

Misr Cement (Qena) Company (SAE)
Cairo - Egypt

Consolidated Interim Financial Statements
For The Period Ended March 31, 2023
And Limited Review Report

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Limited Review Report

To: **The chairman and members of the board of directors of MISR CEMENT (QENA) COMPANY (S.A.E)
(Egyptian Joint Stock Company)**

Introduction

We have performed a limited review for the accompanying consolidated interim financial statements of Misr Cement (Qena) Company (S.A.E) which comprise the consolidated interim financial position as of March 31, 2023 and the related consolidated interim statements of income, consolidated interim other comprehensive income, consolidated interim change of shareholders' equity and consolidated interim cash flows for the three-month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the Egyptian Accounting Standards. our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.


Scope of Limited Review

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

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects the consolidated interim financial position of Misr Cement (Qena) Company (S.A.E) as at March 31, 2023 and of financial performance and its cash flows for the three-month then ended in accordance with the Egyptian accounting standards.

Cairo, May 21, 2023



Auditor
**KRESTON
EGYPT**
Tamer Nabarawy
Tamer Nabarawy
Public Accountants & Consultants
Financial Regulatory Authority
Register Number (389)
Tamer Nabarawy and Co.
Kreston Egypt

Misr Cement (Qena) Company (S.A.E)
Consolidated Interim Financial statements For The Period Ended March 31, 2023

Translation of financial statements
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CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

Assets	Notes	31 March 2023	31 December 2022
Non-current Assets		EGP	EGP
Fixed assets – Net	(5)	1 976 711 216	1 997 482 714
Projects under construction	(6)	82 683 304	79 668 510
Assets right to use	(7)	11 942 806	12 317 765
Investments in associates	(8)	16 840 263	20 008 263
Goodwill		481 159 424	481 159 424
Intangible assets	(9)	222 247 904	224 267 332
Deferred tax assets	(18)	8 564 630	10 090 714
Total non-current assets		2 800 149 547	2 824 994 722
Current assets			
Inventory	(10)	1 465 623 588	1 061 715 228
Accounts receivable	(11)	96 470 370	92 941 389
Debtors and other debit balances	(12)	848 314 433	299 720 782
Investments held for sale		1 618 400	1 618 400
Cash on hand and at banks	(13)	160 335 776	149 483 228
Total current assets		2 572 362 567	1 605 479 027
Total assets		5 372 512 114	4 430 473 749
Equity			
Issued & paid up capital	(14)	720 000 000	720 000 000
Reserves	(15)	214 931 399	210 929 335
Retained earnings		471 756 617	449 371 076
Net profit for the period / year		65 672 816	97 044 053
Total equity (company's shareholders)		1 472 360 832	1 477 344 464
Non- controlling shareholders interests	(16)	476 351 140	471 400 581
Total equity		1 948 711 972	1 948 745 045
Non-current liabilities			
Lease contract liability	(7)	30 889 397	30 290 714
Long term facilities	(20)	39 551 355	--
Deferred tax liabilities	(18)	320 036 515	327 214 511
Total non-current liabilities		390 477 267	357 505 225
Current liabilities			
Provisions	(19)	65 737 405	64 313 511
Credit facilities	(21)	597 985 434	624 816 562
Current portion of long-term loans	(17)	184 555 894	248 255 347
Suppliers and notes payable		1 756 218 448	913 581 845
Receivables – advanced payments		81 711 538	52 471 991
Lease contract liability	(7)	2 524 611	2 780 409
Creditors and other credit balances	(21)	291 520 380	183 712 057
Income tax payable	(22)	53 069 165	34 291 757
Total current liabilities		3 033 322 875	2 124 223 479
Total liabilities		3 423 800 142	2 481 728 704
Total equity and liabilities		5 372 512 114	4 430 473 749

- The accompanying notes are an integral part of the Consolidated financial statements.
- Limited review report attached.

Managing Director

Tarek Talaat



Group Chief Financial

Ramy Morsy



Group Financial Manager

Moustafa abd Eleazek



Misr Cement (Qena) Company (S.A.E)
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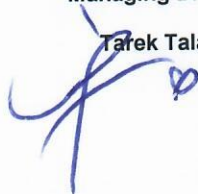
CONSOLIDATED INTERIM STATEMENT OF INCOME (Profit and Loss)

	<u>Notes</u>	<u>31 March 2023</u>	<u>31 March 2022</u>
		<u>EGP</u>	<u>EGP</u>
Net Sales		906 423 172	668 759 119
(Less)			
Cost of Sales	(23)	(707 517 873)	(514 927 536)
Gross Profit		198 905 299	153 831 583
Selling and marketing expenses	(24)	(9 755 280)	(6 476 386)
General and administrative expenses	(25)	(46 291 887)	(39 970 954)
Other Revenues	(26)	1 773 550	1 097 409
Revenue and other expenses		52 574	(65 437)
Provisions charged		(1 725 196)	(1 660 597)
Total		(55 946 239)	(47 075 965)
Net operating Income		142 959 060	106 755 618
Add/(Less)			
Financial expenses		(33 174 005)	(19 144 145)
Operating lease – Interests		(753 192)	(607 827)
Amortization assets right to use		(374 959)	(64 414)
Expected credit loss		(1 028 860)	(226 545)
Foreign currency exchange		903 449	6 216 474
Credit interest		767 572	1 448 833
Net profits for the period before Income Taxes		109 299 065	94 377 994
(Less)/Add			
Income Tax	(22)	(29 480 614)	(13 165 447)
Deferred Tax		5 651 911	(358 776)
Net profits for the year after income taxes and before non-controlling shareholders' profits		85 470 362	80 853 771
Distributed as follow:-			
Controlling shareholders' profits		65 672 816	59 631 205
Non-controlling Shareholders' interest profits		19 797 546	21 222 566
		85 470 362	80 853 771

- The accompanying notes are an integral part of the consolidated interim financial statements.

Managing Director

Tarek Talaat



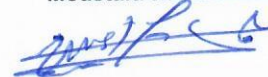
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CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	<u>31 March 2023</u>	<u>31 March 2022</u>
	EGP	EGP
Net profits for the period after Taxes	85 470 362	80 853 771
Add :		
Other Comprehensive income	--	--
Comprehensive income for the period	85 470 362	80 853 771
Distributed as follow:		
Controlling shareholders	65 672 816	59 631 205
Non-controlling shareholders interest profits	19 797 546	21 222 566
	85 470 362	80 853 771

- The accompanying notes are an integral part of the consolidated interim financial statements.

Managing Director

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CONSOLIDATED INTERIM STATEMENT OF CHANGE IN EQUITY

	Controlling shareholder's interests						Non-controlling shareholders interest		Total Equity	
	Issued & Paid up Capital EGP	Reserves EGP	Retained earnings EGP	Net Profit for the period EGP	Total EGP	Total EGP	EGP	EGP	EGP	
									Total Equity	
March 31, 2022										
Balance as of January 1, 2022	720 000 000	206 198 292	378 014 112	146 060 561	1 450 272 965	454 204 191	--	1 904 477 156	--	--
Transferred to retained earnings	--	--	146 060 561	(146 060 561)	--	--	--	--	--	--
Transferred to reserves	--	4 731 043	(4 731 043)	--	(56 411 386)	(8 467 764)	--	(64 879 150)	--	--
Dividends distribution	--	--	(56 411 386)	--	59 631 205	21 222 566	--	80 853 771	--	--
Total comprehensive income for the period	--	--	--	59 631 205	59 631 205	466 958 993	--	1 920 451 777	--	--
Balance as of March 31, 2022	720 000 000	210 929 335	462 932 244	59 631 205	1 453 492 784	466 958 993	--	1 920 451 777	--	--
March 31, 2023										
Balance as of January 1, 2023	720 000 000	210 929 335	449 371 076	97 044 053	1 477 344 464	471 400 581	--	1 948 745 045	--	--
Transferred to retained earnings	--	--	97 044 053	(97 044 053)	--	--	--	--	--	--
Transferred to reserves	--	4 002 064	(4 002 064)	--	(70 656 448)	(14 846 987)	--	(85 503 435)	--	--
Dividends distribution	--	--	(70 656 448)	--	65 672 816	19 797 546	--	85 470 362	--	--
Total comprehensive income for the period	--	--	--	65 672 816	65 672 816	476 351 140	--	1 948 711 972	--	--
Balance as of March 31, 2023	720 000 000	214 931 399	471 756 617	65 672 816	1 472 360 832	476 351 140	--	1 948 711 972	--	--

-The accompanying notes are an integral part of the consolidated interim financial statements.

