	Subsidiary	Net transfers and payments	78 510	246 935
National gas Co. NATGAS	Subsidiary	Net transfers and payments	(832 313)	751 894
		Co's Share in Salaries Cost allocation	327 693	424 161
		Dividend	303	458
Delta Insurance	Subsidiary	Net transfers and payments	(1 451 174)	(2 818 832)

Party	Relationship	Transaction nature	31/12/2023	31/12/2022
			Volume of transaction Debit (credit)	Volume of transaction Debit (credit)
		Dividend	1 641 616	2 908 865
EKHN Co.	Subsidiary	Net transfers and payments	20 576 539	61 177 199
		Financing to increase capital	1 227 481	-
OGI Capital Limited	Subsidiary	Net transfers and payments	(128 357 376)	(4 177 959)
		Dividend	7 800 000	26 000 000
		Financing to increase capital	-	(99 997 277)
		Transfer OGI'due balance from EKH to IFIC	198 732 611	-
Go Gas Co.	Subsidiary	Net transfers and payments	203 689	588 059
Globe telecom	Subsidiary	Net transfers and payments	177 288	516 304
Advanced Gas Pipelines	Subsidiary	Net transfers and payments	343 763	-
		Capital increase	(13 593)	-
Egyptian Advanced Company for Operation and Maintenance	Subsidiary	Net transfers and payments	4 551 947	-
		Capital increase	(25 321)	-
EL Sharq Advanced for Fertilizers	Subsidiary	Net transfers and payments	94 500	-
EKHB co.		Net transfers and payments	9 090	-
Bedayti Consumer Finance Company		Net transfers and payments	634 055	-

- In addition to the above, the Company rents part of current premises from Delta insurance Co. – subsidiary- according to rent contract ends on January 31, 2027, in addition, all of the Company related insurance activities is managed by Delta Insurance Co.

29-1 Due from subsidiaries, associates, and related parties

	31/12/2023	31/12/2022
International Financial Investments Co.	56 485 653	301 529 785
EKHN Co.	82 981 220	61 177 199
National Co. For Electricity Technology (Kahraba)	-	1 784 260
Shield Gas	4 120 925	114 297
Bedayti for Microfinance	187 667	3 613 850
Building Materials industries Co.	2 153 646	1 267 340
AL Shorouk for Melamine	894 540	1 056 484
Sprea Misr for Plastics and Chemicals	-	369 641
Delta Insurance Co.	-	190 472
Gas Chill Co.	-	21 260
Gas Serve Co.	46 027	61 792
MAT Trading Co.	14 845	18 535
Egyptian Kuwaiti advanced Co. For Operation and Maintenance	4 526 626	-
EKHB Co.	9 090	-
Advanced Pipelines Co. For Gas	330 170	-
Al Sharq Advanced Fertilizers - Saudi Arabia	94 500	-
Bedayty Consumer Finance Company	501 333	-
	152 346 242	371 204 915
Expected credit loss- Note No. (7)	(1 326 059)	-
	151 020 183	371 204 915

29-2 Due to subsidiaries, associates, and related parties

	31/12/2023	31/12/2022
Bawabet Al Kuwait Holding	100 725 603	47 917 087
Sprea Misr for Plastics and Chemicals	24 342 483	-
Nat Energy	12 819 489	12 754 368
Nubaria For Natural Gas	6 734 632	8 412 351
National Gas Co. NATGAS	548 213	43 896
MERT Co.	3 149 100	3 149 100
Fayoum Gas Co.	5 290 710	2 032 128
Gas Technology Co. "Go Gas"	819 391	1 023 080
Globe Telecom	711 432	888 719
Globe Trading and Agencies Co.	509 750	543 343
Henosis for Construction and Real Estate Development	429 965	594 226
Egyptian Petrochemical Co.	303 379	381 889
Globe for Communications and Information Technology	295 994	369 574
ECO for Industries Development	115 072	207 386
Midor El Suez for Oil refinery	258 962	263 527
Alexandria for Fertilizers Co.	109 145	95 487
MEGA ME for Trading	32 551	40 643
Bedayty for Consumer Finance	-	132 723
National Co. For Electricity Technology (Kahraba)	3 556 268	-
Gas Chill	5 145	-
OGI Capital Limited	-	78 175 236
	160 757 284	157 024 763

30- Financial instruments**Accounting classifications and fair values of financial assets**

- A- The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities that are not measured at fair value if the carrying amount is a reasonable approximation of fair value.

