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

Consolidated Financial Statements
For The Year Ended December 31, 2023
And Auditor's Report

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KRESTON EGYPT
Tamer Nabarawy & Co.

Translation of Audit's report
Originally issued in Arabic

Auditor's Report

To: The Shareholders of MISR CEMENT (QENA) COMPANY (S.A.E)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of MISR CEMENT (QENA) COMPANY (S.A.E), which comprise the consolidated statement of financial position as at December 31,2023 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the company's management. Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 ethical requirements, plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated 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 the internal controls relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated 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 consolidated financial statements.

KRESTON EGYPT
Tamer Nabarawy & Co.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MISR CEMENT (QENA) COMPANY (S.A.E) as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation.

Report on Other Legal and Regulatory Requirements

The financial information included in the Board of Director's report, prepared in accordance with Law No.159 of 1981 and its executive regulations, is in agreement with the company's books of account, according to the limits of this information in books.

Cairo, March 3, 2024

Auditor

Tamer Nabarawy
Financial Regulatory Authority
Register Number (389)
Tamer Nabarawy and Co.
KRESTON EGYPT

KRESTON EGYPT
Tamer Nabarawy & Co.
Public Accountants & Consultants

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets	Notes	31 December 2023	31 December 2022
Non-current Assets		EGP	EGP
Fixed assets – Net	(5)	1 990 668 723	1 997 482 714
Projects under construction	(6)	82 040 387	79 668 510
Assets right to use	(7)	10 845 734	12 317 765
Investments in associates	(8)	24 712 058	20 008 263
Goodwill		481 159 424	481 159 424
Intangible assets	(10)	217 702 659	224 267 332
Deferred tax assets	(19)	10 090 714	10 090 714
Total non-current assets		**2 817 219 699**	**2 824 994 722**
Current assets			
Inventory	(11)	1 427 856 610	1 061 715 228
Accounts receivable	(12)	90 516 190	92 941 389
Investments at fair value through profit or loss	(9)	15 021 897	--
Debtors and other debit balances	(13)	404 818 198	299 720 782
assets held for sale		1 618 400	1 618 400
Cash on hand and at banks	(14)	140 489 252	149 483 228
Total current assets		**2 080 320 547**	**1 605 479 027**
Total assets		**4 897 540 246**	**4 430 473 749**
Equity			
Issued & paid up capital	(15)	960 000 000	720 000 000
Reserves	(16)	214 931 399	210 929 335
Retained earnings		224 729 923	449 371 076
Net profit for the year		94 782 220	97 044 053
Total equity (company's shareholders)		**1 494 443 542**	**1 477 344 464**
Non- controlling shareholders interests	(17)	476 924 718	471 400 581
Total equity		**1 971 368 260**	**1 948 745 045**
Non-current liabilities			
Lease contract liability	(7)	29 683 106	30 290 714
Long term facilities	(21)	604 608 590	--
Deferred tax liabilities	(19)	324 033 856	327 214 511
Total non-current liabilities		**958 325 552**	**357 505 225**
Current liabilities			
Provisions	(20)	88 660 156	64 313 511
Credit facilities	(21)	402 398 679	624 816 562
Current portion of long-term loans	(18)	--	248 255 347
Suppliers and notes payable		1 048 621 059	913 581 845
Receivables – advanced payments		114 811 038	52 471 991
Lease contract liability	(7)	3 329 801	2 780 409
Creditors and other credit balances	(22)	253 560 129	183 712 057
Income tax payable	(23)	56 465 572	34 291 757
Total current liabilities		**1 967 846 434**	**2 124 223 479**
Total liabilities		**2 926 171 986**	**2 481 728 704**
Total equity and liabilities		**4 897 540 246**	**4 430 473 749**

- The accompanying notes are an integral part of the Consolidated financial statements.
- Auditor's report attached.