Managing Director

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Misr Cement (Qena) Company (S.A.E)
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CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS

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	Notes	31 March 2023	31 March 2022
		EGP	EGP
Cash Flows From Operating Activities			
Net Profits before income taxes		109 299 065	94 377 994
Adjustments to reconcile net profit to cash flows			
Depreciation and amortization	(24,25,26)	35 253 322	38 687 863
Amortization of assets right to use		374 959	64 414
Foreign currency exchange		(903 449)	(6 216 474)
Operating leasing Interest		753 192	607 827
Expected credit loss		1 028 860	226 545
Provisions charged		1 725 196	1 660 597
Financial expenses		33 174 005	19 144 145
Credit interests		(767 572)	(1 448 833)
Net operating profits		179 937 578	147 104 078
Change in inventory	(10)	(397 823 712)	140 795 129
Change in accounts receivables	(11)	(4 557 841)	(21 533 834)
Change in debtors and other debit balances	(12)	(545 443 315)	(282 721 260)
Change in receivables – advance payments		29 239 546	84 623 708
Change in suppliers		842 636 603	212 876 960
Change in creditors and other credit balances		18 866 426	27 655 174
Payment for lease contract liability	(21)	(410 307)	--
Cash flows from operating activities		122 444 978	308 799 955
Paid Income taxes	(26)	(10 703 206)	--
Provisions used		(301 302)	--
Net cash from operating activities		111 440 470	308 799 955
Cash flows from investing activities			
(Payments) for purchase of fixed assets and projects	(5)	(21 353 768)	(2 326 003)
(Payments) for purchase of intangible assets		(208 070)	--
Dividends from Investments in associates		--	1 711 486
Collected Credit interest		785 236	1 415 976
Change in Time deposits (maturing after three months)	(13)	1 351 000	--
Net cash from investing activities		(19 425 602)	801 459
Cash flows from financing activities			
Change in credit facilities		12 720 227	(70 354 030)
Paid debit interests		(29 735 543)	(12 478 089)
Change in loans	(17)	(63 699 453)	(70 890 387)
Paid dividends distribution		--	(3 311 699)
Net cash flow from financing activities		(80 714 769)	(157 034 205)
Net changes in cash and cash equivalents		11 300 099	152 567 209
Foreign currency exchange		903 449	6 216 474
Cash and cash equivalent – beginning of the period		148 132 228	95 681 842
Cash and cash equivalent – end of the period		160 335 776	254 465 525
For the purpose of preparing a statement of cash flows cash and cash equivalents are represented in the following:			
Cash and cash equivalent		160 335 776	255 816 525
Time deposits - maturing after three months		--	(1 351 000)
Cash And Cash Equivalent – End of the period		160 335 776	254 465 525

- The accompanying notes are an integral part of the consolidated financial statements.

Managing Director

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Group Chief Financial

Ramy Morsy

Group Financial Manager

Moustafa abd Eleazek

1. About the Company

Misr Cement (Qena) Company (S.A.E)

1.1. Company's Background

- MISR CEMENT CO, (QENA) COMPANY (S.A.E) was established under the provisions of Law No, 159 of 1981 and its executive regulations, The company was registered in commercial registry under No, 45832 Qena in May 25, 1997, the initial contract and the statute of the company was published in companies document issue No, 2096 in November, 1997.

1.2. Company's purpose

- The production of Cement in its different forms and other by products ,the production and trading of other construction materials and construction supplies, So in order to attain its purpose the company may import the necessary equipment ,The company may participate in any ways with other companies in conducting similar activities which may help in achieving its purpose in Egypt or abroad, And it also may merge with previously stated bodies or acquire them in accordance with the provision of laws and its executive regulations.
- MISR CEMENT CO, (QENA) COMPANY (S.A.E) assigned the technical management, operation and maintenance of the factory, as well as business consulting for the operation of the quarry to the Arab Swiss Engineering "ASIC ".
- MISR CEMENT CO, (QENA) COMPANY (S.A.E) assigned operation and supply of raw materials, as well as the work of cutting and indexing of limestone quarry to ASEC Company for Mining " ASCOM".
- Begging from JULY, 2022, the business was assigned to QENA management and maintenance company.

1.3. The Company's Location

- The head office is located in the city of Qeft in Qena Governorate.
- Based on the decision of the Extraordinary General Assembly held on March 30, 2022, the company's head office was changed to be: 22 Anwar Al-Mufti Street - Tiba Project 2000 - Nasr City- Cairo. The entry was made in the commercial register on May 12, 2022.

1.4. The company duration

- The duration of the company is 25 years starting from the date of the registration in the commercial register.
- Based on the decision of the Extraordinary General Assembly held on March 30, 2022, the duration of the company was set to start from May 24, 2022 and end on May 23, 2047 according to the record in the Commercial Register. The entry was made in the commercial register on May 12, 2022.

1.5. Financial year

- The company begins from 1 January and ends at the end of December of each year.
- The company is registered on both Cairo and Alexandria Exchange Market.

1.6. Approval of the financial statements

- The consolidated Financial Statements of the Company for the period ended March 31, 2023 were authorized for issuance in accordance with a resolution of the board of directors on May 21, 2023

Background for the subsidiary companies owned by MISR CEMENT COMPANY (QENA) (S.A.E)

Following is a background on the subsidiary companies owned by Misr Cement Company including the direct and indirect percentage of ownership for Misr Cement Company in the subsidiaries as follows:

	Investment nature	31 March 2023	31 December 2018	1 November 2015
		%	%	%
MISR CEMENT BETON (Previously ASECO READY MIX) (S.A.E)	Direct	99.9	99.9	45
MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT) (S.A.E)	Direct	60.36	60.36	13.88
QENA FOR MAINTENANCE (S.A.E)	Indirect	99.8	--	--

1. About the Company (follow)

1.6. Approval of the Financial Statements (follow)

Misr Cement - Beton (S.A.E) (Previously ASECO READY MIX)

- ASECO READY MIX (S.A.E) was established in Egypt under Law No. 8 of 1997 and its executive regulations. The company was registered in commercial registry under No.41747 Cairo at 20 October 2009.
- On 26 March 2016 the extraordinary general assembly meeting decided to relocate the company's head office to 22 street Anwar Mofty – Tiba 2000 – Nasr city – Cairo and the management taken process to change in commercial registry dated on December 6, 2016.
- The duration of the company is 25 years starting from the date of the registration in the commercial register.
- The purpose of the company is to establish and operate factory to produce the Cement and concrete products.
- Based on the decision of the Extraordinary General Assembly held on November 11, 2018, the name of the company, ASECO READY MIX, has been amended, and this was indicated in the Commercial Registry on January 21, 2019.
- The percentage of ownership for MISR CEMENT COMPANY (S.A.E) Company in ASECO READY MIX (S.A.E) is 45%.
- In 1 November 2015, MISR CEMENT COMPANY (S.A.E) acquired ASECO READY MIX by purchasing 208 998 shares in which represents 54.9%, resulting in goodwill amounts to EGP 42,984,816 represents the difference in the investment cost amounts to EGP 70,631,716 54.9% from the ASECO FOR CEMENT COMPANY's total net assets in the acquisition date amounts to EGP 27,646,900.
- The goodwill was recorded under the long-term assets in the consolidated Financial Statements and the goodwill is tested for impairment regularly and in the case of impairment the losses will be allocated in the consolidated statement of profits and losses.
- As so, the percentage of ownership for MISR CEMENT COMPANY (S.A.E) in ASECO READY MIX COMPANY (S.A.E) became 99.9%.
- Based on the decision of the Extraordinary General Assembly held on October 24, 2021, the name of the company was modified to become Misr Cement - Beton, and this was noted in the commercial registry on November 3, 2021.

MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT) (S.A.E)

- ARAB NATIONAL COMPANY FOR CEMENT (S.A.E) was established according to Law No. 8 of 1997 and its executive regulations number 669 for the year 2006. The Company was registered in commercial registry under No, 19045 Cairo on 1 September, 2006.
- On 22 March 2016 the extraordinary general assembly meeting decided to relocate the company's head office to 22 street Anwar Mofty – Tiba 2000 – Nasr city – Cairo and the management taken process to change in Commercial registry is pending.
- The purpose for the company is to establish and operate factory to produce all types of cement and use the quarry's materials and produce construction materials, also manufacturing the necessary packages for the company's products.
- In 30 December 2012 the extraordinary general assembly meeting decided to change the company's name to be Minya Portland Cement instead of ARAB NATIONAL COMPANY FOR CEMENT (S.A.E) and the name was changed in the company's journal and the commercial register in 2 October 2013.
- Based on the decision of the extraordinary general assembly meeting dated on November 22, 2020 the company's name changed to Minya Portland cement (S.A.E) and the company was registered in commercial registry under No.10253 dated on 4 March ,2019.
- The percentage of ownership for Misr Cement company (S.A.E) in PORTLAND EL Company (S.A.E) amounts to 13.88%.

MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT) (S.A.E) (Follow)

- In 1 November 2015 Misr Cement Company (S.A.E) acquired 44 872 676 shares in Misr Cement - Beton (S.A.E) (Previously ASECO Company) (S.A.E) which represents 46.48% from the total shares for the company, resulted in a goodwill balance amounts to EGP 438,174,608 which represents the difference between the investment cost amounts to EGP 932,844,955 and 46.48% of the total net assets for PORTLAND COMPANY (S.A.E) in the acquisition date amounts to EGP 494,670,347.
- The goodwill balance was recorded in the consolidated Financial Statements in the non-current assets section and it is tested for impairment in the consolidated Financial Statements regularly and in the case of loss in the goodwill it is recorded in the consolidated financial statements.
- As so the percentage of ownership for Misr Cement Company (S.A.E) in Minya Portland Cement (S.A.E) became to 60.36%.