31/12/2023	Note No.	Carrying amount	Level 1	Level 2	Fair Value Level 3	Total
Financial assets at fair value						
Investments at fair value through other comprehensive income - debt instruments	(16)	90 042 200	90 042 200	-	-	90 042 200
Investments at fair value through other comprehensive income - equity instruments	(16)	1 858 777	1 858 777	-	-	1 858 777
Investments assets at fair value through profit or loss-shares	(19)	360 553	360 553	-	-	360 553
		92 261 530	92 261 530	-	-	92 261 530
Financial assets other than fair value						
Due From subsidiaries, associates, and related parties	(29-1)	242 346 152	-	-	-	-
Cash and cash equivalent	(18)	10 848 022	-	-	-	-
Other financial assets at amortized cost	(20)	8 474 458	-	-	-	-
Other current assets	(21)	5 389 128	-	-	-	-
		177 057 850	-	-	-	-
Financial liabilities other than fair value						
Loans & bank facilities	(26)	377 894 202	-	-	-	-
Due To subsidiaries, associates, and related parties	(29-2)	160 757 284	-	-	-	-
Suppliers, contractors, notes payable and other creditors	(27)	6 859 299	-	-	-	-
		545 510 785	-	-	-	-

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31/12/2022	Note No.	Carrying amount	Level 1	Level 2	Fair Value Level 3	Total
Financial assets at fair value						
Investments at fair value through other comprehensive income - debt instruments	(16)	111 748 856	111 748 856	-	-	111 748 856
Investments at fair value through other comprehensive income - equity instruments	(16)	1 024 124	1 024 124	-	-	1 024 124
Investments at fair value through profit or loss- shares	(19)	180 628	180 628	-	-	180 628
Investments at fair value through profit or loss- debt instruments	(19)	4 856 610	4 856 610	-	-	4 856 610
		117 810 314	117 810 314	-	-	117 810 314
Financial assets other than fair value						
Due From subsidiaries, associates, and related parties	(29-1)	371 204 915	-	-	-	-
Cash and cash equivalent	(18)	10 900 378	-	-	-	-
Other current assets	(21)	5 020 057				
		387 125 350	-	-	-	-
Financial liabilities other than fair value						
Loans & bank facilities	(26)	438 668 952	-	-	-	-
Due To subsidiaries, associates, and related parties	(29-2)	157 024 763	-	-	-	-
Suppliers, contractors, notes payable and other creditors	(27)	8 896 924	-	-	-	-
		604 590 639	-	-	-	-

Notes to the separate financial statements (Cont.)

for the financial year ended December 31, 2023

All amounts are presented in US Dollars unless otherwise indicated

- B- The following table shows the valuation methods used to measure level 1 and level 3 of the fair value of financial instruments in the separate statement of financial position, in addition to the significant inputs used that cannot be observed.

	Valuation Method	Unobservable Significant inputs
Investments at fair value through other comprehensive income - debt instruments	Market Comparison Method: The fair value is determined according to the prices declared in the financial markets.	None
Investments at fair value through other comprehensive income - equity instruments	Market Comparison Method: The fair value is determined according to the prices declared in the financial markets.	None
Investments at fair value through profit or loss	Market Comparison Method: The fair value is determined according to the prices declared in the financial markets.	None

C- Sensitivity Analysis

A 1% increase (decrease) in listed securities' prices as of December 31 would have affected the measurement of financial assets as follows:

<u>December 31, 2023</u>		Effect on Equity		Effect on income statement	
Description		Increase	Decrease	Increase	Decrease
Investments at fair value through other comprehensive income - debt instruments		900 422	(900 422)	-	-
Investments at fair value through other comprehensive income - equity instruments		18 588	(18 588)	-	-
Investments at fair value through profit or loss- shares		3 606	(3 606)	3 606	(3 606)
		<u>922 616</u>	<u>(922 616)</u>	<u>3 606</u>	<u>(3 606)</u>
<u>December 31, 2022</u>		Effect on Equity		Effect on income statement	
Description		Increase	Decrease	Increase	Decrease
Investments at fair value through other comprehensive income - debt instruments		1 117 489	(1 117 489)	-	-
Investments at fair value through other comprehensive income - equity instruments		10 241	(10 241)	-	-
Investments at fair value through profit or loss- shares		1 806	(1 806)	1 806	(1 806)
Investments at fair value through profit or loss- debt instruments		48 566	(48 566)	48 566	(48 566)
		<u>1 178 102</u>	<u>(1 178 102)</u>	<u>50 372</u>	<u>(50 372)</u>

Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk
- Currency risk
- Interest rate risk
- Other market price risk.

This disclosure presents information about the Co.'s exposure to each of the above risks, the Co.'s objectives, policies and processes for measuring and managing risk, and the Parent Company's management of capital. Further quantitative disclosures are included throughout these separate financial statements.

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Co.'s risk management framework. The Board also is responsible for identifying and analyzing the risks faced by the Co., to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Co. management aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors of the Parent Company is assisted in its oversight role by the Audit Committee and Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

Credit risk

Credit risk is the risk of financial loss to the Co. if a counterparty of a financial instrument fails to meet its contractual obligations and arises principally from the Co.'s debtors and other receivables.

Other current assets

The company's exposure to credit risk is mainly affected by the characteristics of each debtor, but most of the company's debtors are related parties' receivables, which do not constitute a significant concentration of credit risk from the transactions made with them during previous years and did not result in any loss from dealing with them.

Investments

The Co. limits its exposure to credit risk by only investing in active and liquid securities. Management does not expect any counterparty to fail to meet its obligations.

Liquidity risk

Liquidity risk is the risk that the Co. will not be able to meet its financial obligations as they fall due.

The Co.'s approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Co.'s reputation. Typically, the Co. ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the servicing of

financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Co.'s income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The Co. is exposed to currency risk on borrowings that are denominated in a currency other than the respective functional currency of the Co., primarily the US Dollar.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Co. This provides an economic hedge and no derivatives are entered into.

The Company's investments in other subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

Interest rate risk

The Co. adopts a policy of ensuring that the exposure to changes in interest rates on borrowings is on fixed rate basis. The Company does not enter into interest rate swap.

Other market price risk

Equity price risk arises from equity instruments measured at fair value through other comprehensive income and management of the Co. monitors the equity securities in its investment portfolio based on market indices.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Company.

The primary goal of the Co.'s investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

In accordance with this strategy certain investments are designated as held for trading investments because their performance is actively monitored, and they are managed on a fair value basis.

Capital management

The Co. policy is to maintain a strong capital base to maintain investors, creditors and market confidence and to sustain future development of the business.

The Board of Directors of the Company monitors the return on capital, which the Company defines as net profit for the period divided by total shareholders' equity, the Board of Directors also monitors the level of dividends to shareholders.

The Board of the Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Co.'s approach to capital management during the year; the Company is not subject to externally imposed capital requirements.

Credit risk exposure

The book value of financial assets, represented by financial investments at fair value through profit or loss, financial assets at amortized cost and accrued by related parties, and items of a monetary nature in other current assets represent the maximum exposure to credit risk at the date of the separate financial statements.

Assessing expected credit loss for debt instruments

The Company limits its exposure to credit risk by investing only in liquid debt securities and only with counterparties that have a good credit rating from S&P

The Group monitors changes in credit risk by tracking published external credit ratings to determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing changes in bond yields, available press and regulatory information about debtors.