Acting as Chief Executive Officer

Bassam Abdelrasol

Financial Manager

Moustafa abd Eleazek

Translation of financial statements
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CONSOLIDATED STATEMENT OF INCOME (Profit and Loss)

	Notes	31 December 2023	31 December 2022
		EGP	EGP
Net Sales		4 029 428 379	2 816 276 719
(Less)			
Cost of Sales	(24)	(3 409 910 041)	(2 424 889 586)
Gross Profit		**619 518 338**	**391 387 133**
Selling and marketing expenses	(25)	(38 969 578)	(33 578 188)
General and administrative expenses	(26)	(190 672 790)	(142 154 458)
Other Revenues/(Expenses)	(27)	(34 033)	3 888 410
Other expenses		--	(519 400)
Provisions charged		(24 796 296)	(7 570 366)
Total		**(254 472 697)**	**(179 934 002)**
Net operating Income		**365 045 641**	**211 453 131**
Add/(Less)			
Financial expenses		(205 494 082)	(83 614 363)
Operating lease – Interest		(2 871 144)	(2 650 443)
Amortization assets right to use		(1 491 030)	(780 156)
Reverse / Expected credit loss		443 385	3 690 971
Impairment of projects under instruction		(1 025 670)	--
Provision no longer required		--	20 000 000
Foreign currency exchange		1 232 342	3 900 685
Capital losses		--	188 485
Company share from investments of associates		8 223 795	4 200 675
Gain from investments at fair value through profit or loss		22 307	--
Credit interest		3 439 757	6 871 716
Net profits/(losses) for the year before Income Taxes		**167 525 301**	**163 260 701**
Add/(Less)			
Income Tax	(23)	(55 353 453)	(35 236 084)
Deferred Tax		3 180 656	3 585 655
Net profits/(losses) after income taxes and before non-controlling shareholders' profits		**115 352 504**	**131 610 272**
Distributed as follow:-			
Controlling shareholders'		94 782 220	97 044 053
Non-controlling Shareholders' interest profits		20 570 284	34 566 219
		115 352 504	**131 610 272**

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

Acting as Chief Executive Officer

Bassam Abdelrasol

Financial Manager

Moustafa abd Eleazek

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	31 December 2023	31 December 2022
	EGP	EGP
Net profits for the year after taxes	115 352 504	131 610 272
Add :		
Other comprehensive income	--	--
Comprehensive income for the year	**115 352 504**	**131 610 272**
Distributed as follow :		
Controlling shareholders'	94 782 220	97 044 053
Non-controlling shareholders' interest profits	20 570 284	34 566 219
	115 352 504	**131 610 272**

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

Acting as Chief Executive Officer

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Financial Manager

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CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

	Controlling shareholder's interests						
31 December 2022	**Issued & Paid up Capital**	**Reserves**	**Retained earnings**	**Net Profit for the year**	**Total**	**Non- controlling shareholders interest**	**Total Equity**
	EGP	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**	**EGP**
Balance as of 1 January 2022	**720 000 000**	**206 198 292**	**378 014 111**	**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)	--	--	--	
Adjustments to retained earnings	--	--	(13 561 166)	--	(13 561 166)	(8 902 253)	(22 463 419)
Non-controlling shareholders' shares from Subsidiaries	--	--	--	--	--	188	188
Dividends distribution	--	--	(56 411 387)	--	(56 411 387)	(8 467 764)	**(64 879 151)**
Total comprehensive income for the year	--	--	--	97 044 053	97 044 053	34 566 219	**131 610 272**
Balance as of 31 December 2022	**720 000 000**	**210 929 335**	**449 371 076**	**97 044 053**	**1 477 344 464**	**471 400 581**	**1 948 745 045**
31 December 2023							
Balance as of 1 January 2023	**720 000 000**	**210 929 335**	**449 371 076**	**97 044 053**	**1 477 344 464**	**471 400 581**	**1 948 745 045**
Capital increase	240 000 000	--	(240 000 000)	--	--	--	--
Transferred to retained earnings	--	--	97 044 053	(97 044 053)	--	--	--
Transferred to reserves	--	4 002 064	(4 002 064)	--	--	--	--
Adjustments to retained earnings	--	--	(4 716 052)	--	(4 716 052)	(2 486 624)	(7 202 676)
Share of non-controlling interests in the capital of subsidiaries	--	--	(2 287 464)	--	(2 287 464)	2 287 464	--
Dividends distribution	--	--	(70 679 626)	--	(70 679 626)	(14 846 987)	**(85 526 613)**
Total comprehensive income for the year	--	--	--	94 782 220	94 782 220	20 570 284	**115 352 504**
Balance as of 31 December 2023	**960 000 000**	**214 931 399**	**224 729 923**	**94 782 220**	**1 494 443 542**	**476 924 718**	**1 971 368 260**