2. Basis for financial statement 's preparation

2.1 Basis of consolidating the financial statements

- The consolidated Financial Statements are prepared by consolidating the Financial Statements of the Holding Company and its subsidiaries through collecting similar items of assets, liabilities, equity, revenue and expenses.
- Investment in subsidiaries was eliminated from holding company for consolidated purpose.
- Unrealized intercompany transactions are eliminated for consolidated purpose.
- Non-Controlling shareholders in net assets and net income of subsidiaries controlled by the parent company is recorded in a separate account within the Equity in the consolidated Financial Statements and is calculated by their share in the book value of net assets of subsidiaries.

The acquisition cost was distributed as follows:

1. The fair value of assets and liabilities in the acquisition date of investment and within the limits of the share of the parent company that was acquired on that date
2. The increase in the acquisition cost over the parent company share in equity of the subsidiaries companies are recognized as goodwill.

2.2 Following Polices and regulations

- The consolidated Financial Statements are prepared according to the Egyptian accounting policies and regulations.

2.3 The presented and disclosed currency

The Financial Statements are presented in the Egyptian pound which is the same currency of transactions and the main and significant activities in the company.

2.4 Basis of measurement

The Financial Statements are prepared accorded to the historical cost principle

3. Significant accounting estimates and personal judgments

3.1 The significant estimates and assumptions

The preparation of Financial Statements according to the Egyptian accounting standards requires that management uses personal judgments and making estimates and assumptions that can affect the application of policies and the values of assets and liabilities also revenues and expenses. The estimates and assumptions are evaluated based on past experience and some other factors including the expected future events that fit these circumstances.

These estimates and assumptions are reviewed annually and any differences in the accounting estimates are recognized in the year in which these estimates are changed, and if these differences affect the year in which these changes are made and future years, these differences are recorded in the year in which the adjustments are made and the future years. The most significant estimates and assumptions the company uses are as follows:

3. Significant accounting estimates and personal judgments (Follow)

3.1 The significant estimates and assumptions (Follow)

a. Income tax

The Company is subjected to corporate income tax. The Company estimates the income tax provision by using expert's advice. In case of any difference between any of the final and preliminary results, these differences will affect the income tax and deferred income tax provision in these years.

b. Expected credit loss of debtors

The evaluation in the value of receivables is made through debt aging. The Company management is studying the credit position and the ability of payments of the customers who their numerous debts are due during the credit limit granted to them and the impairment is recorded with the value of the due amounts on the customers who the Company management indicate that their credit position do not allow them to pay their liabilities.

c. Useful lives of fixed assets

The estimated useful life is depending on estimation and personal judgment based on the experience of the Company with similar fixed assets taking into consideration the estimated usage of the asset and number of working shifts and technical limitations. Residual values and useful lives of assets are reviewed on annual basis.

d. Impairment of Inventory

The company's management reduces the obsolete and low turn-over inventory into its net ordinary value based on special reports about its usage and future benefits.

3.2 Significant personal judgments in applying the company's accounting policies

Applied accounting policies do not require from management is personal judgment which may have a significant impact on the value recognized in the financial statements.

3.3 Fair value measurement

- a. The fair value of financial instruments is identified according to the market value of the financial instruments or similar financial instruments on the date of the financial statements. The value of the financial assets is identified by their replacement cost, while the value of the financial liabilities is identified by the current prices that can settle these liabilities.
- b. In case there is no active market to determine the fair value of the financial instruments the fair value is estimated using different valuation methods taking in consideration the prices of recent transactions and using the current fair value of other significantly similar Instruments-Deducted cash flow method- or any other evaluation method results in values on which we can depend.
- c. When using the deducted cash flow method as a method of evaluation the future cash flow is estimated based on the best estimates by management. And the used deduction rate is identified based on the prevailing price in the market in the date of the Financial Statements of instruments similar in nature and conditions.

4. Significant accounting policies

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

4.1 Foreign currencies translation

Transaction in foreign currencies are initially recorded using the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rates prevailing at the balance sheet date, all differences are recognized in the statement of income.

Non – monetary items that are major are historical cost in foreign currencies are translated using the exchange rate prevailing at the date of the initial recognition.

4. Significant accounting policies (Follow)

4.2 Fixed assets and its Depreciation

a. The first recognition and initial measurement

Fixed assets are stated at the historical cost after deducting accumulated depreciation and accumulated impairment losses.

b. Subsequent Cost

Such cost includes the cost of replacing part of the fixed assets when that cost is incurred, if the recognition criteria are met, Likewise, when major improvements are performed, its cost is recognized in the carrying amount of the fixed assets as a replacement if the recognition criteria are satisfied, all other repair and maintenance costs are recognized in the statement of profit or loss as incurred.

c. Depreciation

Depreciation is determined based on the fixed assets less salvage value as residual value at the end of estimated useful life.

The Salvage value of asset is the net amount currently expected to be obtained as a result of Disposal, if it is in the expected condition at the end of its useful life.

The depreciation amount is carried on the income statement according to the straight line method by the useful life estimated to each kind of fixed assets except land that not depreciated, the depreciation of fixed assets is depreciated according to the following rates:

Assets	Depreciation rate
Buildings, constructions and facilities	5% - 6.6%
Machinery and equipment	5% - 10%
Motor vehicles	20%
Tools	10%
Furniture, fixtures and office equipment	10% - 50%
Rental improvements	The duration of the contract or the useful life, whichever is less

4.3 Projects under construction

Projects under construction represent the amounts that are incurred for constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets.

4.4 Intangible assets

- Intangible assets are started at the historical cost and the historical cost deducts of accumulated amortization and accumulated impairment losses.
- Intangible assets with definite useful lives are amortized over the economic life of the asset and a measurement test is conducted when there is an indication of the asset's impairment. The amortization method for an intangible asset with a definite life are reviewed at least at the end of each year.

4.5 Financial Leased Assets

The original (right to use) asset and a commitment to lease contracts are recognized at the start date of the lease, whereby the lease contract commitment is measured at the present value of unpaid rental payments on that date, discounted using the interest rate on the additional borrowing of the company, and results in financing expenses in accordance with Accounting Standard No. (49) for the year 2019.

4.6 Leased contracts

The Group has applied EAS 49 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under EAS 20. The details of accounting policies under EAS 20 are disclosed separately.

4. Significant accounting policies (Follow)

a. Policy applicable from 1 January 2021

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in EAS 49. This policy is applied to contract entered in to, or after Jan 1, 2021.

b. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component right of use asset.

c. Right of use asset

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

d. Amortization of right of use asset

Amortization of right of use asset The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

e. Lease contracts liability

The lease liability lease contract liability is initially measured at the present value of the lease payments that are not paid at the commencement date Discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise the following: fixed payments, including in-substance fixed payments; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Group presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

4. Significant accounting policies (Follow)

4.7 Investments in associates

Associate companies are those that the company has, directly or indirectly, influential influence over it, but it does not reach the extent of control or joint control, as the company ownership stakes ranging from 20% to 50% of the voting rights in sister companies.

The purchase method (acquisition cost) is used in accounting for the acquisition of associate companies, and the goodwill resulting from the purchase of sister companies - if any - does not appear separately, but is included in the book value of the investment in associate companies after acquisition in the consolidated financial statements of the company using the equity method.

According to the equity method, the initial recognition of the investment in the associate companies is carried out in the statement of financial position of the compound at cost. An adjustment is then made to recognize the group's share of the profits and losses and other changes in the net assets of the associate companies.

4.8 Investments at fair value through other comprehensive income

Financial investments are carried at fair value through comprehensive income at cost on the date of acquisition. Investments listed on the stock exchange are valued at fair value (market value). As for investments that are not listed on the Stock Exchange, they are valued at the calculated value - based on the studies related to this matter - The resulting differences are recorded as a special reserve - Differences in evaluating available-for-sale financial investments within shareholders' equity. When the investment is sold, its share in the special reserve is added to the income statement.

For fair investments that are inactive (having no market value in an active market) and whose fair value cannot be determined with sufficient confidence,

These investments are recorded at the cost of their acquisition, and in the event of a decrease in the value of these investments (impairment), the book value is adjusted by the value of this decrease and charged to the income statement for each investment separately.

4.9 Inventory

The Inventory elements are valued as follows:

- a. Raw materials, gasoline, diesel fuel, packaging and spare parts: at the lower of cost (using the weighted average method) or net realizable value.
- b. Work in progress: at the lower of the cost of production based on the cost sheets or net realizable value.
- c. Finished goods: at the lower of the cost of production based on the cost sheets or net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories shall be recognized in cost of sales in the statement of Income statement in the year the write down or loss occurs, the amount of any reversal of any write down of inventories, arising from an increase in net realizable value, shall be recognized as reduction of cost of sales in the statement of Income statement in the year in which the reversal occurs.