12-month and lifetime probabilities of default are based on historical data supplied by S&P for each credit rating and are recalibrated based on current bond yields. Loss given default parameters generally reflect an assumed recovery rate of 55% for sovereign exposures with local and foreign currency and 25% for other exposures with foreign currency except when a security is credit-impaired, in which case the estimate of loss is based on the instrument's current market price and original effective interest rate

The exposure to credit risk for debt securities at amortized cost, FVOCI and FVTPL at the reporting date by geographic region was as follows.

	2023	2022
Egypt	1 858 777	1 024 124
USA	555	21 707 211
Lebanon	90 041 645	90 041 645
	91 900 977	112 772 980

The following table shows the analysis of the credit quality of debt instruments at amortized cost, at fair value through other comprehensive income. It indicates whether assets measured at amortized cost or at fair value through other comprehensive income are subject to expected credit losses for 12 months or provision for expected lifetime credit losses and, in the latter case, whether they are credit impaired.

December 31, 2023

Credit rating	Investments at fair value through other comprehensive income-debt instruments	Financial Investments at amortized cost			Total
		Expected credit loss for 12 Months	expected lifetime credit losses-not Credit worthy	Expected lifetime credit losses-Credit worthy	
BB- to B+	-	-	81 955	-	81 955
C To CCC+	90 041 645	-	-	-	-
	90 041 645	-	81 955	-	81 955

December 31, 2022

Credit rating	Investments at fair value through other comprehensive income - debt instruments	Financial Investments at amortized cost			Total
		Expected credit loss for 12 Months	expected lifetime credit losses- not Credit worthy	Expected lifetime credit losses- Credit worthy	
BB- to B+	-	-	-	-	-
C To CCC+	90 041 645	-	-	-	90 041 645
	90 041 645	-	-	-	90 041 645

Assessment of expected credit losses of cash and cash equivalents

The Company holds cash and cash equivalents amounting to USD 10 848 022 on December 31, 2023 (2022: USD 10 900 378). Cash and cash equivalents are held by banks and financial institutions, which are classified according to the following table, based on the classifications of Standard & Poor's.

	2023	2022
Egypt	B-	B
UAE	AA	AA
Kuwait	AA-	AA-
Switzerland	AAA	AAA

Expected credit losses in cash value and cash equivalents are measured on the basis of the expected loss for 12 months and reflect short maturity periods of exposure. The Company believes that cash and cash equivalents have low credit risk based on the credit ratings of third parties. The Company uses a similar method to assess expected cash and similar credit losses to those used in debt instruments. Expected credit losses amounted to USD 358 576 as of December 31, 2023 (2022: USD 338 417 062).

Liquidity risk

The following are the cashflow contractual maturities of financial liabilities:

December 31, 2023

	Carrying amount	Due date			More than 5 years
		During 1 year	1-2 years	2-5 years	
Loans and bank facilities	437 544 154	124 762 429	138 544 432	149 505 944	24 731 349
Suppliers, contractors, notes payable and other creditors and due to subsidiaries and related parties	167 616 583	164 135 693	782 989	2 697 901	-
	605 160 737	288 898 122	139 327 421	152 203 845	24 731 349

Notes to the separate financial statements (Cont.)

for the financial year ended December 31, 2023

All amounts are presented in US Dollars unless otherwise indicated

December 31, 2022

	Due date				
	Carrying amount	During 1 year	1-2 years	2-5 years	More than 5 years
Loans and bank facilities	485 692 666	117 620 855	100 666 666	267 405 145	-
Suppliers, contractors, notes payable and other creditors and due to subsidiaries and related parties	165 921 687	160 706 887	868 610	3 316 390	1 029 800
	651 614 353	278 327 742	101 535 276	270 721 535	1 029 800

Currency risk**Currency risk exposure**

The following is a statement explaining the position of currencies and the extent of the company's exposure to the risk of foreign exchange rates based on original currencies in which the company deals:

December 31, 2023

	EGP	KWD	EURO	GBP	SAR	AED
Cash & cash equivalents	116 367 941	19 721	5 247	3 272	-	8 505
Other current assets	215 118 068	-	8 327	71 170	1 580 900	-
Loans and bank facilities	(1 839 538 979)	-	(75 398)	(370 485)	-	-
Suppliers, contractors, notes payable and other creditors	(758 280 428)	-	-	-	(49 265)	-
	(2 266 333 398)	19 721	(61 824)	(296 043)	1 531 635	8 505

December 31, 2022

	EGP	KWD	EURO	GBP	SAR	AED
Cash & cash equivalents	96 082 761	4 995	2 495	3 296	-	654
Other current assets	275 200 283	-	-	94 272	-	-
Loans and bank facilities	(888 033 937)	-	(58 264)	(270 760)	-	-
Suppliers, contractors, notes payable and other creditors	(536 338 351)	-	-	(19 173)	-	-
	(1 053 089 244)	4 995	(55 769)	(192 365)	-	654

The exchange rates during the year are as follows:

31 December 2023

<u>USD</u>	<u>Average exchange rate during the year</u>				<u>Closing rate as of</u>
	<u>31/3/2023</u>	<u>30/6/2023</u>	<u>30/9/2023</u>	<u>31/12/2023</u>	<u>31/12/2023</u>
EGP	30,02	30,89	30,89	30,89	30,89
KWD	0,3063	0,3070	0,3078	0,3086	0,3072
EURO	0,9322	0,9202	0,9185	0,9293	0,9061
GBP	0,8233	0,7994	0,7893	0,8055	0,7854
AED	3,6727	3,673	3,673	3,673	3,673
SAR	3,7545	3,7499	3,7510	3,7505	3,7533

31 December 2022

<u>USD</u>	<u>Average exchange rate during the year</u>				<u>Closing rate as of</u>
	<u>31/3/2022</u>	<u>30/6/2022</u>	<u>30/9/2022</u>	<u>31/12/2022</u>	<u>31/12/2022</u>
EGP	19,26	19,26	19,26	19,26	24,74
KWD	0,3064	0,3064	0,3064	0,3064	0,3063
EURO	0,94	0,94	0,94	0,94	0,9521
GBP	0,8313	0,8313	0,8313	0,8313	0,8127
AED	3,6706	3,6706	3,6706	3,6706	3,36756
SAR	3,7544	3,7544	3,7544	3,7544	3,7544

Sensitivity analysis

A 10% increase (decrease) in the exchange rates of other currencies against the US dollar on December 31 would have affected the measurement of financial instruments in foreign currency and would affect equity and profit or losses in the amounts shown below. This analysis assumes the stability of all other variables, especially interest rates, and ignores any impact on expected sales and purchases.

<u>31/12/2023</u> <u>Description</u>	<u>Effect on Profit or Loss</u>		<u>Effect on Equity</u>	
	<u>Increase</u>	<u>Decrease</u>	<u>Increase</u>	<u>Decrease</u>
EGP	(7 336 787)	7 336 787	(7 336 787)	7 336 787
EURO	(6 823)	6 823	(6 823)	6 823
GBP	(37 693)	37 693	(37 693)	37 693
KWD	6 420	(6 420)	6 420	(6 420)
AED	232	(232)	232	(232)
SAR	40 807	(40 807)	40 807	(40 807)

Notes to the separate financial statements (Cont.)

for the financial year ended December 31, 2023

All amounts are presented in US Dollars unless otherwise indicated

<u>31/12/2022</u> Description	Effect on Profit or Loss		Effect on Equity	
	Increase	Decrease	Increase	Decrease
EGP	(4 256 626)	4 256 626	(4 256 626)	4 256 626
EURO	(5 857)	5 857	(5 857)	5 857
GBP	(23 670)	23 670	(23 670)	23 670
KWD	1 631	(1 631)	1 631	(1 631)
AED	17	(17)	17	(17)
SAR	-	-	-	-

