

# BONYAN

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DEVELOPMENT AND TRADE

**BONYAN FOR DEVELOPMENT AND TRADING (S.A.E.)**

**AUDITOR'S REPORT  
AND RE-ISSUED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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## *Auditor's report*

*To the shareholders of Bonyan for Development and Trading Company (S.A.E.)*

### *Report on the re-issued financial statements*

We have audited the accompanying re-issued financial statements of Bonyan for Development and Trading (S.A.E.) (the "Company") which comprise the re-issued statement of financial position as of 31 December 2023 and the re-issued statements of profit or loss, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other notes.

### *Management's responsibility for the re-issued financial statements*

These re-issued financial statements are the responsibility of the Company's management. Management is responsible for the preparation and fair presentation of these re-issued financial statements in accordance with Egyptian Accounting Standards and in light of the prevailing Egyptian laws. Management responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of re-issued 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 re-issued financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and in light of the prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the re-issued financial statements are free from material misstatement.

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

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



## *Auditor's report (continued)*

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#### *Opinion*

In our opinion, the re-issued financial statements referred to above present fairly, in all material respects, the financial position of Bonyan for Development and Trading (S.A.E.) as of 31 December 2023, and its financial performance and its cash flows for the financial year then ended in accordance with Egyptian Accounting Standards and in light of the related Egyptian laws and regulations.

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#### *Emphasis of matter*

Without qualifying our opinion, we draw attention to Note 32 to the accompanying re-issued financial statements which describe the details of amendments made to the previously issued financial statements for the financial year ended 31 December 2023. The financial statements previously issued on 7 May 2024 have been re-issued primarily to update the fair value of investment properties based on valuation by the Egyptian Financial Regulatory Authority "FRA" approved valuator for the valuation of investment properties, reassessment of accounting for units available for sale and certain other prior period restatements and disclosure enhancements. Notes 32 provide further details on the nature of these changes. We issued our unqualified auditor's report on the previously issued financial statements on 2 July 2024 and following these changes, we provide this new report on the re-issued financial statements.

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#### *Report on other legal and regulatory requirements*

The Company maintains proper financial records, which includes all that is required by the law and the Company's statutes, and the accompanying re-issued financial statements are in agreement therewith.

The financial information included in the Board of Directors' report that is prepared in accordance with law No. 159 of 1981 and its executive regulations, is in agreement with the Company's accounting records, within the limits that such information recorded therein.



Yasser Hamdy Arafa  
Fellow of Egyptian Society for Accountants and Auditors  
Member of the American Institute of Certified Public Accountants  
R.A.A 12607  
F.R.A. 410

26 December 2024  
Cairo

**Re-issued statement of financial position - At 31 December 2023**

(All amounts are shown in Egyptian pounds)

	Note	Re-issued* 31 December 2023	Restated ** 31 December 2022	Restated ** 1 January 2022
<b>Non-current assets</b>				
Fixed assets	5	44,820,381	23,257,380	10,532,269
Investment properties	6	9,422,874,129	5,957,218,514	1,809,859,490
Prepayments to purchase investment properties	7	71,786,736	-	-
Loan receivables on sale - non-current portion	9.a	291,441,283	178,561,117	35,419,542
<b>Total non-current assets</b>		<b>9,830,922,529</b>	<b>6,159,037,011</b>	<b>1,855,811,301</b>
<b>Current assets</b>				
Units available for sale	8	76,470,536	178,717,467	261,958,455
Loan receivables on sale - current portion	9.a	258,044,946	149,328,556	16,255,250
Trade receivables, other receivables and prepayments	9.b	81,574,977	82,434,925	50,967,606
Due from related parties	10.a	6,290,005	319,121	-
Investments in treasury bills	11	46,551,393	-	-
Cash and cash equivalents	12	87,211,135	126,474,454	17,528,884
<b>Total current assets</b>		<b>556,142,992</b>	<b>537,274,523</b>	<b>346,710,195</b>
<b>Total assets</b>		<b>10,387,065,521</b>	<b>6,696,311,534</b>	<b>2,202,521,496</b>
<b>Equity</b>				
Paid-up capital	13	1,238,000,000	1,238,000,000	804,000,000
Legal reserve	14	310,982,970	163,541,107	48,017,317
Retained earnings		5,385,789,210	2,584,393,804	389,441,800
<b>Total equity</b>		<b>6,934,772,180</b>	<b>3,985,934,911</b>	<b>1,241,459,117</b>
<b>Non-current liabilities</b>				
Loans - non-current portion	15	1,361,308,412	1,111,336,293	543,793,437
Notes payable – non current portion	16	944,000	944,000	3,680,127
Deferred income tax liabilities	26.b	1,673,879,320	901,081,279	304,884,960
<b>Total non-current liabilities</b>		<b>3,036,131,732</b>	<b>2,013,361,572</b>	<b>852,358,524</b>
<b>Current liabilities</b>				
Provisions	17	1,139,247	1,139,247	1,139,247
Loans - current portion	15	169,463,224	126,430,832	61,888,085
Trade and other payable- current portion	16	92,205,316	130,222,463	40,450,163
Assets purchase payables	18	-	420,769,745	-
Due to related parties		-	-	978,393
Deposit related to maintenance fees	19	108,069,534	18,452,764	4,247,967
Current income tax liabilities	26.a	45,284,288	-	-
<b>Total current liabilities</b>		<b>416,161,609</b>	<b>697,015,051</b>	<b>108,703,855</b>
<b>Total liabilities</b>		<b>3,452,293,341</b>	<b>2,710,376,623</b>	<b>961,062,379</b>
<b>Total equity and liabilities</b>		<b>10,387,065,521</b>	<b>6,696,311,534</b>	<b>2,202,521,496</b>

- The accompanying notes on pages 8 to 74 form an integral part of the re-issued financial statements.

\* The previously issued financial statements of the Company for the year ended 31 December 2023 dated 7 May 2024 have been withdrawn and are replaced by these financial statements. The revision was necessary to change the accounting treatment of investment properties and units available for sale, and certain other prior period amendments and disclosure enhancements as detailed in (note 32).

\*\* In accordance with the reissuance note 32, comparatives were restated to reflect certain restatements. The note sets out the details of adjustments and the line items in the primary statements that have been impacted.

Ahmed Hassan Sayed  
Chief Financial Officer

Tarek Adel Rahman  
Chief executive officer

Shamel Aboul Fadl  
Chairman

25 December 2024

- Auditor's report attached.

**Re-issued statement of profit or loss - For the financial year ended 31 December 2023**

(All amounts are shown in Egyptian pounds)

	Note	Re-issued 31 December 2023	Restated 31 December 2022
Rental income		339,181,419	233,730,298
Revenue from units sold		478,240,792	350,102,786
Maintenance income		50,940,402	39,992,224
Interest income on financing for units sold		12,015,155	2,299,283
Other revenues	20	32,504,160	17,677,566
<b>Total revenues</b>		<b>912,881,928</b>	<b>643,802,157</b>
Operating costs related to rental and maintenance income	21	(104,755,468)	(73,711,554)
Cost of units sold		(102,246,931)	(83,240,988)
<b>Total cost of revenues</b>		<b>(207,002,399)</b>	<b>(156,952,542)</b>
<b>Gross profit</b>		<b>705,879,529</b>	<b>486,849,615</b>
Net gain from fair value adjustment on investment in properties		3,390,398,634	2,610,228,098
Selling and marketing expenses	21	(40,081,031)	(46,715,419)
General and administrative expenses	21	(64,420,905)	(39,039,684)
Net impairment (reversal of impairment) of financial assets	22	4,642,135	(4,924,276)
Gain from sale of investments	23	23,779,666	-
<b>Operating profits</b>		<b>4,020,198,028</b>	<b>3,006,398,334</b>
Finance income	24	29,858,872	12,260,249
Finance costs	25	(270,030,059)	(111,986,470)
<b>Profits for the year before income taxes</b>		<b>3,780,026,841</b>	<b>2,906,672,113</b>
Current income tax expense	26.c	(58,391,531)	-
Deferred income tax expense	26.c	(772,798,041)	(596,196,319)
<b>Net profit for the year</b>		<b>2,948,837,269</b>	<b>2,310,475,794</b>
Basic and diluted earnings per share (EGP/share)	27	<b>23.82</b>	<b>19.40</b>

- The accompanying notes on pages 8 to 74 form an integral part of the re-issued financial statements.

**Re-issued statement of comprehensive income - For the financial year ended 31 December 2023**

(All amounts are shown in Egyptian pounds)

	Re-issued 31 December 2023	Restated 31 December 2022
Net profit for the year	2,948,837,269	2,310,475,794
Other comprehensive income	-	-
<b>Total comprehensive income for the year</b>	<b>2,948,837,269</b>	<b>2,310,475,794</b>

- The accompanying notes on pages 8 to 74 form an integral part of re-issued the financial statements.

**Re-issued statement of changes in equity - For the year ended 31 December 2023**

(All amounts are shown in Egyptian pounds)

	Note	Paid-up Capital	Legal Reserve	(Accumulated losses) / retained earnings	Total
<b>Balance at 1 January 2022 as previously issued</b>		<b>804,000,000</b>	<b>1,409,130</b>	<b>(614,109,318)</b>	<b>191,299,812</b>
Impact of changes in accounting policy	32	-	74,743,086	1,420,118,624	<b>1,494,861,710</b>
Impact of changes in correction of errors	32	-	(28,134,899)	(416,567,506)	<b>(444,702,405)</b>
<b>Restated balance at 1 January 2022</b>		<b>804,000,000</b>	<b>48,017,317</b>	<b>389,441,800</b>	<b>1,241,459,117</b>
Total comprehensive income for the year (restated)		-	-	2,310,475,794	<b>2,310,475,794</b>
Transferred to legal reserve		-	115,523,790	(115,523,790)	-
		<b>804,000,000</b>	<b>163,541,107</b>	<b>2,584,393,804</b>	<b>3,551,934,911</b>
<b>Transactions with owners in their capacity as owners:</b>					
Issued and paid up capital	13	434,000,000	-	-	<b>434,000,000</b>
<b>Restated balance at 31 December 2022</b>		<b>1,238,000,000</b>	<b>163,541,107</b>	<b>2,584,393,804</b>	<b>3,985,934,911</b>
<b>Balance at 1 January 2023 as previously issued</b>		<b>1,238,000,000</b>	<b>14,254,665</b>	<b>(370,044,161)</b>	<b>882,210,504</b>
Impact of changes in accounting policy	32	-	178,367,113	3,388,975,153	<b>3,567,342,266</b>
Impact of correction of errors	32	-	(29,080,671)	(434,537,188)	<b>(463,617,859)</b>
<b>Restated balance at 1 January 2023</b>		<b>1,238,000,000</b>	<b>163,541,107</b>	<b>2,584,393,804</b>	<b>3,985,934,911</b>
Total comprehensive income for the year (re-issued)		-	-	2,948,837,269	<b>2,948,837,269</b>
Transferred to legal reserve		-	147,441,863	(147,441,863)	-
<b>Re-issued balance at 31 December 2023</b>		<b>1,238,000,000</b>	<b>310,982,970</b>	<b>5,385,789,210</b>	<b>6,934,772,180</b>

- The accompanying notes on pages 8 to 74 form an integral part of the re-issued financial statements.