4.10 Revenue

A. Sales

Revenue from sale is recognized at the fair value after deducting returns, commercial and quantity discounts. The revenues are recognized at the transfer of risks and returns of goods to the purchaser and at the presence of enough expectation about the flow of economic benefits in the sale transaction and in case of the company didn't hold the right of continuous managerial interference on goods to the purchaser at the receipt of goods, and in case of exporting the risks and returns of sold goods ownerships are identified based on the freight conditions as the revenue usually recognized when the goods are loaded on the truck.

4. Significant accounting policies (Follow)

4.10 Revenue

- Sale of goods (Local)

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

- Sale of goods (Export)

Revenue from sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods according to contract terms.

B. Distributed dividends

Revenue is recognized when the company's right to receive the payment is established.

C. Interest income

Revenue is recognized as interest incurred using the effective interest method.

4.11 Expected Credit Loss

- The company has two types of financial assets that are subject to the expected credit losses model according to this methodology:
 - a. Customer balances and notes receivables generated from services to customers
 - b. Contract principles related to the company's contracts with customers
 - The company applies the simplified approach to the impairment of financial assets in accordance with the Egyptian Accounting Standard No. (47) Financial Instruments in order to measure expected credit losses, which uses a provision for expected credit losses over the life time of all customer balances and contract assets with customers
 - To calculate the ECL, we depended on the customer and contract assets with customers' balances as a group based on common credit risk characteristics and the number of days past due.
 - Where the assets of the contract with the customer relate to the work in progress that has not been invoiced and has the same risk characteristics as customer balances for the same types of contracts Accordingly, the company concluded that the expected credit loss rates for customer balances are a reasonable approximation of the expected credit loss rates for the assets of contracts with customers.
 - ECL rates depended on analyzes of sales payments over the 36 months before December 31, 2021 and the corresponding historical credit losses incurred during this period.
 - The default rate calculated through this approach and used to calculate ECL is the company's historical default rates for each level of number of days past due by the company's customers, which is depended on sales payment analyzes over the 36 months before December 31 2021 and the corresponding historical credit losses that have been incurred during this period
 - In order to determine losses related to customer balances, notes receivables, and contract assets, the minimum allowable loss in case of failure (Loss Given Default) for each balance at risk is 100% due to the lack of any guarantee with the company.
 - The amount that the debtor owes to the company at the time of the failure to pay is known as the balance exposed to failure (Exposure at Default), and the clearing is recognized in the statement of financial position between the balance of the debiting customer and the balance of the same crediting customer, the balance exposed to failure is determined as the unpaid balance on the date of the report, including any interest accrued till the date of the report.
 - Egyptian Accounting Standard No. (47) Requires that the purpose of estimating ECL is not a worst-case scenario or a best-case scenario estimate. Instead, the ECL estimate should always reflect the probability that credit losses will occur, even if the most likely outcome is no credit losses. Therefore, the company applies macroeconomic scenarios to expected credit losses, where historical loss rates are adjusted to reflect current and future information about macroeconomic factors that affect the ability of customers to settle outstanding debt balances. The company has determined that the gross domestic product and the current account balance as a percentage of the gross domestic product and the annual change in the rate of inflation "average consumer prices" in the Arab Republic of Egypt, which is the country are sale the goods and the services so these indicators are the most relevant factors and thus adjust the loss rates historical based on expected changes in these factors.

4. Significant accounting policies (follow)

4.11 Expected Credit Loss (follow)

- The applying of the Egyptian Accounting Standard No. 47 "Financial Instruments" from January 1, 2021 led to changes in the accounting policies, which are resulted to amendments are recognized in the financial statements as on December 31, 2020. Where there is an impact on the opening balance of the retained earnings on January 1 2021 amount to EGP 16 487 597.

4.12 Provisions

A provision is recognized in the balance sheet when the Company has a present or legal or constructive obligation as a result of past events, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are reviewed at the date of preparing the Financial Statements and adjusted when necessary to show its best estimate.

4.13 Taxes

A. Income Tax

Income tax is a tax on the Company's profit and is calculated according to the relevant laws, regulations, and instructions that are currently being implemented in this regard while using the prevailing income tax at the date of preparing the balance sheet. The tax on income should be reflected in income statement.

B. Deferred taxes

Deferred tax occurs to reflect the existence of some temporary differences due to the difference in time frames when the current value of assets and liabilities are recognized between the prevailing taxation principles and accounting principles that are adhered to when preparing the financial statement.

The deferred tax is determined according to the prevailing method used to settle the present value of assets and liabilities. It should be taken into account that the deferred tax maybe considered an asset of the company if there is a possibility that it may be used to reduce the accrued tax profits of the company for future years, and the amount of the deferred tax considered as an asset of the company is reduced by the amount that may not be off-set against future taxes.

4.14 Receivables, notes receivable, debtors and other debit balances and suppliers' advanced payment

Receivables, notes receivable, debtors and other debit balances and suppliers' advanced payments are stated at the original invoice amount net of any impairment losses that is expected not to be collected by the company.

4.15 Related party transactions

Transactions with related parties are recorded in the same way as its normal operations according to the conditions stated by the company's management and on the same basis as transactions with others.

4.16 Treasury shares

Treasury shares are initially measured at cost value and are deducted from the equity in balance sheet.

4.17 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year are transferred to the legal reserve until this reserve reaches 50% of the issued capital, when the reserve falls below that limit the company should start deducting it again.

4.18 General reserve

The general reserve is formed from the company's profit in the previous year's according to the general assembly meeting resolution; This reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors and the interest of company.

4. significant accounting policies (follow)

4.19 Capital reserve

The capital reserve is formed by the amount of capital gains and the fixed assets endowed to the company.

4.20 Borrowing

Borrowings are initially recognized at the received value of the consideration received. Amounts maturing within a year are classified as current liabilities, unless the Company has the right to postpone the settlement for a year exceeding one year after the balance sheet date, then the loan balance should be classified as long-term liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance cost in the income statement.

4.21 Expenses

All expenses including cost of sales, selling and marketing expenses, general and administrative expenses and other expenses are recognized and charged to the statement of income in the financial year in which these expenses were incurred.

4.22 Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial year of time to get ready for their intended use or sale are capitalized as part of the cost of the assets. All other borrowing costs are expensed in the year in which they are incurred. The borrowings costs are represented in interest and other finance costs that company pay to obtain the funds.

4.23 Pension plan for employees

The company pays its share in the social security according to social security law No, 79 for the year 1975 and its amendments, and its included in salaries and wages account in the income statement on accrual basis.

4.24 The Contingents Liabilities and Commitments

Contingent liabilities of which the company is part of as well as off-balance sheet commitments which don't represent actual assets or liabilities at the date of financial statements.

4.25 Dividends

Dividends are recognized as an obligation in the year which the declarations of distributions are made.

4.26 Cash Flow Statement

The cash flow statement is prepared according to the indirect method.

4.27 Cash and cash equivalent

Cash and cash equivalents include cash on hand and at banks, time deposits accrued within three months and deducting from it time deposits accrued after three months and letter of grantees cover also the current bank accounts (credit balances).

4.28 Comparative Figures

The comparative figures were reclassified to comply with current figures.

4.29 Earnings per share

The company presented the data related to the basic share of its regular shares. Earnings per share is calculated by dividing the company's profits on the number of ordinary shares of the company by the weighted average of the number of shares during the year.

4. significant accounting policies (follow)

4.30 Capital management

- The Board of Director's policy is to always maintain a strong capital base to maintain investor, creditors and market confidence and to sustain future development of the business.
- The board of directors aims to make a balance between the highest interest rates available with reasonable terms and conditions to maintain a healthy capital structure.

4.31 Fair value of financial instruments

The financial instruments are represented in the company's financial assets and liabilities and the financial assets include the account receivables, notes receivables and other debt balances and cash on hand and at bank also the financial liabilities include customers advanced payments, contractors, accounts and notes payable and other credit balances.

According to the basis of evaluation followed in evaluating the company's assets and liabilities which is present in the disclosure footnotes of the financial statements, the fair value of the financial instruments doesn't differ significantly from its book value at the date of the preparation of the financial statements.

4.32 Financial instruments and risk management related

The company's financial instruments are balances of bank accounts, cash in hand, Receivables & Notes Receivables, Debtors & other debit balances, creditors and other credit balances. The following shows the risks related to the financial instruments and the procedures continued by the company to minimize the effect of such risks:

A. Credit risk

This risk is represented in the disability of clients to pay their outstanding liabilities, this risk is considered limited as the clients have a solid credit history.

B. Liquidity risk

The liquidity risk is represented by factors that impact the repayment of amount or all of the company's commitment according to the company's policy the suitable policies are taken to decrease the risk level to the minimum.

C. Interest rate risk

Interest rate risk is represented in the change in value of financial instrument due to the fluctuation of the market interest rates. This risk is considered limited as the company depends on its own resources in financing its financial needs to pay its current obligations and finance the fixed assets.