Interest rate risk

the Company's financial instruments interest rate as of the date of the separate financial statements is represented as follows: -

<u>Financial assets</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
Financial assets at fixed rate	400 104	399 890
Financial assets at variable rate	-	-
	<u>400 104</u>	<u>399 890</u>

<u>Financial liabilities</u>	<u>31/12/2023</u>	<u>31/12/2022</u>
Financial liabilities at fixed rate	-	-
Financial liabilities at variable rate	377 894 202	438 668 952
	<u>377 894 202</u>	<u>438 668 952</u>

Sensitivity analysis

A 1% increase (decrease) in the interest rates on December 31 would have affected the measurement of financial assets and liabilities at fixed rate as follows:

<u>31/12/2023</u> Description	Effect on Equity		Effect on Profit or Loss	
	Increase	Decrease	Increase	Decrease
Financial Assets at variable rate	-	-	-	-
Financial liabilities at variable rate	3 778 942	(3 778 942)	3 778 942	(3 778 942)

<u>31/12/2022</u> Description	Effect on Equity		Effect on Profit or Loss	
	Increase	Decrease	Increase	Decrease
Financial Assets at variable rate	-	-	-	-
Financial liabilities at variable rate	4 386 690	(4 386 690)	4 386 690	(4 386 690)

31- Capital Commitments

Total capital commitments are represented in contributions in investments in subsidiaries which have not been requested to be paid till the separate statement of financial position date, amounting to USD 418 307 (year 2022: an amount of USD 1.787 million approximately).

32- Contingent liabilities

Contingent liabilities amount to USD Zero at December 31, 2023 (Year 2022: an amount of USD 46 116)

33- Tax Position

Corporate income tax

- The Company had a tax exemption for 5 years according to Investment Law No. 8 of 1997 and ended on December 31, 2003.
- Tax inspection since inception till year 2009 was carried out and the resulted differences were settled.
- Years from 2010 to 2020 are inspected and under reconciliation.
- The annual tax returns are submitted on the due date according to the provisions of Law No. 91 of 2005.

Salary tax

- The tax inspection for salary tax since inception till year 2021 was carried out, and the resulted differences were settled.
- The due tax is paid monthly on the legal dates.

Stamp tax

- Inspection for the stamp tax from inception till year 2016 was carried out, and the resulted differences were settled.
- Years 2017 till 2019 was carried out and notified, the company has appealed on the inspection results.
- The due tax is paid on the legal dates.

Property tax

- The company has been notified by the accrued tax related to some properties owned by the company till year 2021 and the due tax is paid.
-

34- Important events

34-1 The effect of changes of exchange rate

The Monetary Policy Committee of the Central Bank decided, in its meeting held on October 27, 2022, to announce the implementation of the flexible exchange rate system for pricing foreign exchange, provided that the buying and selling prices of currencies are determined in Egyptian pounds based on the conditions of supply and demand, and accordingly, the exchange rate of foreign currencies began to rise in exchange for the Egyptian pound, for example, the US dollar began to rise from 24.7 Egyptian pounds on December 31, 2022 to reach 30.89 Egyptian pounds on December 31, 2023.

The Central Bank's Monetary Policy Committee also decided in its previous meetings to raise the overnight deposit and lending rates to 19.25% and 20.25%, respectively. The credit and discount rates were also raised to 19.75%. Which has a material impact on revenues and financing costs.

34-2 Subsequent event

On February 1, 2024, the Board of Directors of the Holding Company approved Eng. Sherif Alaa Al-Zayat's request to relieve him from the position of Managing Director of Egypt Kuwait Holding Company, provided that his last working day will be on March 31, 2024. The Board decided to appoint Mr. Michael John Rock as a Board Member and Second Managing Director of the Holding Company.

35- Comparative figures

Some of the comparative figures had been reclassified to comply with the current presentation of the financial statements.