**Re-issued statement of cash flows - For the year ended 31 December 2023**

(All amounts are shown in Egyptian pounds)

	Note	Re-issued 31 December 2023	Restated 31 December 2022
<b>Cash flows from operating activities</b>			
Net profit for the year before tax		3,780,026,841	2,906,672,113
<b>Adjustments for:</b>			
Depreciation of fixed assets	21	3,562,496	3,539,683
Net gain from fair value adjustment on investment in properties		(3,390,398,634)	(2,610,228,098)
Interests on loans	25	268,977,949	111,986,470
Credit interest	24	(9,002,184)	(3,914,440)
Treasury bills interests	24	(1,950,396)	-
Gain from securities selling		(23,779,666)	-
(Reversal) impairment of financial assets	22	(5,083,857)	4,924,276
<b>Operating profits before change in working capital</b>		<b>622,352,549</b>	<b>412,980,004</b>
<b>Change in working capital</b>			
Units available for sale		102,246,931	83,240,988
Loan receivables on sale		(220,889,829)	(275,990,552)
Trade receivables, other receivables and prepayments		(7,649,302)	(35,641,909)
Deposit related to maintenance fees		89,616,770	14,204,797
Trade and other payables		(38,017,147)	87,036,173
Due from related parties		(5,970,884)	(1,293,136)
Due to related parties		-	(978,393)
<b>Net cash flows generated from operating activities</b>		<b>541,689,088</b>	<b>283,557,972</b>
<b>Cash flows from investing activities</b>			
Payments to purchase of fixed assets	5	(25,125,497)	(16,264,794)
Prepayments to purchase investment properties	7	(71,786,735)	-
Payments to purchase investment properties and projects in progress	6	(75,256,982)	(1,103,700,540)
Payments for assets purchase payable	18	(420,769,745)	-
Payments for purchase of treasury bills	11	(44,821,860)	-
Payments to acquire securities		(29,193,035)	-
Proceeds from selling securities		52,972,701	-
Credit interest collected		9,002,184	3,914,440
<b>Net cash flows used in investing activities</b>		<b>(604,978,969)</b>	<b>(1,116,050,894)</b>
<b>Cash flows from financing activities</b>			
Paid up capital	13	-	434,000,000
Proceeds from loans		420,769,745	655,725,641
Payment of loans		(137,364,949)	(33,797,173)
Payment of loan interest		(259,378,234)	(114,489,976)
<b>Net cash flows generated from financing activities</b>		<b>24,062,562</b>	<b>941,438,492</b>
<b>Net change in cash and cash equivalents</b>		<b>(39,263,319)</b>	<b>108,945,570</b>
Cash and cash equivalents at the beginning of the year	12	126,474,454	17,528,884
<b>Cash and cash equivalents at end of the year</b>	12	<b>87,211,135</b>	<b>126,474,454</b>
<b>Non-cash transactions:</b>			
Transferred from projects in progress to investment properties	6.a / 6.b	38,987,235	413,276,652
Transferred from assets purchase payable to investment properties	18	-	420,769,745
Income tax settlement against withholding tax receivable	9.b	13,107,243	-

- The accompanying notes on pages 8 to 74 form an integral part of the re-issued financial statements.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**1. General information**

Bonyan for Development and Trading (S.A.E.) was incorporated in accordance with the provisions of Law 159 of 1981 and its executive regulations. It was registered in the Commercial Register under No. 25359 on 21 September 2007, and the Company's term is 25 years.

The Company's head office is located in 2 Wadi El Nile St. - Mohandessin - Giza.

The Company was established for the purpose of purchasing lands and properties for the purpose of investing and developing them through the establishment and construction of specialized commercial centres thereon and practising all complementary activities related to the activities and purposes of these centres, management of commercial centres, whether owned by the Company or third party, selling, leasing and granting rights of use for the commercial areas and units prepared for the practice of various activities in the commercial centres owned by the Company.

The main shareholder of Bonyan Company is Sky Realty Holding Limited with a shareholding of 99.99% incorporated in accordance with the laws of Dubai International Financial Centre (DIFC). The ultimate parent company and the ultimate controlling party is Compass Investment Holding Ltd with an effective share of 37.02%, also incorporated in accordance with the laws of Dubai International Financial Centre (DIFC).

The financial statements have been approved for issuance by the Board of Directors taking into consideration that the General Assembly of Shareholders has the authority to amend the financial statements after being issued.

The financial statements were authorised to be issued by the Company's Board of Directors on 25 December 2024.

**2. Accounting policies**

The principal accounting policies applied in the preparation of the financial statements are summarised below. They were applied consistently over the presented financial years unless otherwise stated:

**2.1 Basis of preparation of the financial statements****A) Basis of preparation**

These financial statements have been prepared in accordance with Egyptian Accounting Standards (EAS) and the relevant laws, and on the basis of the historical cost convention, except for investment properties measured at fair value.

The Company presents its assets and liabilities in the statement of financial position based on the current / non-current classification. The asset is classified as current when it is:

- \* Expected to be realised or intended to be sold or used in normal operating course of business;
- \* Held primarily for trading.
- \* Expected to be realised within twelve months after the reporting date; or
- \* Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**2. Accounting policies (continued)****2.1 Basis of preparation of the financial statements (continued)****A) Basis of preparation (continued)**

The liability is classified as current when it is:

- \* Expected to be settled in the normal operating course of business.
- \* Held primarily for trading.
- \* Required to be settled within twelve months after the reporting date; or
- \* There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The preparation of the financial statements in accordance with EASs requires the use of significant accounting estimates and assumptions. It also requires the Company's management to exercise its judgements in the process of applying the Company's accounting policies. Note (4) describes the significant accounting estimates and assumptions of these financial statements, as well as significant judgements used by the Company's management when applying the Company's accounting policies.

EASs require the reference to the International Financial Reporting Standard (IFRS) when there are no EASs, or legal requirements that explain the treatment of specific balances and transactions.

**B) Reissuance of the financial statements**

The previously issued financial statements of the Company for the year ended 31 December 2023 dated 7 May 2024 have been withdrawn and are replaced by these financial statements. The revision was necessary to reflect the following changes:

**Valuation of investment property:**

Subsequent to the previous issuance of the financial statements on 7 May 2024, management identified that the Company should have appointed a valuator who is approved by the Egyptian Financial Regulatory Authority "FRA" in assessing the fair valuation of investment properties in line with the requirements of Egyptian Accounting Standard No. (34). Refer note 32 for impact on the financial statements for the financial year ended 31 December 2023.

**Accounting treatment of units available for sale:**

The accounting treatment for units available for sale was restated to reflect certain units for sale as inventory instead of investment property. Refer note 32 for the details of the restatement.

**Other restatements and disclosure enhancements:**

In addition to the above other changes were noted which have been set out in note 32.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**2. Accounting policies (continued)**
**2-2 The new accounting standards and amendments**

- A) On 3 March 2024, The Prime Minister issued Resolution No. 636 of 2024, amending some provisions of the Egyptian Accounting Standards, which include some new accounting standards and amendments to some existing standards. Accordingly, these amendments to accounting standards were published in the Official Gazette on 3 March 2024. The most significant amendments are summarized as follows, which will be implemented for financial years beginning on or after 1 January 2024.

Accounting standard	Amendment summary	Application date and impact
<b>Egyptian Accounting Standard No. (13) "The Effects of Changes in Foreign Exchange Rates"</b>	<p><b>"Scope of the standard"</b> The scope of the standard has been amended to include "determining the spot exchange rate when exchangeability between two currencies is lacking."</p> <p><b>"Measurement"</b> - A currency that is difficult to exchange with another currency at the measurement date may later become exchangeable with that other currency, and the entity may conclude that the first subsequent exchange rate meets the conditions mentioned in paragraph 19A, and when the price does so, the entity may use this price as the estimated spot exchange rate.</p> <p>When there is difficulty in exchanging a currency for another currency on the measurement date, the entity must estimate the spot exchange rate on that date, and the estimated spot exchange rate must meet the estimated conditions on the measurement date.</p> <p>-When estimating the spot exchange rate as required under paragraph (19A), an entity shall use an observed exchange rate as the estimated spot exchange rate when that observed exchange rate meets the conditions provided in paragraph (19A).</p> <p><b>"Disclosures"</b> Some new disclosures have been added to the spot exchange rate.</p>	<p>The company must apply these amendments from the beginning of annual reporting years beginning on or after 1 January 2024. Early application is permitted, and if the Company performed an early application, this shall be disclosed.</p> <p>The Company has assessed that there is no impact as there is no lack of exchangeability in the Company's activities related to foreign currencies.</p>
<b>Egyptian Accounting Standard No. (17) "The Separate financial statements"</b>	<p><b>"Scope of the standard"</b> The scope of the standard has been amended to include "the use of the equity method in accounting for investments in subsidiaries, associates and joint companies."</p> <p><b>"Measurement"</b> - when an entity prepares separate financial statements, it must account for investments in subsidiaries, in entities under common control, and in sister companies: 1- At cost 2- According to Egyptian Accounting Standard No. (47) Financial Instruments 3- Using the equity method as described in Egyptian Accounting Standard No. (18) Investments in Associated Companies.</p>	<p>The entity must apply these amendments from the beginning of annual reporting years beginning on or after 1 January 2024. Early application is permitted, and if the entity performed an early application, this shall be disclosed.</p> <p>The Company has assessed that there is no impact as the Company has no investment in subsidiaries.</p>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

Accounting standard	Amendment summary	Application date and impact
	<p>The entity must apply the same accounting treatment to each category of investments. If the entity classifies investments recorded at cost or uses ownership rights as assets held for the purpose of sale or distribution (or within a group of assets being disposed of and held for sale) in accordance with Egyptian Accounting Standard No. (32), non-current assets held for the purpose of sale and discontinued operations. The facility must account for that investment from the date of that classification in accordance with Egyptian Accounting Standard No. (32). As for investments that are accounted for in accordance with Egyptian Accounting Standard No. (47), their measurement will not change in such cases.</p> <p><b>“Disclosures”</b> Some new disclosures have been added.</p>	
<b>Egyptian Accounting Standard No. (34)</b> <b>“Investment in properties</b>	<p><b>“Scope of the standard”</b> The scope of the standard has been amended to include: “An entity must choose either the fair value model or the cost model as its accounting policy and must apply that policy to all of its investment in properties.</p> <p><b>“Measurement”</b> - “Fair Value Model” After initial recognition, the entity must measure all its investment in properties at fair value - the gain or loss arising from the change in fair value must be included in the profit or loss for the period in which this change arises or through other comprehensive income for one time in the life of the asset. Or investment - in the event that the book value of investment in properties increases as a result of evaluating it at fair value, and the increase is recorded in other comprehensive income and collected within equity under the title of investment in properties evaluation surplus at fair value. However, the increase must be proven from profit and loss to the extent that it reflects a decrease. In evaluating the same investment, it was previously recognized in profit and loss.</p> <p><b>“Disclosures”</b> Some new disclosures have been added.</p>	<p>The entity must apply these amendments from the beginning of annual reporting years beginning on or after 1 January 2024. Early application is permitted, and if the entity performed an early application, this shall be disclosed.</p> <p>The Company applied an early adoption for these amendments. Please refer to note (32) for details.</p>

- B) The Prime Minister issued Decision No. (3527) and (3528) of 2024 on 23 October 2024, adding a new standard in the Egyptian Accounting Standards EAS 51 “Hyperinflation”. The new standard was published in the Official Gazette on 23 October 2024. The Egyptian economy is not yet considered to be a hyperinflationary economy.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**2. Accounting policies (continued)****2.3 Foreign currency translation****(a) Functional and presentation currency**

The re-issued financial statements are measured and presented using the functional currency of the primary economic environment in which the Company operates "the functional currency". The re-issued financial statements are presented in Egyptian pounds (EGP), which is the Company's functional and presentation currency.