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

Acting as Chief Executive Officer

Bassam Abdelrasol

Financial Manager

Moustafa Abd Elrazek

CONSOLIDATED STATEMENT OF CASH FLOWS

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	Notes	31 December 2023	31 December 2022
		EGP	EGP
Cash Flows From Operating Activities			
Net Profits before income taxes		167 525 301	163 260 701
Adjustments to reconcile net profit to cash flows			
Depreciation and amortization	(24,25,26)	(153 479 309)	173 882 179
Amortization of assets right to use		1 491 030	780 156
Gain from investments at fair value through profit or loss		(22 307)	--
Company share from investment of associates		(8 223 795)	(4 200 675)
Exchanged Foreign currency		(1 232 342)	(3 900 685)
Capital gains		--	(188 485)
Operating lease – interest		2 871 144	2 650 443
Expected credit loss		(443 385)	(3 690 971)
Impairment of projects under construction		1 025 670	--
Provision charged		24 796 296	7 570 366
Provision no longer required		--	(20 000 000)
Adjustments to retained earnings		(7 202 676)	--
Financial expenses		205 494 082	83 614 363
Credit interests		(3 439 757)	(6 871 716)
Net operating profits		**536 118 570**	**392 905 676**
Change in inventory	(11)	(362 012 842)	(608 018 663)
Change in accounts receivables and notes receivables	(12)	3 367 320	(49 449 001)
Change in debtors and other debit balances	(13)	(105 653 282)	(128 801 024)
Change in receivables – advance payments		62 399 047	469 235
Change in suppliers and notes payable		135 039 214	551 410 621
Change in creditors and other credit balances	(22)	66 374 353	50 809 978
Paid from operating lease contracts		(2 948 359)	(1 422 503)
Cash flows provided by operating activities		**332 624 021**	**207 904 319**
Paid Income taxes	(23)	(33 179 638)	(35 375 844)
Value add taxes paid		--	(4 020 000)
Provision used		(449 651)	(22 463 419)
Net cash from operating activities		**298 994 732**	**146 045 056**
Cash flows from investing activities			
(Payments) for purchase fixed assets	(5)	(141 208 052)	(19 779 872)
(Payments) for purchase assets right to use		--	(962 686)
Proceeds from sale of fixed assets		--	522 620
(Payments) for purchase of asset right to use		(3 021 133)	(863 048)
(Payments) in projects		(3 397 547)	(2 645 191)
(Payments) in investments designated at fair value through profit or loss		(14 999 590)	--
Dividends from Investments in associates		3 520 000	1 711 486
Credit interest collected		3 496 888	6 870 733
Change in Time deposits (maturing after three months)	(14)	(52 637 520)	--
Net cash from investing activities		**(208 246 954)**	**(15 145 958)**
Cash flows from financing activities			
Change in credit banks		382 190 707	317 710 861
Paid debit interests		(204 340 931)	(86 588 210)
Change in loans	(18)	(248 255 347)	(248 584 393)
Non-controlling shareholders' shares from subsidiaries		--	188
Dividends distribution paid		(83 206 045)	(64 887 843)
Net cash flow financing activities		**(153 611 616)**	**(82 349 397)**
Net changes in cash and cash equivalents		**(62 863 838)**	**48 549 701**
Exchange Foreign currency		1 232 342	3 900 685
Cash and cash equivalent – beginning of the year		148 132 228	95 681 842
Cash and cash equivalent – end of year		**86 500 732**	**148 132 228**
For the purpose of preparing a statement of cash flows cash and cash equivalents are represented in the following:			
Cash and cash equivalent		140 489 252	149 483 228
Time deposits - maturing after three months		(53 988 520)	(1 351 000)
Cash and Cash Equivalent – End of the year		**86 500 732**	**148 132 228**

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

Acting as Chief Executive Officer

Bassam Abdelrasol

Financial Manager

Mostafa Abd Al Razeq

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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 year ended December 31, 2023 were authorized for issuance in accordance with a resolution of the board of directors on 3 march 2024.