D. Foreign currency risk

The foreign currency risk is the fluctuation of currency exchange rates since that affect the company's open receivables and payables balance in foreign currency also asset and liability evaluation in foreign currency and this is considered a limited risk.

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5. Fixed assets

March 31, 2023	Land EGP	Buildings and Constructions EGP	Machinery and Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture, Fixtures and computers EGP	Enhancements of Rental Places EGP	Total EGP
Cost at January 1, 2023	7 543 974	1 036 868 599	2 375 045 466	124 372 235	16 089 664	39 163 949	2 796 081	3 601 879 968
Additions during the period	--	703 276	11 973 475	--	2 900 234	2 761 979	--	18 338 964
Cost at March 31, 2023	7 543 974	1 037 571 875	2 387 018 941	124 372 235	18 989 898	41 925 928	2 796 081	3 620 218 932
Accumulated Depreciation at January 1, 2023	--	357 493 741	1 123 393 362	81 588 021	9 610 829	30 434 714	1 876 577	1 604 397 244
Depreciation for the period	--	8 150 532	26 938 099	2 577 174	424 751	955 658	64 258	39 110 472
Accumulated Depreciation at March 31, 2023	--	365 644 273	1 150 331 461	84 165 195	10 035 580	31 390 372	1 940 835	1 643 507 716
Net book value at March 31, 2023	7 543 974	671 927 602	1 236 687 480	40 207 040	8 954 318	10 535 556	855 246	1 976 711 216

This balance includes the recording of assets that fully depreciated and still used which is comprehensive in: -

	Buildings and Constructions EGP	Machinery and Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture, Fixtures and computers EGP	Leasehold improvements EGP	Total EGP
Depreciated asset that still used	24 367 524	62 112 123	16 500 296	4 675 776	22 658 861	1 487 127	131 801 706

There is a commercial mortgage over fixed assets of Misr Cement Company (Qena) as collateral against the longterm loan (Note 18).

There is a commercial mortgage over all the existing, new tangible and intangible fixed assets of MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT COMPANY) as collateral against the longterm loan (Note 18).

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5. Fixed assets (follow)

	Land EGP	Buildings and Constructions EGP	Machinery and Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture, Fixtures and computers EGP	Enhancements of Rental Places EGP	Total EGP
December 31 , 2022								
Cost at January 1 , 2022	7 543 974	1 033 983 726	2 329 058 551	116 342 528	14 289 787	31 914 026	1 689 327	3 534 821 919
Additions during the year	--	2 884 873	46 372 917	8 029 313	1 799 877	7 666 734	1 106 755	67 860 469
Disposals during the year	--	--	(386 000)	--	--	(416 814)	--	(802 814)
Cost at December 31 , 2022	7 543 974	1 036 868 599	2 375 045 468	124 371 841	16 089 664	39 163 946	2 796 082	3 601 879 574
Accumulated Depreciation at January 1 , 2022	--	324 986 291	1 023 014 751	72 595 355	8 188 727	28 008 761	1 581 281	1 458 375 166
Depreciation for the year	--	32 507 451	100 533 224	8 992 272	1 422 102	2 508 671	295 296	146 259 016
Accumulated Depreciation of Disposals	--	--	(154 604)	--	--	(82 718)	--	(237 322)
Accumulated Depreciation at December 31 , 2022	--	357 493 742	1 123 393 371	81 587 627	9 610 829	30 434 714	1 876 577	1 604 396 860
Net book value at December 31 , 2022	7 543 974	679 374 857	1 251 652 097	42 784 214	6 478 835	8 729 232	919 505	1 997 482 714

This balance includes the recording of assets that fully depreciated and still used which is reprehensive in.

	Buildings and Constructions EGP	Machinery and Equipment EGP	Motor Vehicles EGP	Tools EGP	Furniture, Fixtures and computers EGP	Leasehold improvements EGP	Total EGP
Depreciated asset that still used	18 012 376	24 964 446	16 500 296	4 651 956	22 336 830	1 487 127	87 953 031

There is a commercial mortgage over fixed assets of Misr Cement Company (Qena) as collateral against the longterm loan (Note 18).

There is a commercial mortgage over all the existing, new tangible and intangible fixed assets of MISR CEMENT MINYA (Previously MINYA PORTLAND CEMENT COMPANY) as collateral against the longterm loan (Note 18).

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6. Projects under construction

	31 March 2023	31 December 2022
	EGP	EGP
Buildings and constructions	72 805 852	73 624 763
Machinery and equipment	3 298 672	2 443 663
Advanced payments	1 330 539	1 330 539
Information Systems	5 248 241	2 269 545
	82 683 304	79 668 510

7. Assets right to use

1- Operating assets

	31 March 2023	31 December 2022
	EGP	EGP
Cost as of January 1, 2023	16 576 294	10 306 294
Additions during the period / year	--	6 270 000
Total cost as of March 31 ,2023	16 576 294	16 576 294
Accumulated amortization as of January 1, 2023	4 258 529	3 478 373
Amortization of the period / year	374 959	780 156
Accumulated amortization as of March 31,2023	4 633 488	4 258 529
Net book value as of March 31 ,2023	11 942 806	12 317 765

2- Operating lease liabilities

	31 March 2023	31 December 2022
	EGP	EGP
Lease liabilities - current portion	2 524 611	2 780 409
Lease liabilities – Non - current portion	30 889 397	30 290 714
	33 414 008	33 071 123

8. Investments in associate companies

	Percentage of ownership	31 March 2023	31 December 2022
		EGP	EGP
South of Upper Egypt Company of sacks manufacturing	20%	16 840 263	20 008 263
		16 840 263	20 008 263

9. Intangible assets

	31 March 2023	31 December 2022
	EGP	EGP
Cost		
Beginning Balance for the year	283 895 600	282 892 552
Additions during the period/year	208 070	1 003 048
Ending Balance for the period/year	284 103 670	283 895 600
Accumulated amortization		
Beginning Balance for the year	(59 628 268)	(51 060 921)
Amortization during the period/year	(2 227 498)	(8 567 347)
Ending Balance for the period/year	(61 855 766)	(59 628 268)
Net book value at the end of period/year	222 247 904	224 267 332

Intangible assets are represented to the license of Misr Cement Minya (Previously Minya Portland Cement) and SAP Program for Misr Cement (Qena) Company.

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10. Inventory

	<u>31 March 2023</u>	<u>31 December 2022</u>
	EGP	EGP
Raw materials and packing	117 829 754	95 171 980
Gasoline, Mazot & coal	283 252 243	426 556 094
Goods at transit – export	170 407 843	--
Spare parts	364 822 581	304 882 369
Work in progress	443 167 298	156 083 267
Finished goods	86 143 869	79 021 518
	<u>1 465 623 588</u>	<u>1 061 715 228</u>

11. Accounts receivable and notes receivable

	<u>31 March 2023</u>	<u>31 December 2022</u>
	EGP	EGP
Accounts receivable	110 295 500	105 737 659
(Less) :		
Expected credit loss	(13 825 130)	(12 796 270)
	<u>96 470 370</u>	<u>92 941 389</u>

12. Debtors and other debit balances

	<u>31 March 2023</u>	<u>31 December 2022</u>
	EGP	EGP
Advanced payment – suppliers	619 215 992	104 051 839
Tax authority– value added tax	62 571 110	57 468 515
Tax authority– withholding taxes	24 287 912	23 602 533
Deposits with others	40 415 932	40 787 432
Prepaid expenses	8 007 343	4 211 005
Cover of letter of guarantee	6 749 231	12 867 252
Letter of credit	21 451 490	20 720 747
Accrued interest on time deposits	3 207 467	57 131
Other debit balances	64 804 574	38 350 946
	<u>850 711 051</u>	<u>302 117 400</u>
(Less):		
Expected credit loss	(2 396 618)	(2 396 618)
	<u>848 314 433</u>	<u>299 720 782</u>

13. Cash on hand and at banks

	<u>31 March 2023</u>	<u>31 December 2022</u>
	EGP	EGP
Cash on hand	2 246 854	6 363 736
Current accounts in banks	149 609 986	138 318 416
Time deposit (maturing during three months)	5 728 936	2 300 076
Time deposits (maturing more than three months)	--	1 351 000
Checks under collection	2 750 000	1 150 000
	<u>160 335 776</u>	<u>149 483 228</u>