**(b) Transactions and balances**

Transactions made in foreign currency during the year are initially recognised in the Company's functional currency on the basis of translation of foreign currency used in the transaction, using the spot prevailing exchange rate between the functional currency and the foreign currency at the date of the transaction, and the monetary items denominated in foreign currency are also translated using the closing rate at the end of each financial year. The Company recognises foreign currency exchange differences resulting from the settlement of such monetary items or from the translation of monetary items - using exchange rates differ from those used in its translation at the initial recognition at the same period or previous financial statements - in the profit or loss in the year in which these differences arise, except when currency differences resulting from the translation of non-monetary item are deferred in other comprehensive income, which constitutes an effective part of net investment hedges in a foreign operation or an effective part of cash flow risk hedges.

Translation differences on non-monetary financial assets and liabilities are recognised as part of the fair value profit or loss. Translation differences on non-monetary financial assets and liabilities such as equity instruments held at fair value through profit or loss are recognised as profit or loss as part of fair value profit or loss. For available-for-sale financial assets, which do not represent monetary items (e.g. equity instruments), gains or losses recognised within other comprehensive income items include any elements of related foreign currency swaps.

**2.4 Fixed assets**

The company applies the cost model at measurement of fixed assets. Under this model, fixed assets are recognized at cost, less accumulated depreciation and accumulated impairment losses. The cost of a fixed asset includes all directly attributable costs necessary to bring the asset to the location and condition required for it to be capable of operating in the manner intended by the company's management.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

The straight-line method is used to allocate the depreciation of fixed assets consistently over their estimated useful lives, except for lands, which are characterised with unlimited estimated useful life.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**2. Accounting policies (continued)**
**2.4 Fixed assets (continued)**

Below are the estimated useful lives of each type of the group of assets:

Furniture, fixtures, decorations, etc.	5 - 20 years
Vehicles	4 years
Communication devices	3 years
Machinery and equipment	3 years
Computers	3 years
Building	50 Years
Others	3 years

The Company reviews the residual value of fixed assets and estimated useful lives of fixed assets at the end of each fiscal year and adjusted when expectations differ from previous estimates.

The carrying amount of the fixed asset is reduced to the recoverable amount, if the recoverable amount of an asset is less than it's carrying amount. This reduction is considered as a loss resulting from impairment.

Gains or losses on the disposal of an item of fixed assets from the books are determined based on the difference between the net proceeds from the disposal of the item and the net book value of the item, and the gain or loss resulting from the disposal of fixed assets is included in the statement of profit or loss.

**2.5 Investment properties**

Investment properties consist of land and buildings held to earn rental income, for capital appreciation, or both, and which are not occupied by the company.

Investment properties, both freehold and leasehold, are held to earn rental income and/or for capital appreciation. The Company applies the fair value model. At initial recognition, investment properties are measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Freehold properties comprise land and buildings, which the company has ownership of the land and the building. The buildings are leased to tenants under an operating lease. Leasehold properties comprise buildings on leased land for which rental payments are made to the lessor. Leasehold properties that are leased to tenants under operating leases are accounted for as investment properties and measured using the fair value model. Properties held under an operating lease are initially measured at cost.

Gains and losses arising from changes in the fair value are included in profit or loss in the year in which they arise. Investment properties are measured at fair value at each reporting date. Tenant installations and lease commissions are initially recognised at cost. After initial recognition, the cost is amortised on a straight-line basis over the term of the lease. A gain or loss arising on the disposal of investment property is recognised in profit or loss upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. A gain or loss is measured as the difference between the net disposal proceeds and the carrying amount. Subsequent additions that will result in future economic benefits and whose cost can be measured reliably are capitalised.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**2. Accounting policies (continued)****2.5 Investment properties (continued)**

The fair value of investment properties is the price that would be received from selling the asset in an orderly transaction, without deducting any transaction costs. The best indication of the fair value is current prices in an active market for similar properties in the same location and condition.

The Company classifies cash flows used to purchase investment properties as part of investing activities and cash flows generated from rental activities as part of operating activities.

The Company transfers the property from investment properties to inventory when there is a change in use supported by the process of starting to develop the property for the purpose of selling it. When the company decides to exclude the investment properties without developing it, the entity continues to treat that investment as investment properties until it is excluded from the books and no longer processed as inventory.

**2.6 Projects in progress**

Projects in progress are carried at cost and recognised as investment properties upon meeting the conditions of recognising the fixed assets or the investment properties. When the value of projects in progress exceeds the expected recoverable amount, the projects in progress value is written down to the recoverable amount, and the differences are charged to the statement of profit or loss.

**2.7 Prepayments**

Prepayments are carried at cost less provision for impairment. A prepayment is classified as non-current when the goods or services relating to the prepayment are expected to be obtained after one year, or when the prepayment relates to an asset which will itself be classified as non-current upon initial recognition.

Prepayments to acquire assets are transferred to the carrying amount of the asset once the Company has obtained control of the asset and it is probable that future economic benefits associated with the asset will flow to the Company. If there is an indication that the assets, goods or services relating to a prepayment will not be received, the carrying value of the prepayment is written down accordingly and a corresponding impairment loss is recognised in profit or loss for the year.

**2.8 Impairment of non-financial assets**

Non-financial assets that have definite useful lives, and they are subject to depreciation or amortisation are tested for impairment whenever there are indicators or evidence that the asset may incur impairment losses.

The asset is tested for impairment by comparing its carrying amount with its recoverable amount. The recoverable amount of the asset is the higher of its fair value less selling costs or value in use. For the purposes of impairment tests, assets are allocated to the smallest identifiable group of cash inflows that are largely independent from cash inflows from other assets or groups of assets (cash generating unit).

The Company recognises impairment loss in the statement of profit or loss at the amount by which the carrying amount of an asset exceeds its recoverable amount.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**2. Accounting policies (continued)****2.8 Impairment of non-financial assets (continued)**

At the end of each financial year, the Company assesses whether there is an indication that the impairment loss of any asset other than goodwill, which is recognised in prior year, no longer exists or has decreased, then, the Company evaluates the recoverable amount of that asset.

Impairment losses recognised in prior year are reversed when there is an indication that such losses no longer exist or have decreased. Impairment losses, which should not exceed the carrying amount that would have been determined (net of depreciation) are reversed. Such reversal is recognised in the statement of profit or loss.

**2.9 Financial instruments****Fair value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The best evidence of the fair value is the price in an active market. An active market is the market in which transactions for an asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

**Transaction costs**

Transaction costs are incremental costs directly related to the acquisition, issuance or derecognition of a financial instrument. The incremental cost is the cost that would not have been incurred if the transaction had not taken place. Transaction costs include fees and commissions paid to agents (including employees who act as selling agents), consultants, brokers, traders, fees levied by regulatory authorities and stock exchanges, and transfer taxes and fees. Transaction costs do not include debt premiums, discounts, finance costs, internal administrative costs, or retention costs.

**Amortised cost**

Amortised cost is the amount at which the financial instrument was recognised upon initial recognition, less any payments, in addition to accrued interests, and for financial assets, less any provision for expected credit losses. Accrued interest include the amortisation of deferred transaction costs at initial recognition and any premium or discount till the maturity date using the effective interest rate method. Accrued interest income and accrued interest expenses, including accrued coupon, discount or amortised premium (including deferred charges upon issuance, if any), are not presented separately and are included in the carrying amounts of the related items in the re-issued statement of financial position.

**Effective interest rate method**

The effective interest rate method is a method of allocating interest income or interest expenses over the relevant year, to achieve a constant periodic rate of interest (effective interest rate) on the carrying amount. The effective interest rate is the rate at which estimated future cash payments or proceeds are discounted (excluding future credit losses) through the estimated life of the financial instrument or a shorter period, if appropriate, to the gross carrying amount of the financial instrument. The effective interest rate discounts cash flows of variable interest instruments to the next interest repricing date, except for the premium or discount which reflects the credit distribution over the floating rate specified in the instrument, or other variables that are not reset to market rates.

Such premiums or discounts are amortised over the expected useful life of the financial instrument. The present value calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**2. Accounting policies (continued)****2.9 Financial instruments (continued)****Initial recognition**

Financial instruments at FVTPL are initially recognised at fair value. All other financial instruments are initially recognised at fair value adjusted for transaction costs. Fair value at initial recognition is best evidenced by the transaction price. A profit or loss at initial recognition is only recorded if there is a difference between fair value and transaction price which can be evidenced by other observable current market transactions in the same instrument or by evaluation techniques whose inputs include only data from observable markets. After the initial recognition, an ECL provision is recognised for financial assets measured at AC and investments in debt instruments measured at FVOCI, resulting in an immediate accounting loss.

**Classification and subsequent measurement - measurement categories**

The Company classifies its financial assets and amortised cost. The classification and subsequent measurement of debt financial instrument depends on: (1) the Company's business model for managing the related assets portfolio and (2) the cash flow characteristics of the asset.

**2.10 Financial assets****Impairment of financial assets - credit loss provision for ECL**

The Company assesses, on a forward-looking basis, the ECL associated with debt instruments carried at AC. The Company measures ECL and recognises net impairment losses on financial at each financial position date. The measurement of ECL reflects: (1) an unbiased and probability weighted amount that is determined by evaluating a range of possible outcomes, (2) time value of money and (3) all reasonable and supportable information that is available without undue cost and effort at the end of each financial year about past events, current conditions and forecasts of future conditions.

Debt instruments measured at amortized cost, trade receivables, other receivables, amounts due from related parties, investments in treasury bills, and cash and cash equivalents are presented in the statement of financial position net of the allowance for expected credit losses.

The Company applies the simplified approach to impairment of trade receivables in accordance with EAS No. (47), which requires the recognition of lifetime expected credit losses upon initial recognition of receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the outstanding days.