Background for the subsidy 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 subsidies as follows:

	Investment nature	31 December 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
MISR CEMENT FOR MAINTENANCE (Previously QUENA FOR MAINTENANCE) (S.A.E)	Direct Indirect	47.51 33.66	--	--

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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%.

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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 subsidiries 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.

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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:

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

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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.

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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.

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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 limitied 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

31 December 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 1 January 2023	7 543 974	1 036 868 599	2 375 045 466	124 372 235	16 089 664	39 163 939	2 796 081	3 601 879 958
Additions during the year	--	7 110 809	92 581 465	15 557 531	14 638 773	10 942 117	377 357	141 208 052
Cost at 31 December 2023	7 543 974	1 043 979 408	2 467 626 931	139 929 766	30 728 437	50 106 056	3 173 438	3 743 088 010
Accumulated Depreciation at 1 January 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 year	--	32 774 129	94 828 261	11 232 893	3 890 163	5 019 051	277 546	148 022 043
Accumulated Depreciation at 31 December 2023	--	390 267 870	1 218 221 623	92 820 914	13 500 992	35 453 765	2 154 123	1 752 419 287
Net book value at 31 December 2023	7 543 974	653 711 538	1 249 405 308	47 108 852	17 227 445	14 652 291	1 019 315	1 990 668 723

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	24 367 524	64 444 593	16 500 296	4 675 776	22 845 558	1 689 325	134 523 072

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).

5. **Fixed assets (follow)**

December 31, 2022	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, 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 December 2023	31 December 2022
	EGP	EGP
Buildings and constructions	72 812 607	73 624 763
Machinery and equipment	1 051 777	2 443 663
Advanced payments	1 330 539	1 330 539
Information Systems	7 871 134	2 269 545
	83 066 057	**79 668 510**
Impairment for value of projects under constructions	(1 025 670)	--
	82 040 387	**79 668 510**

7. Assets right to use

1- Operating assets

	31 December 2023	31 December 2022
	EGP	EGP
Cost as of January 1, 2023	16 576 294	10 306 294
Additions during the year	--	6 270 000
Total cost as of December 31 ,2023	**16 576 294**	**16 576 294**
Accumulated amortization as of January 1, 2023	**4 258 529**	**3 478 373**
Amortization of the year	1 472 030	780 156
Accumulated amortization as of December 31 ,2023	**5 730 559**	**4 258 529**
Net book value as of December 31 ,2023	**10 845 735**	**12 317 765**

2- Operating lease liabilities

	31 December 2023	31 December 2022
	EGP	EGP
Lease liabilities - current portion	3 329 801	2 780 409
Lease liabilities – Non - current portion	29 683 106	30 290 714
	33 012 907	**33 071 123**

8. Investments in associate companies

	Percentage of ownership	31 December 2023	31 December 2022
		EGP	EGP
South of Upper Egypt Company of sacks manufacturing	20%	24 712 058	20 008 263
		24 712 058	**20 008 263**

9. Investments designated at fair value through profit or loss

	Number of funds	Purchase price	Purchase value	valuation	31 December 2023	Gain from revaluation
Themar Funds	**26 274**	**571**	**14 999 590**	**572**	**15 021 897**	**22 307**

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10. Intangible assets

	31 December 2023	31 December 2022
	EGP	EGP
Cost		
Beginning Balance for the year	283 895 600	282 892 552
Additions during the period/year	3 021 133	1 003 048
Ending Balance for the period/year	**286 916 733**	**283 895 600**
Accumulated amortization		
Beginning Balance for the year	**(59 628 268)**	**(51 060 921)**
Amortization during the period/year	(9 585 806)	(8 567 347)
Ending Balance for the period/year	**(69 214 074)**	**(59 628 268)**
Net book value at the end of period/year	**217 702 659**	**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