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14. Paid up Capital

- The Company's authorized capital amounts to EGP 600 000 000, while the issued capital amounted to EGP 300 000 000 distributed over 30 000 000 shares of par value EGP 10 each, based on the decision of the extraordinary general assembly held on 22nd of March 2009 the capital was deducted by an amount of EGP 1 220 000 for 122 000 treasury shares, and it was registered in the commercial register in on 5th of July 2009, thus the paid up capital became EGP 298 780 000 distributed over 29 878 000 shares of par value EGP 10 per share .
- According to a board members meeting No 186 held on September 12, 2017 and authorized from GAFI on 25 September 2017 which decided to increase the capital with amount EGP 301 220 000 divided to 30 122 000 shares at EGP 10 per share, became EGP 600 000 000 as registered in the commercial register on 31 January 2018 No. 4955.
- The Ordinary General Assembly held on 28 March 2018 decided to distribute a free share for every 5 shares from retained earnings to share become 72 000 000 shares instead of 60 000 000 shares thus the paid up capital become EGP 720 000 000 instead of EGP 600 000 000 and it was registered in the commercial register on 29 May 2018 no. 23904 to become authorized capital amount to EGP 1 500 000 000, and issued and paid up capital amount to EGP 720 000 000 distributed on shareholder's as follow:

	Percentage (%) of Participation	No. of shares	Paid up capital EGP
NCB Capital Company (NBE)	21.31%	15 341 386	153 413 860
Egyptian Federation for Construction and Building Contractors	13.87%	9 985 317	99 853 170
Fahd bin Hamad bin Ibrahim Al harqan	10.50 %	7 558 151	75 581 510
Egyptian Company for investment projects	10.07%	7 251 096	72 510 960
Egyptian Kuwait Investment Company	9.88%	7 114 206	71 142 060
National Investment Bank	9.58%	6 895 599	68 955 990
Egypt Company for Life Insurance	9.37%	6 748 839	67 488 390
QNB for finance services	6.70%	4 821 514	48 215 140
Individual & IPO	8.73%	6 283 892	62 838 920
	% 100	72 000 000	720 000 000

15. Reserves

	Legal reserve EGP	General reserve EGP	Capital reserve EGP	Total EGP
Beginning Balance for the period	192 968 016	10 216 984	7 744 335	210 929 335
Reserves during the period	4 002 064	--	--	4 002 064
Ending Balance for the period	196 970 080	10 216 984	7 744 335	214 931 399

16. Non-Controlling shareholder's interests

First: Change in non-controlling interest shareholders

	31 March 2023 EGP	31 December 2022 EGP
Beginning Balance for the period	471 400 581	454 204 191
Non-controlling interest -share in net profit for the period	19 797 546	34 566 219
Adjustments on retained earning	--	(8 902 253)
Non-controlling shareholders' shares from Subsidiaries	--	188
Non-controlling shareholders share in dividends distribution	(14 846 987)	(8 467 764)
Ending balance for the period	476 351 140	471 400 581

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16. Non-Controlling shareholder's interests (follow)

	Percentage of ownership %	31 March 2023	31 December 2022
		EGP	EGP
Misr Cement Minya (Previously Minya Portland Cement) shareholders			
Safari limited for investments	30.72	369 178 214	365 341 468
Industrial Fund for Developing countries	4.64	55 748 780	55 169 401
FLSmith	4.27	51 361 109	50 827 330
National Company for development and trading	--	62 255	61 608
Others	--	373	369
Misr Cement - Beton (S.A.E) (Previously ASECO READY MIX) shareholders			--
Others	0.01	409	405
		476 351 140	471 400 581

17. Long term loan

	31 March 2023	31 December 2022
	EGP	EGP
The balance accrual		
Misr Cement (Qena) company	120 973 456	120 973 456
Misr Cement Minya (Previously Minya Portland Cement company)	63 582 438	127 281 891
	184 555 894	248 255 347
The Current portion		
Misr Cement (Qena) company	(120 973 456)	(120 973 456)
Misr Cement Minya (Previously Minya Portland Cement company)	(63 582 438)	(127 281 891)
Total of the current portion	(184 555 894)	(248 255 347)
Total long-term loans	--	--

- The company has acquired a long term loan in November 16th, 2015 amounted to EGP 910 259 259 from the total loans balance of the Company which amounts to EGP 915 000 000 that was given by combined banks (National bank of Egypt, Commercial bank of Egypt and Misr bank) with percentage of 33.3% for each, the National bank of Egypt will be the main facilitator of the loan, the loan was acquired to finance the acquisition (hinted in Note 5), to be settled on 15 payments half annually starting from November 16th, 2015 until November 16th, 2022 with 2.25% interest rate to be added to the average corridor rate of the central bank.
- There is a mortgage on the fixed assets of the Misr Cement Company (Qena) as collateral for the longterm loan (Note 5).
- There is a commercial mortgage on all the shares owned by Misr Cement Company (Qena) for the subsidy companies acquired by the company as collateral for the longterm loan.
- On December 31, 2010 Misr Cement Minya (Previously Minya Portland Cement) signed a joint loan contract of 1 102 million Egyptian pounds with Arab African International Bank (loan agent).
- On June 12, 2013 Misr Cement Minya (Previously Minya Portland Cement Company) performed an amendment on the loan contract by increasing the loan amount from EGP 1 102 million to become EGP 1 227 million and it will be paid over 13 annual installments starting from September 30, 2014 instead of September 30, 2013 each by an amount of EGP 92.85 million and ends on September 30, 2023.
- On 28 September 2022, The number of company shares of Misr Cement Minya (Previously Minya Portland Cement) has been increased to 379 998 shares with a percentage 99.90%.
- There is a commercial mortgage over all the existing, new tangible and intangible fixed assets of Misr Cement Minya (Previously Minya Portland Cement) as collateral against the longterm loan (Note 5)

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18. Deferred Tax Assets / (Liabilities)

	<u>Assets taxes</u>		<u>Liabilities taxes</u>	
	<u>31/3/2023</u>	<u>31/12/2022</u>	<u>31/3/2023</u>	<u>31/12/2022</u>
	EGP	EGP	EGP	EGP
Beginning balance for the period	10 090 714	14 938 441	327 214 511	335 647 893
Assets and (liabilities) movements-deferred tax	(1 526 084)	(4 847 727)	(7 177 996)	(8 433 382)
Ending balance for the period	8 564 630	10 090 714	320 036 515	327 214 511

19. Provisions

	<u>Balance as of</u> <u>1 January 2023</u>	<u>Charged during</u> <u>the period</u>	<u>Provisions used</u>	<u>Balance as of</u> <u>March 31 , 2023</u>
	EGP	EGP	EGP	EGP
Tax provision	4 496 731	--	(301 302)	4 195 429
Provision for other claims and litigations	8 119 937	1 725 196	--	9 845 133
Provision for claims	51 696 843	--	--	51 696 843
	64 313 511	1 725 196	(301 302)	65 737 405

20. Credit facilities

The balance of the debit current account on March 31,2023 of Qena Cement Company, has facilities amounted EGP 597 985 434 from the National Bank of Egypt to finance the purchase of raw materials and production tools within limited amount to EGP 1 046 000 000.

The balance of long - term debit current account on March 31,2023 of Qena Cement Company, has facilities amounted EGP 39 551 355 from the National Bank of Egypt to finance the purchase of raw materials and production tools within limited amount to EGP1 046 000 000, provided that the full value of the financing is paid at the end of the financing life in one payment.

21. Creditors and other credit balances

	<u>31 March 2023</u>	<u>31 December 2022</u>
	EGP	EGP
Tax authority	17 457 003	8 561 359
Retention	13 759 142	14 752 027
Syndicate Stamps	6 538 813	6 484 160
Employees services association	969 333	1 542 621
Social insurance authority	5 604 873	3 733 405
Tax authority- value add tax	67 354 146	76 726 850
Production development fees	6 268 179	6 372 190
Accrued debit interests	11 976 361	8 537 899
Accrued expenses	44 524 977	32 256 287
Creditors - Dividends	88 307 937	2 347 169
Other- creditors	28 759 616	22 398 090
	291 520 380	183 712 057

22. Income tax payable

	<u>31 March 2023</u>	<u>31 December 2022</u>
	EGP	EGP
Beginning balance for the year	34 291 757	34 431 517
Accrued income tax for the period	29 480 614	35 236 084
Payments to tax authority	(10 703 206)	(35 375 844)
	53 069 165	34 291 757

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23. Cost of sales

	31 March 2023	31 March 2022
	EGP	EGP
Depreciation and amortization	34 128 592	47 689 425
Governmental fees and technical management contract fees	14 650 142	39 119 804
Electricity and power	447 190 895	208 394 119
Raw materials and packaging materials	70 301 711	112 431 517
Rent	1 142 925	1 431 653
Indirect costs	140 103 608	105 861 018
	707 517 873	514 927 536

24. Selling and marketing expenses

	31 March 2023	31 March 2022
	EGP	EGP
Depreciation	75 961	71 729
Salaries and wages	5 255 456	5 075 004
Others	4 423 863	1 329 653
	9 755 280	6 476 386

25. General and administrative expenses

	31 March 2023	31 March 2022
	EGP	EGP
Depreciation and Amortization	1 048 769	507 053
Salaries and wages	19 300 377	24 528 398
Donations	719 410	1 117 470
Insurance expenses	48 921	110 480
Others	25 174 410	13 707 553
	46 291 887	39 970 954

26. Other Revenues

	31 March 2023	31 March 2022
	EGP	EGP
Fixtures remaining	75 012	15 246
Revenue from transport ,shipping and handling	14 198 493	11 439 708
Others	677 538	540 008
	14 951 043	11 994 962
Transport shipping and handling expenses	(13 177 493)	(10 897 553)
	1 773 550	1 097 409

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27. Related party transactions

The transactions with related parties between Misr Cement Company (S.A.E) and its subsidiaries where all the balances resulting from the transactions between the company's group are completely disposed including the sales, expenses and dividends. Also all the revenues and losses resulting from transactions between the company's group that have been recognized in the assets as inventory and fixed assets have been Disposed.