36- Significant accounting policies applied

The company has consistently applied the following accounting policies during all financial periods presented in these separate financial statements.

36-1 Foreign currencies**Foreign Currencies transactions**

Transactions in foreign currencies are translated into the respective functional currencies of the company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.

Assets and liabilities of a non-monetary nature measured at historical cost in foreign currency are translated into the exchange rate on the date of the transaction.

Currency differences are generally recognized on the income statement. With the exception of currency differences resulting from the translation of what is recognized in other comprehensive income items:

- Investments available for sale - equity instruments (excluding impairment, where currency differences and other comprehensive income items are reclassified to the income statement).
- Financial obligations that have been allocated as a risk hedging instrument to cover the risk of net investment in foreign activity as long as the coverage is effective.
- Cash flow risk hedging instruments as long as hedging is effective.

36-2 Revenue recognition**Investments Revenue**

The return on investments is recognized in the income statement on the date on which the company has the right to collect the amount.

Gain on sale of investments

Gain on sale of financial investments are recognized when ownership transfers to the buyer, based on the difference between the sale price and its carrying amount at the date of the sale.

36-3 Employees' Pension

The Co. contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Co. liability is confined to the amount of its contribution. Contributions are charged to the statement of profit or loss using the accrual basis of accounting.

the Co. contribute to the Company Insurance plan for the benefit of their employees at an insurance Company. According to this plan, employees are granted end of service benefit on retirement, death and full disability during the service years. End of service benefits are repayable by the insurance company. The Company contribution is confined to the annual insurance premiums. The Co. contributions are charged to the separate statement of profit or loss as they are incurred according to accrual basis of accounting.

36-4 Finance income and costs

The Co. finance income and finance costs include:

- Interest income.
- Interest expense.
- Dividends paid
- Net gain or loss on disposal of investments in debt securities measured at FVOCI
- Net gain or loss on financial assets at FVTPL.
- Foreign currency gains or losses from financial assets and financial liabilities. Impairment losses (and recoveries) on investments in debt securities carried at amortized cost or other comprehensive income.
- Loss of the fair value of the contingent consideration classified as a financial liability.
- Ineffective hedge recognized in profit or loss. And
- Reclassification of net gains and losses previously recognized in other comprehensive income on cash flow hedges of interest rate risk and foreign currency risk

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

36-5 Income tax

The Company has determined that interest and penalties related to income taxes, including uncertain tax liabilities, do not meet the definition of income taxes and are therefore accounted for under IAS 28 Provisions, Contingent Liabilities and Contingent Assets.

Current income tax

Current taxes for the current and prior periods which have not yet been paid are recognized as a liability. If the taxes were actually paid in the current and prior periods exceed the amount due for these periods, then this increase is recognized as an asset. The value of current tax liabilities (assets) for the current and prior periods are measured by the value expected to be paid to (recovered from) the tax authority. Using the applicable tax rates (and effective tax laws) or in the process of being issued on the financial period ended. Current tax also includes any tax arising from dividends. Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is recognized for all temporary differences that are expected to be taxed except for the following:

- Temporary differences in the initial recognition of assets and liabilities in a transaction that is not a business combination and that does not affect accounting or taxable profits or losses.
- Temporary differences relating to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.
- Taxable temporary differences arising from the initial recognition of goodwill.

Temporary differences in relation to the origin of the right of use and the lease obligation of a specific lease are considered as a net package (lease) for the purpose of recognizing deferred tax.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

Taxable future profits are determined on the basis of reflection of temporary taxable differences. If the amount of taxable temporary differences is insufficient to fully recognize the principal of deferred tax, then adjusted future taxable bonuses reversing the current temporary differences are considered based on the business plans of individual subsidiaries in the company. Deferred tax assets are reviewed at the date of each report and reduced to the extent that the relevant tax benefit is no longer likely to be realized; These reductions are reversed when the likelihood of future tax profits improves.