11. Inventory

	31 December 2023	31 December 2022
	EGP	EGP
Raw materials and packing	148 024 657	95 171 980
Gasoline, Mazot & coal	76 634 725	426 556 094
Spare parts	388 040 941	304 882 369
Work in progress	726 849 938	156 083 267
Inventory with other	1 038 377	--
Finished goods	87 267 972	79 021 518
	1 427 856 610	**1 061 715 228**

12. Accounts receivable and notes receivable

	31 December 2023	31 December 2022
	EGP	EGP
Accounts receivable	102 370 339	105 737 659
(Less):		
Expected credit loss	(11 854 149)	(12 796 270)
	90 516 190	**92 941 389**

13. Debtors and other debit balances

	31 December 2023	31 December 2022
	EGP	EGP
Advanced payment – suppliers	162 068 558	104 051 839
Tax authority– value added tax	53 290 926	57 468 515
Tax authority– withholding taxes	20 455 852	23 602 533
Deposits with others	40 710 732	40 787 432
Prepaid expenses	5 101 522	4 211 005
Cover of letter of guarantee	4 320 000	12 867 252
Letter of credit	3 555 466	20 720 747
Accrued revenue	100 033 341	--
Other debit balances	18 177 156	38 408 077
	407 713 553	**302 117 400**
(Less):		
Expected credit loss	(2 895 355)	(2 396 618)
	404 818 198	**299 720 782**

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14. Cash on hand and at banks

	31 December 2023	31 December 2022
	EGP	EGP
Cash on hand	24 998	6 363 736
Current accounts in banks	67 499 791	138 318 416
Time deposit (maturing during three months)	18 975 943	2 300 076
Time deposits (maturing more than three months)	53 988 520	1 351 000
Checks under collection	--	1 150 000
	140 489 252	**149 483 228**

15. 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:
- Based on extra ordinary general assembly on June 25،2023 ،it was decided to increase the Capital through free shares amounted EGP 960 000 000 and it was register in the commercial registry on October 3،2023.

	Percentage (%) of Participation	No. of shares	Paid up capital
			EGP
NCB Capital Company (NBE)	%21.31	20 455 181	204 551 810
Egyptian Federation for Construction and Building Contractors	%15,01	14 409 599	144 095 990
Egyptian Company for investment projects	%10,07	9 668 127	96 681 270
Egyptian Kuwait Investment Company	%9.88	9 485 607	94 856 070
National Investment Bank	%9.58	9 194 131	91 941 310
Egypt Company for Life Insurance	%9.37	8 889 451	89 984 510
QNB for finance services	%6.70	6 428 685	64 286 850
Individual & IPO	%18.08	17 360 219	173 602 190
	%100	**96 000 000**	**960 000 000**

16. Reserves

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

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17. Non-Controlling shareholder's interests

First: Change in non-controlling interest shareholders

	31 December 2023	31 December 2022
	EGP	EGP
Beginning Balance for the year	471 400 581	454 204 191
Non-controlling interest -share in net profit for the year	20 570 284	34 566 219
Adjustments on retained earning	(2 486 624)	(8 902 253)
Non-controlling shareholders' shares from Subsidiaries	2 287 464	188
Non-controlling shareholders share in dividends distribution	(14 846 987)	(8 467 764)
Ending balance for the year	**476 924 718**	**471 400 581**

Second: Non-Controlling shareholder's interests

	Percentage of ownership	31 December 2023	31 December 2022
	%	EGP	EGP
Misr Cement Minya (Previously Minya Portland Cement) shareholders			
Safari limited for investments	30.72	369 622 745	365 341 468
Industrial Fund for Developing countries	4.64	55 815 907	55 169 401
FLSmidth	4.27	51 422 953	50 827 330
National Company for development and trading	--	62 330	61 608
Others	--	374	369
Misr Cement - Beton (S.A.E) (Previously ASECO READY MIX) shareholders			
Others	0.01	410	405
		476 924 718	**471 400 581**

18. Long term loan

	31 December 2023	31 December 2022
	EGP	EGP
The balance accrual		
Misr Cement (Qena) company	--	120 973 456
Misr Cement Minya (Previously Minya Portland Cement company)	--	127 281 891
	--	**248 255 347**
The Current portion		
Misr Cement (Qena) company	--	(120 973 456)
Misr Cement Minya (Previously Minya Portland Cement company)	--	(127 281 891)
Total of the current portion	**--**	**(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.