Expected loss rates are based on proceeds from sales collected over the 36 months prior to the financial position date, and the corresponding historical losses incurred during this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the debit balances. The Company has identified the GDP of the countries in which it sells its goods and services to be the most relevant factor, and accordingly adjusts the historical loss rates based on expected changes in these factors.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**2. Accounting policies (continued)****2.10 Financial assets (continued)**

As for other financial assets, the Company applies a three-stage model for impairment, based on the changes in credit quality since initial recognition. A financial instrument that is not credit-impaired at initial recognition is classified in Stage (1). Financial assets in Stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next twelve months or until contractual maturity, if shorter (“twelve months ECL”). If the Company identifies a significant increase in credit risk (SICR) since initial recognition, the asset is transferred to Stage (2). ECL are measured based on lifetime ECL, i.e. up until contractual maturity, taking into account expected prepayments, if any (“lifetime ECL”). Refer to note (3) for a description of how the Company determines the occurrence of a significant increase in credit risk. If the Company determines that a financial asset is credit-impaired, the asset is transferred to Stage (3) and its ECL is measured as a lifetime ECL. The Company's definition of credit impaired assets and the definition of default are explained in note 3.

Note 3 provides information about the inputs, assumptions and estimation methods used in measuring ECL, including an explanation of how the Company incorporates forward-looking information into ECL models.

**Financial assets - write-off**

Financial assets are written-off, in whole or in part, when the Company exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The write-off represents a derecognition event. The Company may write-off financial assets that are still subject to enforcement activity when the Company seeks to recover amounts that are contractually due, however, there is no reasonable expectation of recovery.

**Financial assets - derecognition**

The Company derecognises financial assets when (a) the assets are recovered or the rights to cash flows from the assets otherwise expire or (b) the Company has transferred the rights to the cash flows from the financial assets or entered into a qualifying pass-through arrangement whilst (1) also transferring substantially all the risks and rewards of ownership of the assets or (2) neither transferring nor retaining substantially all the risks and rewards of ownership but not retaining control.

Control is retained if the counterparty does not have the practical ability to sell the asset in its entirety to an unrelated third party without needing to impose additional restrictions on the sale.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**2. Accounting policies (continued)****2.11 Financial liabilities****Financial liabilities - measurement categories**

Financial liabilities are subsequently measured at amortised cost, except for (1) financial liabilities at FVTPL. This classification is applied to derivatives, financial liabilities held for trading (e.g. short-term positions in securities), contingent consideration recognised by the acquirer in a business combination and other financial liabilities designated as such at initial recognition, and (ii) financial guarantee contracts and borrowings commitments.

**Financial liabilities - derecognition**

Financial liabilities are derecognized when they are extinguished (i.e., when the liability specified in the contract is discharged, cancelled, or expired).

**2.12 Offsetting financial asset and liability**

Financial assets and liabilities are offset, and the net amount is presented in the statement of financial position when there is a legally enforceable right to offset the recognised amounts, while the Company has an intention to settle on a net basis or recognise the asset and settle the liability simultaneously. For the legal right of the Company for offsetting to be enforceable, such right must be upon the occurrence of a future event which represents the default of the counterparty and should reflect the Company's normal practices, financial requirements and other conditions related to the considerations of the risk and timing of the Company's cash flows.

**2.13 Trade receivables**

Trade receivables are amounts due from the Company's customers for goods sales or services rendered in the Company's ordinary course of business. Trade receivables are classified under current assets, if they are expected to be collected within 12 months from the date of the financial statements, or during the Company's normal operating cycle. Trade receivables are initially recognized at fair value and are subsequently measured at amortized cost using the effective interest rate, less provisions for impairment.

**2.14 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash in hand and at banks, deposits held at call with banks, other short-term financial investments with original maturities of not more than three months from the date of placement, less balances of bank overdrafts.

**2.15 Units available for sale**

Properties are classified as units available for sale when acquired with the intention to be sold in the near future or for development and resale. Units available for sale are measured at the lower of cost or net recoverable amount. The cost is determined based on the fair value of the buildings at the time of their conversion to units available for sale. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any other costs necessary to complete the sale.

The amount of any write-down of units available for sale resulting from the decrease in the net realisable value of the units available for sale from its carrying amount and all losses of other units available for sale shall be recognised as an expense during the period the write-down or loss occurs.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**2. Accounting policies (continued)****2.16 Capital and legal reserve**

**2.16.1** Shares are classified as equity as there is no obligation to transfer cash or other assets. The company is not required to repay the amount invested by shareholders. Dividends are discretionary as they are paid to shareholders at the discretion of the company and are not mandatory. Shareholders have a residual interest in the company's assets after all liabilities have been settled.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

**2.16.2** In accordance with the companies' law number 159 for year 1981, 5% of the net profit for the period is transferred to the legal reserve account. Based on a proposal by the board and the approval of the General Assembly of the company, this transfer may be partially discontinued if the legal reserve reaches 50% of the issued capital. This reserve is not available for distribution to shareholders

**2.17 Current and deferred income tax**

The Company recognises the current and deferred income tax as revenue or expense and is included in the profit or loss for the period. Current and deferred income tax is recognised in other comprehensive income or directly in equity if it related to items recognised - in the same period or different periods - in the statement of other comprehensive income or directly in equity.

The income tax for the period is calculated on the basis of the tax laws enacted at the date of statement of financial position. Management annually evaluates tax position through tax returns, taking into consideration the differences that may arise from some interpretations issued by administrative or regulatory authorities, and establishes the appropriate provision on the basis of amounts expected to be paid to the Tax Authority.

Deferred income tax is recognised on temporary differences arising between the tax base of assets and liabilities and their carrying amount in the financial statements.

Deferred income taxes are measured using tax rates and laws that have been enacted at the date of the financial statements, and which are expected to be applicable when the related deferred tax assets are used, or the deferred tax liabilities are settled.

Deferred tax liability is not recognised if it arises from the initial recognition of goodwill. Deferred tax is not recognised if it arises from initial recognition of assets and liabilities in a transaction - other than a business combination - that does not affect neither accounting nor taxable net profit (loss) at the date of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available with which the temporary differences from which those deferred tax assets arose can be utilised.

The Company offsets deferred tax assets and liabilities only when it has a legally enforceable right to offset current tax assets and current tax liabilities and when the deferred tax assets and liabilities related to income tax levied by the same taxation authority on either the same taxable Company or different taxable entities where there is an intention to settle the current tax liabilities and assets on a net basis.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**2. Accounting policies (continued)****2.18 Borrowings**

The Company recognises borrowing upon initial recognition through measuring it at fair value plus transaction cost directly attributable to obtaining the loan. The Company subsequently measures loans at amortised cost, any difference between the original value (less cost of obtaining the loan) and the value at the date of maturity is charged consistently in the statement of profit or loss over the period of the borrowing using the effective interest rate method.

Loans are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liabilities for at least 12 months after the date of the financial statements.

**2.19 Borrowing cost**

When obtaining borrowings in general or for the purpose of acquiring a qualifying asset to bear the borrowing cost, which is the asset that necessarily requires a substantial period of time to get ready for its intended use or sale, the Company capitalises borrowing costs directly attributable to the establishment or production of a qualifying asset as part of that asset's cost until the completion of all material activities required for the preparation of the qualified asset for its intended use or sale to a third party.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the borrowing cost, the Company determines the amount of borrowing cost which is capitalised on this asset, which is the actual borrowing cost incurred by the Company during the year because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Company recognises the other borrowing costs as expenses in the year in which the Company incurred such cost.

**2.20 Provisions**

Provisions are recognised when the Company has a present (legal or constructive) obligation resulting from past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and the obligation can be reliably estimated. The Company recognises the necessary commitments required for restructuring and not related to the Company's effective activities within the costs of the provision for restructure.

Contingent liability is a present liability that arose due to past events and was not recognised because it was not expected to have an outflow of resources embodying economic benefits to the Company to settle this liability, or the amount could not be reliably measured. The Company does not recognise the contingent liability, instead, it is disclosed in the notes to the financial statements.

Where there is a number of similar liabilities, the likelihood that an outflow will be required in payment or settlement is determined by considering all items of the liability. The provision is recognised although the possibility of an outflow for any item may be small, it is expected that an outflow of resources will be required to settle all items of the liability.

Where the impact of the time value of money is significant, the amount of the provision is the present value of expenditures expected to be required to settle the liability using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the carrying amount of the provision is recognised from a period to another to reflect passage of time as borrowing cost in the statement of profit and loss.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**2. Accounting policies (continued)****2.20 Provisions (continued)**

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party outside the Company, the Company recognises the reimbursement when it is virtually certain that reimbursement will be received if the Company settles the liability. The reimbursement should be recognised as a separate asset in the statement of financial position. The amount recognised should not exceed the amount of the provision.

**2.21 Leases**

The assets and liabilities arising from the lease are initially measured on a present value basis. The lease liability includes the net present value of the following lease payments:

- Fixed payments (including implicitly fixed payments), less any lease incentives receivable.
- Variable lease payments based on the index or rate are initially measured using the index or rate as at the date of inception.
- Amounts expected to be payable by the Company under the residual value guarantees.
- The price of using a purchase option if the Company is reasonably certain of choosing this option.
- Payments of lease termination fines, if the term of the lease reflects that the Company exercises this option.

Extension and termination options are included in a number of the Company's fixed assets leases. These terms are used to maximize operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held can only be exercised by the Company and not by the concerned lessor. Extension options (or the periods after termination options) are only included in the lease term if it is reasonably certain that the lease will be extended (or not terminated). Lease payments made under reasonably certain extension options are also included in the liability measurement.

Lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be easily determined, which is generally the case for the Company's leases, the Company's incremental borrowing rate is used, which is the rate that the Company should pay to borrow funds needed to obtain an asset of similar value to a right-of-use asset in a similar economic environment with similar terms, guarantees and conditions.

To determine the incremental borrowing rate, the Company shall:

- Where applicable, use recent third-party financing obtained by the Company as a starting point, which is adjusted to reflect changes in financing terms since the third-party financing was received.
- Use a cumulative approach that starts with a risk-free interest rate which is adjusted for the credit risks of the leases.
- Make amendments to the lease, such as term, country, currency and guarantee.

The Company is exposed to potential future increases in variable lease payments based on an index or rate, not included in the lease liability until effective. When changes to lease payments based on an effective index or rate, the lease liability is reassessed and modified against the right-of-use asset.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**2. Accounting policies (continued)****2.21 Leases (continued)**

Lease payments are allocated between the cost of the asset and the financing. The financing cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Payments related to short-term leases and low-value assets' leases on a straight-line basis are recognised as an expense in profit or loss. Short-term leases are leases with a term of 12 months or less.

To improve lease costs during the contract term, the Company sometimes provides residual value guarantees related to leases. The Company initially estimates and includes the amounts expected to be paid under the residual value guarantees as part of the lease liability. The expected residual value, at the commencement of the lease, is usually equal to or higher than the guaranteed amount, and therefore the Company does not expect to pay anything under the guarantees. At the end of each financial year, the expected residual values are reviewed and, if appropriate, adjusted to reflect the actual residual values realised on the comparable assets and expectations about future prices.