The deferred tax measurement reflects the tax consequences that will result from the way in which the company expects, at the reporting date, to recover or reconcile the book value of its assets and liabilities.

Deferred tax assets and liabilities are settled only if certain conditions are met.

36-6 Basic / diluted earnings per share of profit

Basic / diluted earnings per share of profit is calculated by dividing the profit attributable to ordinary shareholders of the Company (After excluding the employees' profit share and the remuneration of the Board of Directors members) by the weighted average number of ordinary shares outstanding during the year

36-7 Investments in subsidiaries

-Investments in subsidiaries are recognized at cost and in the event of a permanent decline in their market value or the value of assets calculated from their book value - according to the studies carried out in this regard .

- The book value is adjusted by the value of impairment losses in the value of assets and charged to the income statement for each investment separately, and the impairment value previously recorded in previous periods is reversed so that the book value of these investments does not exceed their original net value before recording impairment losses in the value of assets.

36-8 Investments in associates

- Investments in associate companies are recognized at cost and in the event of a permanent decline in their market value or the value of assets calculated from their book value - according to the studies carried out in this regard.
- The book value is adjusted by the value of impairment losses in the value of assets and charged to the income statement for each investment separately, and the impairment value previously recorded in previous periods is reversed so that the book value of these investments does not exceed their original net value before recording impairment losses in the value of assets.

36-9 Fixed assets**Recognition and measurement**

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

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

Any gain and loss on disposal of an item of property and equipment is recognized in statement of income.

Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation

Depreciation is calculated to write off the cost of items of fixed assets less their estimated residual values using the straight-line method over their estimated useful lives for each type of property, plant and equipment, and is generally recognized in statement of income and other comprehensive income. Land is not depreciated.

The estimated useful lives of fixed assets for current and comparative periods are as follows:

<u>Asset</u>	<u>Years</u>
Buildings & constructions	50
Vehicles and transportation	6.67
Furniture & office equipment	10
Machinery & equipment	3 – 20
Equipment and decorations	10
Computer and software	3 – 6.67
Conditioning units	3 – 6.67

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the assets to a working condition for its intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

36-10 Cash and cash equivalents

For the purpose of preparing the separate statement of cash flows, "cash & cash equivalents" includes cash at banks & on hand, time deposits with maturities of three months or less, also treasury bills due within three months, and bank overdrafts deducted.

36-11 Financial instruments**1) Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

2) Classification and subsequent measurement**Financial assets**

On initial recognition, a financial asset is classified as measured at: amortized cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is to hold assets to collect future cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets .
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets- Business Model Assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management; and
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual per amount, a

feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets – Subsequent measurement and gains and losses

Financial assets classified at FVTPL	Financial assets at FVTPL are measured at fair value. Changes in the fair value, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

3) Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

36-12 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity net of income tax (if any)

Repurchase and re-issue of ordinary share (treasury shares)

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

Dividends

Dividends are recognized as a liability in the period in which they are declared.

35-1 Impairment

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 is more than 90 days past due.

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.

2) Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, work in progress, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or group of CGUs that are expected to benefit from the synergies of the combination.

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.

An impairment loss in respect of goodwill is not reversed. 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.

36-13 Provisions

Provisions are recognized when the company has legal or constructive obligation from past event, and settlement of obligations is probable, and its value can be measured reliably

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date taking into account the risks and uncertainties surrounding the obligation, when the provision is measured using the estimated cash flows to settle the current obligation, its carrying amount is the present value of those cash flows

In the event that some or all of the economic benefits required are recoverable settle the provision from a third party, the amount due is recognized as an asset if it is certain to be recovered and can be measured in a reliable manner.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the carrying amount of the provision resulting from the use of the discount to figure out the present value, which reflects the passage of time, is recognized as a finance cost.

36-14 Operating profit

Operating profit is the result generated from the continuing principal revenue-producing activities of the Company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, the share equity-accounted investees, and income taxes.

36-15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data, or the transaction is closed out.