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18. Long term loan (follow)

- 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 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)

19. Deferred Tax Assets / (Liabilities)

	Assets taxes		Liabilities taxes	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	EGP	EGP	EGP	EGP
Beginning balance for the year	10 090 714	14 938 441	327 214 511	335 647 893
Assets and (liabilities) movements-deferred tax	--	(4 847 727)	(3 180 655)	(8 433 382)
Ending balance for the year	**10 090 714**	**10 090 714**	**324 033 856**	**327 214 511**

20. Provisions

	Balance as of 1 January 2023	Charged during the year	Provisions used	Balance as of 31 December 2023
	EGP	EGP	EGP	EGP
Tax provision	4 496 731	20 700 000	(449 651)	24 747 080
Provision for other claims and litigations	8 119 937	4 096 296	--	12 216 233
Provision for claims	51 696 843	--	--	51 696 843
	64 313 511	**24 796 296**	**(449 651)**	**88 660 156**

The provision for claims represents what has been created to meet any claims expected to be made by an external party. The company did not disclose information about the provisions due to management's belief that doing so would be expected to strongly affect the results of the negotiations with the external party. The management reviews these allocations annually and also adjusts the provision value according to the latest developments, discussions and agreements with the external party.

21. Credit facilities

The balance of the debit current account on December 31,2023 of Qena Cement Company, has facilities amounted EGP 385 208 852 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 December 31,2023 of Qena Cement Company, has facilities amounted EGP 604 608 590 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, provided that the full value of the financing is paid at the end of the financing life in one payment.

22. Creditors and other credit balances

	31 December 2023	31 December 2022
	EGP	EGP
Tax authority	14 246 665	8 561 359
Retention	14 588 859	14 752 027
Syndicate Stamps	6 674 426	6 484 160
Employees services association	765 581	1 542 621
Social insurance authority	3 454 731	3 733 405
Tax authority- value add tax	111 609 000	76 726 850
Production development fees	9 564 885	6 372 190
Accrued debit interests	9 691 050	8 537 899
Accrued expenses	35 957 718	32 256 287
Creditors - Dividends	4 667 737	2 347 169
Other- creditors	42 339 477	22 398 090
	253 560 129	**183 712 057**

23. Income tax payable

	31 December 2023	31 December 2022
	EGP	EGP
Beginning balance for the year	34 291 757	34 431 517
Accrued income tax for the period/year	55 353 453	35 236 084
Paid to the tax authority	(33 179 638)	(35 375 844)
	56 465 572	**34 291 757**

24. Cost of sales

	31 December 2023	31 December 2022
	EGP	EGP
Depreciation and amortization	147 227 049	170 485 579
Governmental fees and technical management contract fees	157 063 070	100 539 641
Electricity and power	2 122 303 337	1 353 612 360
Raw materials and packaging materials	378 824 360	331 143 441
Rent	--	25 286 173
Indirect costs	604 492 225	443 822 392
	3 409 910 041	**2 424 889 586**

25. Selling and marketing expenses

	31 December 2023	31 December 2022
	EGP	EGP
Depreciation	454 540	286 469
Salaries and wages	21 787 452	18 910 592
Others	16 727 586	14 381 127
	38 969 578	**33 578 188**

26. General and administrative expenses

	31 December 2023	31 December 2022
	EGP	EGP
Depreciation And Amortization	5 797 720	3 110 131
Salaries and wages	79 275 302	55 814 443
Donations	6 179 306	7 238 504
Others	99 420 462	75 991 380
	190 672 790	**142 154 458**

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27. Other Revenues

	31 December 2023	31 December 2022
	EGP	EGP
Fixtures remaining	264 818	457 977
Rent	--	--
Revenue from transport ,shipping and handling	52 104 690	41 391 202
Revenue from spare parts	145 788	15 634 433
Others	1 728 736	901 069
	54 244 032	**58 384 681**
Transport shipping and handling expenses	(51 898 664)	(38 313 312)
Spare Parts Cost	(2 379 401)	(16 182 959)
	(34 033)	**3 888 410**