**2.22 Trade payables**

Trade payables are recognised initially at the amount of goods and services received from others, whether they are invoiced or not. When they are material, goods and services received, as well as the trade payables are recognised at the present value of the cash outflows expected by using interest rate of similar loans. Trade payables are then presented at amortised cost using the effective interest rate.

**2.23 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, taking into account the terms of payment specified in the contract and excluding taxes or discounts. Revenue is recognised to the extent that it is probable that the economic benefits will be generated to the Company and the revenue and costs can be measured reliably.

The Company recognises revenue from contracts with customers based on a five-step model as determined in EAS No. 48:

- Step 1 - Determine the contract(s) with customers: A contract is an agreement concluded between two or more parties that establishes rights and covenants and establishes standards that shall be fulfilled for each contract.
- Step 2 - Determine performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer goods or services to the customer.
- Step 3 - Determine the transaction price: The transaction price is the consideration that the Company expects to be entitled to in exchange for transferring the authorised goods or services to the customer, excluding the amounts collected on behalf of others.
- Step 4 - Allocation of transaction price to performance obligations in the contract: In the contract including more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount equal to the consideration to which the Company is expected to be entitled in exchange for fulfilling each performance obligation.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**2. Accounting policies (continued)****2.23 Revenue recognition (continued)**

Step 5 - Revenue recognition when the Company fulfils a performance obligation.

The Company covers the performance obligation and recognises revenue over time, when one of the following conditions is met:

- (1) The Company's performance does not entail any assets for the Company with any alternative uses, and the Company has an enforceable right to receive payments for the performance achieved to date.
- (2) The Company's performance forms or improves the asset controlled by the customer when the asset is established or improved.
- (3) The customer simultaneously receives and consumes the benefits arising from the Company's performance on execution.

For performance obligations when none of the above conditions are met, revenue is recognised when the performance obligation is fulfilled at a certain point in time.

When the Company fulfils a performance obligation through the delivery of authorised goods or services, this results in a contract-based asset for the consideration achieved from the performance. When the value of the consideration received from the customer exceeds the value of the recognised revenue, an obligation arises in this contract.

Revenue includes sales of units, rental income, service charges and property management charges.

**Sales of units:** revenue is typically recognized when control of the units is transferred to the buyer, which usually occurs at the point of sale

At the time of sale, the present value of the instalment payments is recognized as revenue. This involves discounting the future instalment payments to their present value using an appropriate discount rate. The difference between the total instalment payments and their present value is recognized as unearned interest income.

As instalment payments are received, the cash received is allocated between the principal repayment and interest income on financing for units sold. The interest income is recognized using the effective interest rate method. This method amortizes the unearned interest income over the instalment period, ensuring that the interest income recognized each period reflects a constant periodic rate of return on the remaining balance of the receivable.

**Rental income:** rental income from operating leases is recognised on a straight-line basis over the lease term. When the Company provides incentives to its tenants, the cost of the incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

**Revenue from service and property management charges:** Revenue from service and property management charges is recognised in the accounting period in which control of the services are passed to the customer, which is when the service is rendered. The company is acting as principal as the company has the ability to direct the rendered service to the customer, accordingly the gross revenue from the service of property management charges recognised in the statement of profit or loss.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**2. Accounting policies (continued)**

**2.23 Revenue recognition (continued)**

Revenue is measured at the transaction price agreed under the contract. Amounts disclosed as revenue are net of variable consideration and payments to customers that are not for distinct services. This consideration might include discounts.

**2.24 Earnings per share**

Basic share:

Basic earnings per share for the year is calculated by dividing:

- Net earnings for the year related to the holders of ordinary shares by the weighted average of number of shares during the year.
- By weighted average number of outstanding ordinary shares during the financial year, adjusted for bonus in the ordinary shares issued during the year, excluding treasury shares.

Diluted share:

Diluted earnings per share is calculated by adjusting the weighted average of outstanding ordinary shares for the effects of all ordinary shares to take into account:

- The effect of income tax net of interests and other finance costs associated with potential diluted ordinary shares.
- Weighted average number of additional ordinary shares that would have remained outstanding by assuming the transfer of all potential diluted ordinary shares.

**2.25 Dividends**

Dividends are recognised as liabilities in the financial statements of the Company at the end of the financial year in which the dividends are approved by the Company's General Assembly of shareholders.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**3. Financial risk management**
**3.1 Financial risk factors**

The Company is exposed to a variety of financial risks due to its regular activities. These risks include market risk (including foreign currency exchange risk, price risk and fair value and cash flow interest rate risks), credit risk and liquidity risk.

The Company's management aims to mitigate the potential adverse impacts of such risks on the Company's financial performance.

The Company does not use any derivative financial instruments to hedge specific risks.

**A) Market risk**
**i) Foreign exchange risks**

Foreign currency exchange rate risk is the risk of fluctuations in the fair value of future cash flows of a financial instrument due to change in foreign currency exchange rates. The following analysis shows the calculation of the effect of reasonable and possible changes in foreign currencies against the functional currency of the Company while keeping all other variables constant, on the statement of comprehensive income:

	31 December 2023	31 December 2022
USD 60%	259,923	19,277,506
EUR 60%	16,502	17,042

The following table shows the net currencies position denominated in Egyptian Pounds at the date of the statement of financial position:

	31 December 2023			31 December 2022
	Assets	Liabilities	Net	Net
USD	431,539	-	431,539	32,129,177
EUR	27,504	-	27,504	28,403

**ii) Price risks**

The Company does not have investments in equity instruments or debt instruments listed and traded in capital markets and is accordingly not subject to the risk of change in the fair value of the investments as a result of the changes in prices.

**iii) Fair value and cash flow interest rate risks**

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate due to changes in market interest rates.

The Company is exposed to interest rate risk on all interest-bearing assets and liabilities (bank deposits, treasury bills, and bank loans).

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**3. Financial risk management (continued)**
**3.1 Financial risk factors (continued)**
**A) Market risk (continued)**
**iii) Fair value and cash flow interest rate risks (continued)**

The following table shows the liabilities with variable interest:

	31 December 2023	31 December 2022
Cash at banks- Interest-bearing current accounts	68,708,770	35,166,242
Loans	(1,530,771,636)	(1,237,767,125)
<b>Total</b>	<b>1,462,065,866</b>	<b>1,202,600,883</b>

The below table shows the analysis of sensitivity to possible and reasonable changes in interest rates, while keeping the other variables constant, and the sensitivity on the statement of profit or loss.

The sensitivity on the statement of profit or loss is the effect of the assumed changes in the interest rates on the Company's results for one year based on financial assets and liabilities with variable interest rates held at 31 December 2023:

	Increase (decrease) %	Effect on profit or loss (EGP)
31 December 2023	8%±	90,195,251
31 December 2022	8%±	56,341,898

**B) Credit risk**

Credit risk is the risk that a counterparty will default on its contractual obligation and will cause a financial loss for the other party by failing to discharge an obligation, and principally arises from the Company's receivables from customers. The Company has no significant concentrations of credit risk as the Company has a diverse customer base. The revenue obtained from the major customer of the Company represents 8% (31 December 2022: 10%) of the total Company's rental income.

Credit risk arises from cash and cash equivalents held at banks, trade and other receivables, including rental receivables from lessees. The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties. Such risks are subject to a quarterly or more frequent review.

The Company has a credit department which has set out policies and procedures for managing exposure to credit. Some of the processes and policies include:

- an assessment of the credit worthiness of the lessee and its ability to pay is performed before credit is granted;
- where appropriate, guarantees and collateral is held against such receivables;
- after granting the credit, the credit department monthly assesses the age analysis and follows up on all outstanding payments;
- management of the credit department determines the appropriate provision, which receivables should be handed over for collection and which amounts should be written off. The board will approve the procedures and amounts.

The Company considers receivables as default if the amounts are outstanding for more than one year.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**3. Financial risk management (continued)**
**3.1 Financial risk factors (continued)**
**B) Credit risk (continued)**

While cash and cash equivalents are also subject to the impairment requirements of EAS 47, the identified impairment loss was immaterial.

Deposits refundable to tenants might be withheld by the Company in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

The credit rating for the banks the Company is dealing with are as follows as per Standard & Poor's credit ratings:

Bank	Balance at 31 December 2023 (EGP)	Credit rating
Banque Misr (BM)	86,176,557	B
Commercial International Bank (CIB)	975,080	B
Arab African Bank (AAIB)	384,895	B

All banks are subject to the supervision of the Central Bank of Egypt.

**Credit quality of financial assets**

The credit quality of financial assets that are neither past due nor impaired can be identified by reference to available credit rating or historical information about failing to meet the agreed upon payment dates.

**Trade receivables and checks under collection**

Trade receivables without credit rating:

	31 December 2023	31 December 2022
Group 1 *	22,391,591	29,039,325
Group 2 **	792,812	2,908,878
Group 3***	-	-
<b>Less: Cash at bank and cash on hand</b>	<b>23,184,403</b>	<b>31,948,203</b>

\* Group 1 – customers (less than 3 months).

\*\* Group 2 – customers (more than 3 months) with no defaults in payment.

\*\*\* Group 3 – customers (more than 3 months) with some defaults in payment.

	31 December 2023	31 December 2022
<b>Cash at banks and short-term deposits</b>	<b>87,536,531</b>	<b>126,446,051</b>
Cash on hand	116,326	28,403
<b>Total cash and cash equivalents</b>	<b>87,652,857</b>	<b>126,474,454</b>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**3. Financial risk management (continued)****3.1 Financial risk factors (continued)****B) Credit risk (continued)****Measurement of ECL**

ECL are a probability-weighted estimate of the present value of future cash deficit (i.e., using the weighted average of credit losses, with the relevant risk of default occurring in a particular time period as weights). The measurement of ECL is unbiased and is determined by evaluating a range of potential outcomes. The measurement of ECL is based on four components that a Company uses: Probability of Default (PD), Exposure at Default (EAD), Loss Given Default (LGD) and the discount rate.

EAD is an estimate of the exposure to default at a date in the future, considering expected changes in exposure after the financial period, including the payments of principal and interest. PD is an estimate of the probability of default occurring over a given period of time. LGD is an estimate of the loss arising from default and is based on the difference between the contractual cash flows due and cash flows that the lender expects to receive, including from any guarantees. It is usually reported as a percentage of EAD. Expected losses are discounted to the present value at the end of the financial period. The discount rate represents or approximates to the effective interest rate of a financial instrument. ECL are designed based on the instrument's lifetime. Lifetime period equals the remaining contractual period until the maturity date of the debt instruments, adjusted for expected prepayments, if any. As for loans commitments and financial guarantee contracts, it is the contractual period during which the Company has a current contractual obligation to grant credits.