	Sales /service revenue	Purchases /cost of services
Misr Cement Minya (Previously Minya Portland Cement)	120 000	295 526
Misr Cement Beton (Previously ASECO for ready mix company)	14 550 223	--
Qena company for management and maintenance	--	14 858 695
Misr Cement Minya (Previously Minya Portland Cement)/ Misr Cement Beton (Previously ASECO for ready mix company)	22 813 488	--
Qena company for management and maintenance/ Misr Cement Beton (Previously ASECO for ready mix company)	11 091	--
Qena company for management and maintenance/ Misr Cement Minya (Previously Minya Portland Cement)	25 306 817	4 365 482

Also, the transaction between the related parties are presented in the between Misr cement company and some shareholders and associate companies where the consolidated financial statements have been completely excluded from the balances resulting from the mutual transactions between the group companies, as well as the group's transactions, including sales, expenses and dividends, as well as the complete elimination of profits or losses resulting from the group's transactions which are recognized within the value of assets such as inventory and fixed assets.

Company	Nature of the relation	Type	31 March 2023
			EGP
Misr Insurance	Shareholder	Insurance installments	1 214 542
South of upper Egypt company (main supplier)	Associate	Sacks supplying	27 782 250

28. Capital Commitments

	Currency	Contract amount	Balance as of 31 March 2023
Misr Cement Minya (Previously Minya Portland Cement)	EGP	24 597 953	1 245 860
Misr Cement Minya (Previously Minya Portland Cement)	EUR	285 000	6 648 717
			7 894 577

29. Contingent liabilities

The letters of guarantee that issued at the Company's request from the banks in favor of third parties as follows:

	The letters of Guarantee EGP	Cash Cover EGP
Misr Cement Minya (Previously Minya Portland Cement)	7 492 384	Non-fully covered

30. comparative numbers

There are adjustments on comparative numbers of financial statements and these are the most important adjusted items:

-Financial position

	31 December 2022 After adjustments	adjustments	31 December 2022 Before adjustments
Fixed assets	1 997 482 714	(299 436)	1 997 782 150
Intangible assets	224 267 332	299 436	223 967 896

31. Tax Situation

a) Corporate taxes

An Introduction

The company was established according to the law No.159 for the year 1981 and the general authority for investment and free zones approved that the company is exempted for tax for cement only according to the law of assurance and incentive of investment No. 8 for the year 1997 and that starts from the next year of production (6 April 2002) and for ten years which starts from 1 January 2003 to 31 December 2012.

Financial year ended on 31 December 2013 considered the first year subjected to tax.

1. Years from beginning of the activity to 2004

All tax differences that are due have been paid.

2. Years from 2005/2007

- The company was inspected in these years the differences were settled and the taxes were paid.
- Tax authority objected on the appeal committee's decision about the provision used for the year 2007 with amount of EGP 11,661,503 based on the fact that the provision represent amounts transferred to abroad and must be subjected to article 56 of law 91 for the year 2005 and decided to debit amount and subject it to 20% amounted to EGP 2,915,376 and filed a lawsuit against the company being considered of Qena first instance. The court used experts to consider the difference. We have prepared a note include the legal defense and discussions with the expert about it and issue the expert report that the tax authority does not have the right to subject the provision used according to article 56 from the law no,91 for the year 2005 and its executive regulations an initial judgment was issued in 24 September 2014 for the entitles for the company about this item. The country appeal representative objected on the decision and The appeal is being considered by the competent court, and the Administrative Court of the State Council in Qena issued a decision rejecting the case, and the representative of the state appealed against the ruling and it was transferred to the Supreme Administrative Court in Cairo.

a) Corporate taxes

3. Years from 2008/2012

All tax differences that are due have been paid.

4. Years from 2013/2014

The company was examined for those years, and the company paid the original tax according to the forms received from the authority, and a request was submitted to exceed 65% of the compensation for the delay in accordance with the provisions of Law No. 153 of 2022 and is awaiting the Tax authority's response.

5. Years from 2015/2018

- The tax authority sent (19 form) with estimated tax for those years and the company was objected at the legal date and waiting to set a date forming a committee to re-inspect with the actual document of the company

6. Year 2019/2021

- The company presented the annual tax position at its legal dates
- The Tax authority didn't inspect the company's documents for the year.

b) Salary tax

1. Years from beginning of the activity to 2014

-The tax authority inspected those years and the company paid the tax due for this year.

2. Years from 2015/2019

- The examination of the company for these years was completed, and the company paid the original tax according to the forms received from the authority, and a request was submitted to exceed 65% of the compensation for the delay in accordance with the provisions of Law No. 153 of 2022 and is awaiting the Tax Office's response.

31. Tax Situation (Followed)

3. Year 2020 / 2022

- The company withholds the tax from the employees and exports it to the tax authority at the legal dates.
- The Tax authority didn't inspect the company's documents for those years.

c) Value added tax (Sales Tax)

1. Years from beginning of the activity to 2007

The inspection for that year has been completed and the differences were paid and the dispute was resolved.

2. Years from 2008/2010

The Tax authority inspected the company for that year and form (15 D A M) was issued with differences in sales tax amounting to EGP 1,147,876, and the company has objected on this form and the review was completed by Supreme Committee which reduced the amount to EGP 697,549 and this amounts was paid to avoid the penalties, the dispute was referred to the court, the case is being taken to court. A judgment of the Administrative Court was issued acquitting the company from the tax differences for the period from 1/1/2008 to 5/3/2009, with the consequent effects.

3. Years from 2011/2015

The inspection for that year has been completed and the differences were paid and the dispute was resolved.

c) Value added tax (Sales Tax) (Followed)

4. Years from 2016/2019

The company's documents and books for those years were examined and the due differences were paid according to the forms received from the authority, and a request was submitted to exceed 65% of the additional tax in accordance with the provisions of Law No. 153 of 2022, and awaiting the Tax authority's response.

5. Year 2020/2022

- The company provided the tax returns on their legal dates.
- The Tax authority doesn't inspect the company's documents for these years.

D) Development of the country's financial resources fees

1. Years from 5 May 2008 to 30 June 2019

The company paid the tax till due to date.

2. Year 2020

The Tax authority inspected the company's books and documents about this year and the authority issued a claim for the accrued development resources differences amount to EGP 82 388 and was objected on this claim and the dispute is being considered before the internal committee.

3. Year 2021

- The company calculates the fee due in accordance with the law and submits it to the Tax Office on the legal date.
- The Tax Office has reviewed the company's books and documents for that period, and no claims have been issued to the company to date

4. Year 2022

- The company calculates the due fee in accordance with the law and supplies it to the tax office within the legal date.

31. Tax Situation (Followed)

e) Property tax

- The law no 196 for the year 2008 issued the real estate tax and adjusted by the law number 103 for the year 2012. And then once more with law no 117 for the year 2014.
- The law has been implemented from 1 July, 2013 and it will work on estimates until 31 December, 2021 according to the law no 4 for the year 2019 amending law no 196 for the year 2008.
- The Authority's estimates were relied upon in calculating the tax due on the company for the year 2022, while no notifications of new estimates were received.
- The company submitted its property tax return on its property which it owns to the tax authority according to the law No. 196 of 2008 and its adjustments.
- On August 30, 2022, a decision was issued by the Council of Ministers that the Ministry of Finance bears the entire tax due on the built real estate used in a number of activities as of January 1, 2022 and for a period of three years, on the terms of the receipt of the cement activity in item No. 12 in the list of activities for which the Ministry of Finance bears the tax due on its real estate used in the activity.
- The appeal committee's decision was to estimate the annual tax on the company's factory by EGP 844 576 which results in an accrued tax till 31 December 2021 by EGP 7 178 896 and delay fee. The company pays the tax due on it, and a case was filed to consider the dispute before the competent court, and the court issued its decision rejecting the case and ending the limitation period on December 31, 2021. The tax office estimated the annual tax due as of January 1, 2022, at 928,901 EGP, and the company was notified of this on May 15, 2022, and the tax assessment was challenged.
- The appeal committee's decision was to estimate the annual tax on Safag's land for EGP 4 776 and the company paid the accrued tax till 31 December 2021 amount EGP 45 596 and delay fees, the company has paid.
- The real estate tax authority filed form 3 real estate tax on the company's head office to estimate the annual tax by EGP 55 423 by total of accrued tax of EGP 526 519 till 31 December 2022 and delay fees. and the company the tax till due to date and the forms were appealed to resolve the dispute in front of the appeal committee.
- The real estate tax authority filed form 3 (real estate tax) on the elevating water station for EL- Kalabya canal for EGP 1 155 by total amount EGP 10 973 till 31 December 2022 and delay fees, the company has paid that claim.
- The real estate tax authority filed form 3 real estate tax for the lime quarry that the company is licensed to exploit by the Qena governorate, estimating the annual tax at EGP 648 099, The company appealed against it on the legal date, and the appeal committee issued a decision to reduce the annual tax due for that period from July 2013 to 31 March 2016 to become an amount of EGP 200 872 annually and the approval of the authority for the period from April 1, 2016 to December 31, 2020 at an amount of 648,099 Egyptian pounds annually, and it did not return the tax estimates due for the years 2021/2022
- The real estate tax authority filed form 3 real estate tax for the sand quarry that the company is licensed to use by the governorate of Qena, estimating the annual tax at EGP 32 640 with a total tax due EGP 310 080 until December 31, 2022, and the company appealed against it on time Legal and it was accepted.