28. 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)	1 491 654	--
Misr Cement Beton (Previously ASECO for ready mix company)	310 000	--
Misr Cement Beton (Previously ASECO for ready mix company)	37 637 919	--
Qena company for management and maintenance	132 273 484	--
Misr Cement Minya (Previously Minya Portland Cement)/ Misr Cement Beton (Previously ASECO for ready mix company)	49 695 730	--
Qena company for management and maintenance/ Misr Cement Beton (Previously ASECO for ready mix company)	698 270	--
Qena company for management and maintenance/ Misr Cement Minya (Previously Minya Portland Cement)	125 433 067	32 355 719

Also, the transaction between the related parties are presented in the between Misr Cement Company – Qena (S.A.E) and some shareholders and associate companies as follows:

Company	Nature of the relation	Type	31 December 2023 EGP
Misr Insurance	Shareholder	Insurance installments	7 817 339
South of upper Egypt company (main supplier)	Associate	Sacks supplying	163 674 500

29. Capital Commitments

	Currency	Contract amount	Balance as of 31 December 2023
Misr Cement Minya (Previously Minya Portland Cement)	EGP	24 597 953	1 245 860
			1 245 860

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30. 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
Misr Cement Qena	4 320 000	Full covered

31. 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

32. 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.

3. Years from 2008/2014

The company was inspected in these years and the dispute was resolved.

4. Years from 2013/2014

The company was inspected for those years and the company paid the original tax according to the forms received from the authority. A request was submitted to waive 65% of the delay fee in accordance with the provisions of Law No. 153 of 2022, and the delay fee was waived.

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32. Tax Situation (Followed)

5. Years from 2015/2018

The tax office sent an estimated form (19 taxes) for those years, including the corporate tax of the amount EGP 315 260 095 and differences in Article (56) in the amount of EGP 29 939 425. The form was appealed within the legal dates, and the actual examination of the company's books and documents was re-examined. The examination resulted in tax differences as follows:

- Corporate tax differences amounting to EGP 28 652 192.
- Article 56 differences amounting to EGP 59 526.
- Article 147 container amounting to EGP 5 182 000

This is in addition to the delay fee and the additional tax, and due to the presence of major points of disagreement between the company and the tax office, the re-examination memorandum was appealed within the legal deadline to discuss the items of disagreement before the competent committee.

6. Year 2019

- The Tax authority examined the company's books and documents for that period. Form (19 Taxes) was sent via the electronic portal of the Tax Authority, including the corporate tax differences in the amount of EGP 7 824 204, in addition to the delay fee and the additional tax. Due to the presence of major points of disagreement between the company and the Tax Authority, the form was appealed. Within the legal deadline for discussing the disputed items before the competent committee.

7. Year 2020/2022

- The company presented the annual tax position at its legal dates.
- The tax authority did not inspect the company for those years.

b) Salary tax

1. Years from beginning of the activity to 2019

-The tax authority inspected those years and the dispute was resolved.

2. Year 2020 / 2022

In implementation of the text of Article (41) of the Unified Tax Procedures Law No. 206 of 2020 and Article (49) of the executive regulations of the same law, the Tax Center Office for the Large Financiers to which the company belongs decided to conduct the examination for those years electronically, and accordingly all necessary documents and data must be sent. For examination within fifteen days from the date of receipt of the notification form for examination electronically through the department's system

-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 2011/2019

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

32. Tax Situation (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**
- Based on the Article (41) of the Unified Tax Procedures Law No. 206 of 2020 and Article (49) of the executive regulations of the same law, the mission of the tax center for its major financiers has decided to conduct the examination for those years electronically, and therefore all documents and data necessary for examination must be sent within fifteen days from the date of receiving the notification form for the examination electronically through the authority system
- 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 2021/2022**
- 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 for the year 2021 while the differences for the year 2022 were in the amount of EGP 28. There is also a delay charge as a result of the delay in monthly payments in the amount of EGP 262 057.

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.