The Management prepares models for lifetime ECL, i.e. losses that result from all possible default events over the period remaining from the life of the financial instrument. ECL for a period of 12 months represent the portion of lifetime ECL that results from default events on a financial instrument that are possible within 12 months after the financial period, or the remaining term of the lifetime of the financial instrument, if it is less than a year.

ECL estimated by the management for the purposes of these financial statements are estimates done on the basis of particular points in time, not estimates over the course of the cycle which are commonly used for legal purposes. Estimates are forward-looking information, i.e., ECL reflect the probable weighted development of key macroeconomic variables that have impact on credit risks.

**C) Liquidity risk**

Liquidity risks are the risks that the Company will encounter difficulties in meeting financial liabilities due to shortage of funds. The Company's exposure to liquidity risk results primarily from the lack of offset between the maturities of financial assets and liabilities.

The Management makes cash flow projections on periodic basis, which are discussed during the Executive Committee's meeting of the parent company, and takes the necessary actions to negotiate with suppliers, follow-up the collection process from customers in order to ensure sufficient cash is maintained to discharge the Company's liabilities. The Company's Management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowings to be able to maintain its commitment to financial terms, guarantees and covenants at all times.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**3. Financial risk management (continued)**
**3.1 Financial risk factors (continued)**
**C) Liquidity risk (continued)**

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 December 2023, based on contractual payment dates and current market interest rates.

	Less than six months	From six months to one year	From one year to two years	More than two years
<b>31 December 2023</b>				
Loans	196,977,697	288,621,354	728,398,576	1,489,909,845
Notes payables **	3,746,468	-	944,000	-
Trade and other payable *	51,956,236	-	-	-
Deposit related to maintenance fees	108,069,534	-	-	-
<b>Total (re-issued)</b>	<b>360,749,935</b>	<b>288,621,354</b>	<b>729,342,576</b>	<b>1,489,909,845</b>
<b>31 December 2022</b>				
Loans	154,640,829	162,718,070	432,759,653	1,755,986,422
Notes payables **	4,154,815	-	944,000	-
Assets purchase payables	-	420,769,745	-	-
Trade and other payable*	-	-	-	-
Deposit related to maintenance fees	18,452,764	-	-	-
<b>Total (restated)</b>	<b>233,069,424</b>	<b>583,487,815</b>	<b>433,703,653</b>	<b>1,755,986,422</b>

\* These balances exclude "deferred revenue", "employee Training fund" and "Value added tax".

\*\* Current notes payables are included in trade and other payables.

**3.2 Capital risk management**

The objective of Company's management when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders using the financial statements. The Company's management also aims to provide and maintain an optimal share capital structure to reduce the costs of capital.

The Company's management maintains an optimal capital structure by changing the amount of dividends paid to the shareholders, reducing the capital, issuing new shares for capital, or reducing the Company's due debts.

The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated by the Company as total borrowings less cash and cash equivalents. Total capital is calculated as equity, as shown in the statement of financial position, plus net debt. During 2023, the Company's strategy, which was unchanged from 2022, was to maintain a gearing ratio within 10% to 20%.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**3. Financial risk management (continued)**
**3.2 Capital risk management (continued)**

Gearing ratio as at 31 December 2023 and 31 December 2022 is as follows:

	Re-issued 31 December 2023	Restated 31 December 2022
Loans	1,530,771,636	1,237,767,125
Assets purchase payables	-	420,769,745
<b>Total</b>	<b>1,530,771,636</b>	<b>1,658,536,870</b>
Less: cash at banks and on hand	(87,211,135)	(126,474,454)
<b>Net loans</b>	<b>1,443,560,501</b>	<b>1,532,062,416</b>
Equity	6,910,430,679	3,961,593,410
<b>Total share capital</b>	<b>8,353,991,180</b>	<b>5,493,655,826</b>
<b>Gearing ratio</b>	<b>17.28%</b>	<b>27.89%</b>

**Loan covenants**

The Company is subject to externally imposed covenants. Under the terms of the major banks loans, which has a carrying amount of EGP 1,530,771,636 (31 December 2022: EGP 1,237,767,125), the Company is required to comply with the following material financial covenants at the end of each annual and reporting year. These covenants are:

**First loan:**

- The bank financing does not exceed total equity by 2.5 times according to the financial statements, except for the year 2021, where it reaches 3.42 times.
- The minimum debt service coverage ratio 1 time, as per the financial statements.

**Second loan:**

- The debt service coverage ratio (Net cash flows and EBITDA) for total financial payments related to purchased buildings remains above 1.5.
- The financial leverage ratio does not exceed 2.
- The EBITDA-to-Interest coverage ratio remains above 1.

The Company is complying with the debt covenants as of 31 December 2023 and 31 December 2022. There are no indications that the Company might have difficulties complying with the covenants when they will be tested as at the next reporting date.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**3. Financial risk management (continued)****3.3 Fair value estimation****A) Assets and liabilities carried at fair value**

To provide an indication of the reliability of the inputs used in determining fair value, the Company has classified its assets and liabilities measured at fair value into the three levels prescribed under EAS 45 “Fair value measurement”. The following is an explanation of each level.

- (1) Level 1 is measurements at quoted (unadjusted) prices in active markets for identical assets or liabilities.
- (2) Measurements of level 2 are evaluation techniques with all observable material inputs to the asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices);
- (3) Level 3 measurements are evaluations that are not based on observable market data (i.e. unobservable inputs).

The Company assesses the need for transfers between levels in the hierarchy, given the changes in economic conditions and considering whether a lack of observable information existed for factors relevant to the value of certain instruments. The Company’s policy is to recognize transfers into and out of fair value hierarchy levels as at the date of the event or change in circumstances that caused the transfer.

The Company does not have any financial assets or liabilities measured at fair value as of 31 December 2023 and 31 December 2022. The company holds non-financial assets that are measured at fair value, as disclosed in Note (6).

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**4. Significant accounting estimates and assumptions**

**4.1 Accounting estimates and assumptions**

Estimates and judgements are continually evaluated on the basis of the historical experience and some other factors, including expectations of future events that are reasonable under the circumstances:

**Significant accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The results of the accounting estimates may not be equal to the actual results. The significant estimates and assumptions that cause a material adjustment to the carrying amounts of assets and liabilities during the next financial year are outlined below:

**(a) Valuation of fair value of investment in properties**

The details of the assumptions and valuation of fair value of investment in properties are outlined in note 6.a.

**(b) Expected credit losses (ECL)**

The loss allowances for financial assets are based on assumptions about the risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history, existing market conditions as well as forward-looking estimates at the end of each reporting year.

The expected credit losses are not material to the Company.

**4.2 Significant judgements in applying the accounting policies**

Generally, applying the Company's accounting policies does not require the management to use the judgement (other than the accounting estimates and assumptions referred to in "Note 4.1"), that might have a significant impact on the amounts recognised in the financial statements.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

5. Fixed assets	Communication devices					Machinery & equipment		Vehicles		Computer		Furniture & fixtures Decorations & others		Building		Others		Total
	devices	equipment																
<b>1 January 2022</b>																		
Cost	2,349	298,089		1,040,851	1,761,875	14,489,357											1,000,052	18,592,573
Accumulated depreciation	(2,349)	(298,089)		(750,339)	(880,768)	(5,329,535)											(799,224)	(8,060,304)
<b>Net carrying amount</b>	-	-	-	<b>290,512</b>	<b>881,107</b>	<b>9,159,822</b>	-	-	-	-	-	-	-	-	-	-	<b>200,828</b>	<b>10,532,269</b>
<b>Financial year ended 31 December 2022</b>																		
Net carrying amount at the beginning of the year	-	-	-	290,512	881,107	9,159,822	-	-	-	-	-	-	-	-	-	-	200,828	10,532,269
Additions	-	-	-	-	40,773	16,224,021	-	-	-	-	-	-	-	-	-	-	-	16,264,794
Depreciation expenses (note 21)	-	-	-	(223,302)	(394,720)	(2,720,833)	-	-	-	-	-	-	-	-	-	-	(200,828)	(3,539,683)
<b>Net carrying amount at the end of the year 31 December 2022</b>	-	-	-	<b>67,210</b>	<b>527,160</b>	<b>22,663,010</b>	-	-	-	-	-	-	-	-	-	-	-	<b>23,257,380</b>
Cost	2,349	298,089		1,040,851	1,802,648	30,713,378											1,000,052	34,857,367
Accumulated depreciation	(2,349)	(298,089)		(973,641)	(1,275,488)	(8,050,368)											(1,000,052)	(11,599,987)
<b>Net carrying amount</b>	-	-	-	<b>67,210</b>	<b>527,160</b>	<b>22,663,010</b>	-	-	-	-	-	-	-	-	-	-	-	<b>23,257,380</b>
<b>Financial year ended 31 December 2023</b>																		
Net carrying amount at the beginning of the year	-	-	-	67,210	527,160	22,663,010	-	-	-	-	-	-	-	-	-	-	-	23,257,380
Additions	-	-	-	-	548,335	6,623,281	-	-	-	-	-	-	-	-	-	-	-	25,125,497
Depreciation expenses (note 21)	-	-	-	(65,246)	(518,888)	(2,946,836)	-	-	-	-	-	-	-	-	-	-	-	(3,562,496)
<b>Net carrying amount at the end of the year 31 December 2023</b>	-	-	-	<b>1,964</b>	<b>556,607</b>	<b>26,339,455</b>	-	-	-	-	-	-	-	-	-	-	-	<b>44,820,381</b>
Cost	2,349	700,819		1,040,851	2,350,983	37,336,659											1,000,052	59,982,864
Accumulated depreciation	(2,349)	(329,615)		(1,038,887)	(1,794,376)	(10,997,204)											(1,000,052)	(15,162,483)
<b>Net carrying amount</b>	-	-	-	<b>1,964</b>	<b>556,607</b>	<b>26,339,455</b>	-	-	-	-	-	-	-	-	-	-	-	<b>44,820,381</b>

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**5. Fixed assets (continued)**

Depreciation expense is allocated in the statement of profit or loss as follows:

	31 December 2023	31 December 2022
General and administrative expenses	3,562,496	3,539,683
<b>Total (note 21)</b>	<b>3,562,496</b>	<b>3,539,683</b>

The gross carrying value of fully depreciated assets which are still in use on 31 December 2023 is EGP 5,451,572 (31 December 2022: EGP 3,619,989).

**6. Investment properties**

	Re-issued 31 December 2023	Restated 31 December 2022
Units available for rent (note 6.a)	9,409,756,435	5,925,535,598
Projects in progress (note 6.b)	13,117,694	31,682,916
<b>Balance at the end of the year</b>	<b>9,422,874,129</b>	<b>5,957,218,514</b>

**6.a Units available for rent**

The Company's investment in properties are as follows:

A) "Walk of Cairo (WOC)": The WOC Mall is a shopping mall in Sheikh Zayed, Giza Governorate, Egypt with an area indoor approximately 59,000 square meters consisting of variety of stores, restaurants, cafes and entertainment activities. The Company designated a specific area with an area of 39,172 SQM representing phase one and part of phase two for rent and as an investment to make use in the expected increase in real estate prices. The remaining part of phase two and phase three was designated for sale and included into units available for sale (note 8) as management determined that these units were acquired with a view to subsequent disposal in the near future after completion of certain development of this property.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**6. Investment properties (continued)****6.a Units available for rent (continued)**

B) "Six administrative buildings": These are six administrative buildings located in East Cairo. The Company has designated these buildings for rent and as an investment to make use in the expected increase in real estate prices.