The Tax situation for Misr Cement Minya (Previously Minya Portland Cement)

First: Tax on the profits of capital companies:

- According to the decision of the General Authority for Investment issued in November 2013, it was decided to consider the start of the actual activity of the production line in August 2013.
- The company does not enjoy tax exemptions for the profits of money companies.
- The company submitted the tax return for the fiscal year ending on December 31, 2022 to the Tax Authority on the legally specified date
- The Investment Tax Commission carried out an estimated examination of the company's accounts for the years 2010 to 2012.
- The company has appealed against the aforementioned form within the time specified for that by law, and the decision of the competent appeal committee to re-examine those years was issued, and the examination was re-examined, and the work of the internal committee is in progress.

31. Tax situation (followed)

The Tax situation for Misr Cement Minya (Previously Minya Portland Cement)

- The company has been held accountable for the years 2013/2016, and the 19 tax form was challenged in the legal deadlines.
- A decision was issued by the Tax Office's internal committee to re-examine the book for those years, and preparation for the examination is being completed.
- The company was notified of the date of the company's examination for the years 2017/2021, and the documents are being processed.

Second: Payroll tax and equivalent

- The company deducts the payroll tax and pays it to the competent tax office
 - Payroll taxes for the period from 2006 to 2012 were examined and approved by the committee, linked to tax differences and the payment was made.
 - The company received the request of the tax center for major financiers for tax examination for the years 2013 to 2020.
- The company deducts the payroll tax and pays it to the competent tax office.

Third: Value Added Tax

- The company has been registered with the relevant sales tax office, and sales tax and value added tax returns are submitted on time.

Years from 2010 to 2013

The company filed a lawsuit against the Ministry of Finance (Sales Tax Authority) in order to absolve it from paying sales tax on capital goods related to the cement production line, as well as recover what was paid of sales tax equivalent to 5% of the total value of tax demanded by the Sales Tax Authority. The previous payment was made upon receipt of capital goods at customs, and the decision of the reconciliation committees in settling disputes was issued at the Egyptian Tax Authority to support the company's requests, and the objection was made by the Tax Authority and the dispute was referred to the judiciary, and the dispute is still circulating in the judiciary.

Years from 2014 to 2015

The company was examined for those years, the forms were received, and the examination differences were paid.

Years from 2016 to 2019

- The years 2016 to 2019 were examined on 9/5/2021, and 15 NZ amendment forms were issued. AD on 5/26/2021 with a total tax difference of 147 573 844 Egyptian pounds (one hundred and forty-seven million five hundred and seventy-three thousand eight hundred and forty-four pounds) and the appeal was submitted on the form on 06/23/2021.

A memorandum of appeal was submitted on 7/7/2021, and a date was set for the Interior Committee on 1/8/ 2021, and the internal committee's decision ended with tax differences of 427,567 pounds due according to the decision of the Internal Committee after reducing the value of tax differences by an amount

- 87 409 262 pounds, and an amount of 59,737 012 pounds was referred to the Appeal Committee, where a date for appeal was set by the competent committee

Issuance of the decision of the Appeal Committee to return the dispute to the competent Tax Office to re-examine the remaining points of disagreement at an amount of EGP 59,737,012, and sessions have been set to discuss the dispute.

It resulted in a reduction of 37,701 448 Egyptian pounds and a claim for a debt of 22 407 714 Egyptian pounds. The decision was received and the tax difference due on the company was paid.

Fourth: Deduction and collection under tax account

The company applies the provisions of withholding on the account of tax on its dealings with others in accordance with the provisions of the Income Tax Law No. 91 of 2005, and the supply is made on the legal dates.

Fifth: Stamp tax

- The company was inspected until December 31, 2015 and was approved and paid.
- The company was accounted estimated according to the 19 stamp form for the period from 2016 to 2019, and the examination was re-examined, which resulted in tax differences of 284,227 Egyptian pounds, and the examination note was challenged.
- The company was examined for the year 2020 and the resulting tax differences were paid.
- A date for the internal committee has been set on 30 June for the discussion of the differences over the years 2016/2019.

31. Tax situation (followed)

Sixth: Real Estate Tax

- The real estate tax was determined for the first inventory of the company, and the annual real estate tax amounted to 786 562 Egyptian pounds.
- The company paid the real estate tax due on it for the period from July 2013 to December 2021.
- The company was notified of the linking form No. 3 "Z real estate" for the year 2022 on June 19, 2022, and payments were made under the real estate tax account for the year 2022, noting that the company is exempted from paying real estate tax for the period January 1, 2022 until December 31, 2024 according to the decision of the Chairman of the Board Ministers No. 61 of 2022

The Tax status for Misr Cement - Beton (S.A.E) (Previously ASECO READY MIX)

The company was established according to act no. 159 for the year 1981 and the company's tax status is as follows:

A. Corporate tax

- The company was examined from the beginning of the activity until 2015 and the objection was made on it and the preparation of documents and the required analysis is finished to present it to internal committee.
- The company was inspected from 2016 to 2018, it was objected and the process of examination is still in progress and the request of emanation send to the company for 2019 and the documents are being prepared.
- The company submitted the tax return for the year ended 31 December 2020 and the tax due was settled.

B. Salaries tax

- The company deducts the salaries tax and pays it to the tax authority
- The company has been inspected for work income tax and payment from the beginning of the activity until 2020.

C. The value added tax

- The company was registered with the Sales Tax Department, and the company was examined for the period from the beginning of the activity until December 31, 2016.
- The inspection in progress about value tax from 2017 to 2019.

D. Stamp tax

- The estimated check and payments has been done for the company from the beginning of the activity until 2020.

The Tax status for Qena for maintenance

The company was established in 26/6/2018 according to the law No.159 for the year 1981 and the law No.95 for 1992,

The following is the tax position of the company, explaining each tax:-

A. Corporate tax

From the beginning of the activity until 2021

- the company submits income returns on a regular basis and pays tax dues.
- The company has not examined income taxes to date and has not received any notifications of the examination or any tax claims

B. Salaries tax

From the beginning of the activity until 2021

- The company is regular in submitting quarterly and annual employment earnings forms.
- The company has not examined employment taxes to date, and it has not received any notifications of the examination or any tax claims.

C. Value add tax

From the beginning of the activity until 2021

- The company was registered with the Value Added Tax Authority on 10/13/2021.
- The company is regular in submitting value-added declarations and paying the tax due.
- The company has not examined the value-added taxes to date and has not received any notifications of the examination or any tax claims.

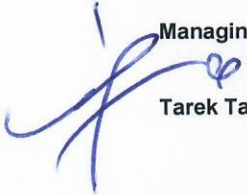
D. Stamp tax

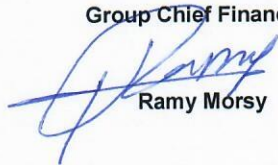
From the beginning of the activity until 2021

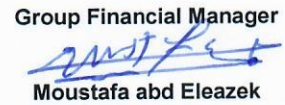
- The tax inspection wasn't made till that date and the company did not receive any notifications of the examination or any tax claims

32. Important Events

- The second half of march 2020 have witnessed the beginning of the impact of the outbreak of corona virus on the Egyptian market and the Egyptian government announced unprecedented measures to combat the virus infection and it's spread, The company has formed a risk committee to manage the crisis and the objectives of this year has been defined in maintaining all employees and securing them from corona risks as well as continuing the company's operations, all risks were studied and evaluated and taken a serious of precautionary measures to reduce all risks on employees and to ensure the continuity of the supply chain (operational, manufacturing, sales and collection operations in this year. And there is not effect on the company's current economic situation (it's financial position, business result and cash flow).
- And given to of the lack of clarity of the effects that could be caused by the development of the situation related to the effect of the spread of the virus (Covid-19) in the future, the effects of development on the company's activity cannot be determined precisely at the present time.
- During the year 2022, Misr Cement Qena Company terminated the contract with The Arab Swiss Engineering Company – ASEC and the factory will be self-managed.


Managing Director
Tarek Talaat


Group Chief Financial
Ramy Morsy


Group Financial Manager
Moustafa abd Eleazek