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32. Tax Situation (Followed)

- 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 EGP 648 099 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: Corporate tax
- Years 2010 to 2012: The company was accounted estimated and the Appeal Committee decided to re-examine, and the examination is in progress.
- Years 2013/2016: The company was accounted estimated for these years, and an internal committee was established to re-examine, and the examination is being prepared.
Years 2017/2018: The company was accounted estimated for these years, the form was appealed, an internal committee was formed, and a decision was issued to re-examine.
- Years 2019/2021: The company submitted tax returns on the legal dates.

Second: Salaries tax
-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 years 2013 to 2020 were examined and the tax differences due were paid.
-The company deducts the payroll tax and pays it to the competent tax office.

Third: Value Added Tax
- The differences owed by the company for the years from 2010 to 2019 were examined and paid.
- The company submits tax returns within the legal deadlines.
- The period from January 1, 2020 until November 30, 2020 is being examined.

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 EGP 284 227, and the examination note was challenged.
- The company was examined for the year 2020 and the resulting tax differences were paid.

Sixth: Real Estate Tax
- 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 situation for QUENA FOR MAINTENANCE) (S.A.E)
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
From the beginning of the activity until 2021
- The company submitted the tax return within the legal deadlines.
- The tax authority requested an examination and review of the company's books and documents for those years Preparing is underway to examine the company for those years.

Year 2022
- The company submitted the tax return within the legal deadlines.
- The tax authority did not inspect the company for those years.

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32. Tax Situation (Followed)

The Tax situation for QUENA FOR MAINTENANCE) (S.A.E) (Followed)

B. Salaries tax

Years from the beginning of activity until 2023

- The company deducts the tax and pays it to the tax authority on the legal dates.
- The company has not received any inspection notifications from the tax office for that period to date.

C. The value added tax

Years from the beginning of activity until 2022

- The company was registered with the Value Added Tax Authority on October 13, 2021.
- The company regularly submits value-added returns and pays the tax due.
- The tax office requested an inspection of the company for the period from October 2021 to December 2022, and preparations are being made for the inspection.

D. Stamp tax

Years from the beginning of activity until 2021

- The tax authority examined the company's books and documents for those years and paid the tax due.

Year 2022/2023

- The tax office did not inspect the company for that period.

The Tax situation 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's tax return is submitted within the legal deadlines from the beginning of activity until 2022.
- The company was examined from the beginning of activity until 2015. The inspection memorandum was objected to and the defense memorandum was prepared for submission to the internal committee.
- A 19-inspection form was issued for the company for the period from 2016 to 2018, with a total tax amounting to EGP 101 644 052, and it was appealed.
- The company's documents are being prepared for examination for the years 2016 to 2021.

B. Salaries tax

- A final inspection and agreement was made, and the inspection differences due from the beginning of activity until 2020 were paid.
- An examination request was sent to the company for the years 2021 and 2022. The documents have been submitted and the examination is underway.
- The company is committed to submitting returns and paying the tax.

C. The value added tax

- The company was registered with the Value Added Tax Authority
- The company was examined for the period from the beginning of the activity until December 31, 2016, and there is no debt.
- The company was inspected from 1/1/2017 until 12/31/2019, and the inspection resulted in a total tax amounting to EGP 4 900 009.
- The value-added form 15 and the decisions of the internal committee and appeal committees were appealed. The file was referred to the competent court and the defense memorandum was submitted.
- A payment request was sent to the company with an examination difference of EGP 4 900 009, and the company addressed the Central Debt Department with a request to pay an amount of EGP 400 000 under the account of tax differences. In 2017, an amount of EGP 29 637 was paid, and in 2018 an amount of 309 174 pounds was paid. Egyptian, and in 2019, an amount and capacity of EGP 188 394.
- An inspection notice was sent to the company for the period from 1/1/2020 to 12/31/2020. The documents were submitted and the inspection is underway.

D. Stamp tax

- The inspection has been done from the beginning of activity until 2018, and the inspection differences were paid.
- The years from 2019 to 2020 were examined, and the examination differences and fines were paid.

Acting as Chief Executive Officer	**Financial Manager**
Bassam Abdelrasol	**Mostafa Abd Al Razeq**