<b>Balance at 1 January 2022 before adjustment</b>	<b>313,533,141</b>
Impact of changes in accounting policy (note 32)	1,815,188,817
Impact of correction of errors (note 32)	<u>(681,728,782)</u>
<b>Balance at 1 January 2022 after adjustment (restated)</b>	<b><u>1,446,993,176</u></b>
Transferred from projects in progress (note 6.b)	413,276,652
Additions *	1,455,037,672
Differences resulting from revaluating investment properties at fair value	<u>2,610,228,098</u>
<b>Balance at 31 December 2022 (restated)</b>	<b><u>5,925,535,598</u></b>
<b>Balance at 1 January 2023 as previously issued</b>	<b>2,061,935,228</b>
Impact of changes in accounting policy (note 32)	4,517,166,507
Impact of correction of errors (note 32)	<u>(653,566,137)</u>
<b>Balance at 1 January 2023 after adjustment (restated)</b>	<b><u>5,925,535,598</u></b>
Transferred from projects in progress (note 6.b)	38,987,235
Additions	54,834,968
Differences resulting from revaluating investment properties at fair value	<u>3,390,398,634</u>
<b>Balance at 31 December 2023 (re-issued)</b>	<b><u>9,409,756,435</u></b>

\* During 2022, based on the contract concluded on 11 January 2022, the Company purchased six buildings and lands on which these buildings were established in Nasr City and 5th Settlement, New Cairo in a total amount of EGP 1,445,335,712.

**Amounts recognized in the re-issued statement of profit or loss**

The statement of profit or loss shows the following amounts relating to investment in properties:

	Re-issued 31 December 2023	Restated 31 December 2022
Rental income from investment property	339,181,419	233,730,298
Direct operating revenues arising from investment property that generated rental income during the year	83,444,562	57,669,790
Direct operating costs arising from investment property that generated rental income during the year	(104,755,468)	(73,711,554)
Net gain from fair value adjustment on investment in properties	<u>3,390,398,634</u>	<u>2,610,228,098</u>
<b>Total amounts recognized in profit or loss</b>	<b><u>3,708,269,147</u></b>	<b><u>2,827,916,632</u></b>

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**6. Investment properties (continued)**
**6.a Units available for rent (continued)**
**Significant estimates on valuation of investment in properties**

The Company's investment in properties is measured at fair value. The fair value of investment properties is determined by using valuation techniques.

The Company's investment properties were valued as at 31 December 2023 and 31 December 2022 by independent professionally qualified valuers who hold a recognized relevant professional qualification and have recent experience in the locations and segments of the investment properties valued. These valuers are approved by the Financial Regulatory Authority (FRA) in Egypt.

For all investment properties, their current use equates to the highest and best use. The Company's finance department includes a team that reviews the valuations performed by the independent valuers for financial reporting purposes. This team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team and the independent valuers at least once every quarter, in line with the Company's quarterly reporting dates.

At each financial year the finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior year valuation report; and
- holds discussions with the independent valuer.

Changes in Level 2 and 3 fair values are analysed at each reporting date during the quarterly valuation discussions between the CFO and the valuation team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

The fair value hierarchy for investment in properties was level 2 for 31 December 2023 and 31 December 2022. There were no transfers between fair value levels in 2023 and 2022.

**Valuation techniques**

Investment in properties with a fair value amount of EGP 9,422,874,128 (31 December 2022: EGP 5,957,218,514), the valuation was determined using the sales comparison approach. Properties valued using the sales comparison approach take into account comparable properties in close proximity. These values are adjusted for differences in key attributes such as property size and quality of interior fittings. The most significant input into this valuation approach is price per square metre.

**31 December 2023**

Location	Class	Area	Valuation (EGP)	Valuation technique	Estimate	Impact lower (EGP)	Impact higher (EGP)
Giza, Egypt	Mall	39,172 SQM	2,975,126,024	Sales comparison	Sales price per square metre +/- 10%	297,512,602	297,512,602
Cairo, Egypt	Administrative offices	53,000 SQM	6,447,748,104	Sales comparison	Sales price per square metre +/- 10%	644,774,810	644,774,810

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**6. Investment properties (continued)**
**6.a Units available for rent (continued)**
**31 December 2022**

Country	Segment	Area	Valuation (EGP)	Valuation technique	Estimate	Impact lower (EGP)	Impact higher (EGP)
Giza, Egypt	Mall	39,172 SQM	1,880,899,139	Sales comparison	Sales price per square metre +/- 10%	188,089,914	188,089,914
Cairo, Egypt	Administrative offices	53,000 SQM	4,076,319,375	Sales comparison	Sales price per square metre +/- 10%	407,631,938	407,631,938

The Company took into account information from a variety of sources such as current prices in an active market for properties of a different nature, condition or location, adjusted to reflect those differences.

The following note shows the balances and movement of investment properties in the event that the Company does not apply the re-evaluation model.

**Investment properties (cost)**

	Re-issued 31 December 2023	Restated 31 December 2022
<b>Balance at 1 January</b>	1,997,902,185	241,025,782
Transferred from projects in progress	38,987,235	338,309,461
Additions	54,834,968	1,455,037,672
Depreciation expense	(47,887,575)	(36,470,730)
<b>Balance at the end of the year</b>	<b>2,043,836,813</b>	<b>1,997,902,185</b>

Minimum lease payments receivables on lease of investments in properties are as follows:

	31 December 2023	31 December 2022
Within 1 year	402,737,466	292,821,658
Between 1 and 2 years	381,738,143	402,737,466
Between 2 and 3 years	321,274,680	381,738,143
Between 3 and 4 years	232,577,047	321,274,680
Between 4 and 5 years	191,868,002	232,577,047
More than 5 years	291,493,147	483,361,150
	<b>1,821,688,485</b>	<b>2,114,510,144</b>

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**6. Investment properties (continued)**
**6.b Projects in progress**

	Re-issued 31 December 2023	Restated 31 December 2022
<u>Nature of transaction</u>		
Contractors	8,184,929	13,333,257
Prepayments*	4,932,765	5,689,018
Capitalised interests	-	12,660,641
<b>Total</b>	<b>13,117,694</b>	<b>31,682,916</b>

\* The balance of projects in progress is represented in advances for construction and contracting works carried out on the two plots of land owned by the Company with total areas of 80,385.54 square meters and 31,072 square meters, respectively, located in 38 Km, Cairo-Alexandria Desert Road, Sheikh Zayed City - Giza Governorate, which were purchased for the purpose of establishing a commercial centre by Sixth of October Development and Investment Company.

The movement on projects in progress account is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	31,682,916	362,866,314
Additions	20,422,013	69,432,613
Transferred to investment properties (note 6.a)	(38,987,235)	(413,276,652)
Capitalised interests (note 25)	-	12,660,641
<b>Balance at the end of the year</b>	<b>13,117,694</b>	<b>31,682,916</b>

**7. Prepayments to purchase investment properties**

	Reissued 31 December 2023	31 December 2022
Prepayments to purchase investment properties	71,786,736	-
<b>Total prepayments to purchase investment properties</b>	<b>71,786,736</b>	<b>-</b>

This amount represents cash prepayments made to the developer in accordance with the initial sale contract of plot No. (86-87-88-89) City Centre - New Cairo, with an area of 160,190 square meters, after the development implements a commercial project in accordance with the designs agreed upon between the two parties. The commercial project will be delivered in 2025 in accordance with the contract. The transfer of control over project occurs at a point in time when it is completed.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**8. Units available for sale**

The Company's management designated a specific area at the South end of the Walk of Cairo project for sale. The number of units as of 31 December 2023 which are available for sale are 16 units (31 December 2022: 45 units). The costs of the units are the purchase price and the cost of significant development incurred. There are no provisions.

	Re-issued 31 December 2023	Restated 31 December 2022
Balance before adjustment	37,512,151	40,374,225
Impact of changes in accounting policy (Note 32)	85,855,772	113,665,003
Impact of changes in correction of errors (Note 32)	55,349,544	107,919,227
<b>Balance after adjustment</b>	<b>178,717,467</b>	<b>261,958,455</b>
Cost of sold units	(102,246,931)	(83,240,988)
<b>Balance as at the end of the year</b>	<b>76,470,536</b>	<b>178,717,467</b>

**9. Trade receivables and other receivables and prepayments**
**9.a Loan receivables on sale- non-current portion**

The financing for units sold relates to units sold to customers in the Walk of Cairo mall relating to phase 3 and part of phase 2.

The following sets out the terms and conditions:

**Repayment period:** From three to five years

**Interest rates:** 17% to 23%

**Collateral:** The properties are pledged as collateral against the loan.

Prior to the granting of loans to customers, management performs creditworthy checks to establish eligibility. The Company's customers are mainly parties with lower credit risk like banks and multinational companies. There have been no customers in default.

	Re-issued 31 December 2023	Restated 31 December 2022
Loan receivables on sale – non current portion (gross)*	546,032,128	282,061,877
Loan receivables on sale – current portion (gross)	258,049,035	149,552,885
<b>(Less):</b>		
Interest due in the future	(253,663,878)	(103,500,760)
<b>Gross carrying amount of loan receivables on sale</b>	<b>550,417,285</b>	<b>328,114,002</b>
Provision for ECL	(931,056)	(224,329)
<b>Net carrying amount of loan receivables on sale</b>	<b>549,486,229</b>	<b>327,889,673</b>

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**9. Receivables (continued)**
**9.a Loan receivables on sale (continued)**

\* The table below sets out the repayment profile of the amounts:

	31 December 2023	31 December 2022
Between 1 and 2 years	163,606,897	83,188,649
Between 2 and 3 years	289,695,754	68,078,938
More than 3 years	92,729,477	130,794,290
	<u>546,032,128</u>	<u>282,061,877</u>

The loan receivables on sale are as follows:

	Re-issued 31 December 2023	Restated 31 December 2022
Total loan receivables on sale	549,486,229	327,889,673
Non current portion of loan receivable on sale	(291,441,283)	(178,561,117)
<b>Current portion of loan receivable on sale</b>	<u>258,044,946</u>	<u>149,328,556</u>

**9.b Trade receivables, other receivables and prepayments**

	Re-issued 31 December 2023	Restated 31 December 2022
Trade receivables – Lease	25,474,590	59,506,040
<b>Less: provision for ECL*</b>	<u>(5,015,657)</u>	<u>(11,752,599)</u>
	<b>20,458,933</b>	<b>47,753,441</b>
Accrued rental income	28,556,309	3,277,933
Deposits with others	2,339,481	1,260,020
Letter of guarantee	1,225,520	-
Checks under collection	1,050,893	-
Debtors and other debit balances	715,941	1,454,916
Notes receivable	576,991	150,757
Theme Park tax	-	24,399
<b>Total financial assets</b>	<u>34,465,135</u>	<u>6,168,025</u>
<b>Less: Provision for ECL</b>	<u>(505,255)</u>	<u>-</u>
<b>Net carrying amount of financial assets after ECL</b>	<b>33,959,880</b>	<b>6,168,025</b>
Prepaid expenses	27,156,164	24,731,522
Tax authority - withholding tax *	-	3,781,937
	<u>27,156,164</u>	<u>28,513,459</u>
<b>Total trade receivables, other receivables and prepayments</b>	<u>81,574,977</u>	<u>82,434,925</u>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**9. Receivables (continued)****9.b Trade receivables, other receivables and prepayments (continued)**

\*The movement of tax authority - withholding tax is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	3,781,937	-
Formed during the year	9,325,306	3,781,937
Utilised during the year to settle current income tax liabilities (note 26.a)	(13,107,343)	-
	<u>-</u>	<u>3,781,937</u>

**9.c Credit loss provision for customers**

The impairment balances for loan receivable on sales, trade receivables and other receivables are as follows:

	31 December 2023	31 December 2022
Loans receivable on sales	931,056	224,329
Trade receivables	5,015,657	11,752,599
Other receivables	505,255	-
	<u>6,451,968</u>	<u>11,976,928</u>

The movement in the provision on loan receivable on sales, trade receivables and other receivables is as follows:

	Loans receivable on sales	Trade receivables	Other receivables	Total
<b>Balance at 1 January 2022</b>	-	8,026,667	-	8,026,667
Provisions formed during the year	224,329	3,725,932	-	3,950,261
<b>Balance at 31 December 2022</b>	<u>224,329</u>	<u>11,752,599</u>	-	<u>11,976,928</u>
Provisions formed during the year	706,727	-	505,255	1,211,982
Provisions no longer required	-	(6,736,942)	-	(6,736,942)
<b>Balance at 31 December 2023</b>	<u>931,056</u>	<u>5,015,657</u>	<u>505,255</u>	<u>6,451,968</u>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**9. Receivables (continued)****9.c Credit loss provision for customers (continued)**

Credit loss provision for trade receivables is determined according to the provision matrix presented in the table below. The provision matrix is based on the number of days an asset is past due, while being adjusted.

	31 December 2023			
	Loss rate (approximate)	Gross carrying amount	Lifetime ECL	Net carrying amount
<b>Financing for units sold</b>				
Not due	0.17%	550,417,285	931,256	549,486,029
<b>Trade receivables – Lease</b>				
Past due for a period from 0 days to 30 days	6.58%	1,825,157	120,143	1,705,014
Past due for a period from 31 days to 60 days	12.08%	1,282,241	154,872	1,127,369
Past due for a period from 61 days to 90 days	17.63%	6,770,012	1,193,882	5,576,130
Past due for a period from 91 days to 120 days	23.16%	14,413,879	3,148,418	11,265,461
Past due for more than 121 days	33.65%	1,183,301	398,142	785,159
<b>Total</b>		<b>575,891,875</b>	<b>5,946,713</b>	<b>569,945,162</b>

	31 December 2022			
	Loss rate (approximate)	Gross carrying amount	Lifetime ECL	Net carrying amount
<b>Financing for units sold</b>				
Not due	0.15%	344,427,801	508,561	343,919,240
<b>Trade receivables – Lease</b>				
Past due for a period from 0 days to 30 days	4.98%	10,626,045	528,960	10,097,085
Past due for a period from 31 days to 60 days	8.86%	17,512,560	1,551,463	15,961,097
Past due for a period from 61 days to 90 days	15.51%	3,528,543	547,400	2,981,143
Past due for a period from 91 days to 120 days	20.39%	1,590,944	324,452	1,266,492
Past due for more than 121 days	83.47%	9,934,149	8,291,763	1,642,386
<b>Total</b>		<b>387,620,042</b>	<b>11,752,599</b>	<b>375,867,443</b>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**10. Related parties' transactions**

The Company entered into several transactions with companies and entities that fall under the definition of related parties, as stated in EAS No. (15) "Disclosure of related parties". Parties are generally considered to be related if the parties are under common control or if one party has the ability to control the other party or can exercise significant influence or joint control over the other party in making financial and operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. The related parties comprise the Group's board of directors, their entities, companies under common control, and their partners and employees of senior management. The tables below show the nature and values of transactions with related parties during the period, and the balances due at the date of the financial statements.

**10.a Due from related parties**

	Nature of relationship	31 December 2023	31 December 2022
Sky Realty Holding Limited	Parent company	6,650,000	-
United Hospitality Company	Under common control	466,867	247,900
International Hospitality Company	Under common control	147,153	1,045,236
		<b>7,264,020</b>	<b>1,293,136</b>
Provisions for credit losses of related parties*		(974,015)	(974,015)
<b>Total</b>		<b>6,290,005</b>	<b>319,121</b>

\* The movement in impairment of due from related parties is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	974,015	-
Formed during the year (note 22)	-	974,015
	<b>974,015</b>	<b>974,015</b>

**10.b Nature and amounts of significant transactions with related parties during the year are as follows:**

	Nature of relationship	Nature of transaction	Value of transactions	
			2023	2022
International Hospitality Company	Under common control	Payments on behalf of the Company (cash flows)	887,977	2,260,849
		Collections (cash flows)	(1,786,060)	(1,215,613)
United Hospitality Company	Under common control	Payments on behalf of the Company (cash flows)	446,762	1,226,293
		Collections (cash flows)	(227,795)	-
Compass Capital for Financial Consulting *	Under common control	Financial advisory (profit or loss)*	16,325,999	10,124,549
		Payments (cash flows)	(17,146,316)	-
Sky Realty Holding Limited	Parent company	Payments on behalf of the Company (Cash flows)	6,650,000	-

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**10. Related parties' transactions (continued)**
**10.b Nature and amounts of significant transactions with related parties during the year are as follows: (continued)**

\* Accrued expenses in Creditors and other credit balances include balances due to Compass Capital amounting to EGP 4,219,421 as of 31 December 2023 (EGP 5,039,738 as of 31 December 2022).

\*\* This is as part of the agreement between Bonyan and its ultimate parent of which Bonyan has to pay an annual amount to Compass for its financial advisory to the Company.

Outstanding balances from related parties are unsecured and repayable on demand. No interest is usually charged on these balances.

**10.c Key management personnel**

The board of Directors' compensation is paid by the parent, which makes no recharge to the entity. The board of Directors are directors of the parent and a number of fellow subsidiaries, and it is not possible to make a reasonable apportionment of their compensation in respect of each of the subsidiaries. Accordingly, the above details include no compensation in respect of the board of Directors. Their total compensation is included in the aggregate of key management personnel compensation disclosed in the consolidated financial statements of the parent.

**11. Investments in treasury bills**

	31 December 2023	31 December 2022
Treasury bills - CI Capital	26,339,475	-
Treasury bills - Banque Misr	20,432,781	-
	<u>46,772,256</u>	<u>-</u>
(Less)		
Provisions for credit losses	(220,863)	-
<b>Total</b>	<u>46,551,393</u>	<u>-</u>

The investment in treasury bills is with a maturity date of one year with an average interest rate of 25.9%.

The movement of the provision for investments in treasury bills is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	-	-
Provisions formed during the year (note 22)	220,863	-
	<u>220,863</u>	<u>-</u>

The assumptions used in the ECL for treasury bills are mainly the GDP and the credit rating of the issuer of the treasury bill.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**11. Investments in treasury bills (continued)**

The value of treasury bills before and after discount and issuance is as follows:

	31 December 2023	31 December 2022
Egyptian treasury bills - short term	56,873,494	-
Issuance discount	(11,628,140)	-
Tax receivables (20%)	(423,494)	-
	<u>44,821,860</u>	-
Balance of interest formed on treasury bills (note 24)	1,950,396	-
Provisions for credit losses	(220,863)	-
<b>Total</b>	<u>46,551,393</u>	-

The table below shows the movement of treasury bills:

	31 December 2023	31 December 2022
Balance at the beginning of the year	-	-
Additions	56,873,494	-
Tax receivables (20%)	(423,494)	-
Issuance discount	(11,628,140)	-
Balance of interest formed on treasury bills (note 24)	1,950,396	-
Provisions for credit losses	(220,863)	-
<b>Total</b>	<u>46,551,393</u>	-

**Treasury bills, net**

	31 December 2023	31 December 2022
Egyptian treasury bills, net - short term	56,873,494	-
Tax receivables (20%)	(423,494)	-
Issuance discount returns not yet due	(9,677,744)	-
	<u>46,772,256</u>	-
Provisions for credit losses *	(220,863)	-
<b>Total</b>	<u>46,551,393</u>	-

\* All treasury bills are in stage 1. There are not instruments in stage 2 or 3. Disclosures on credit quality are set out in note 3.1.1.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**12. Cash and cash equivalents**

	Re-issued 31 December 2023	31 December 2022
Current accounts – EGP	18,369,618	59,134,905
Current accounts - with interest	68,708,770	35,166,242
Current accounts – USD	430,640	32,129,177
Current accounts – Euro	27,503	15,727
Cash on hand	116,326	28,403
<b>Gross carrying amount</b>	<b>87,652,857</b>	<b>126,474,454</b>
Provisions for credit losses	(441,722)	-
<b>Cash at banks and on hand</b>	<b>87,211,135</b>	<b>126,474,454</b>

The movement of provisions of cash in banks and on hand is as follows:

	31 December 2023	31 December 2022
Balance at the beginning of the year	-	-
Provisions formed during the year (note 22)	441,722	-
	<b>441,722</b>	-

The balances are all in stage 1 and no balances are currently in stage 2 or 3. Refer to note 3.1.1 for the credit quality disclosures.

**13. Capital**

	31 December 2023	31 December 2022
Authorised Capital (200,000,000 shares with a nominal value of EGP 10 per share)	2,000,000,000	2,000,000,000
Issued Capital (123,800,000 shares with a nominal value of EGP 10 per share)	1,238,000,000	1,238,000,000
Paid-up Capital (123,800,000 shares with a nominal value of EGP 10 per share)	1,238,000,000	1,238,000,000

Based on the decision of the Company's Board of Directors held on 2 January 2022, it was approved to increase the Company's issued capital by an amount of EGP 431 million (43,100,000 shares), for the total issued capital to be EGP 1,235,000,000, and 100% of the value of such increase was paid in cash. This increase was registered in the Commercial Register on 9 February 2022, the total paid-up capital amounted to EGP 1,235,000,000.

Based on the decision of the Company's Board of Directors held on 15 February 2022, it was approved to increase the Company's issued capital by an amount of EGP 3 million (300,000 shares), for the total issued capital to be EGP 1,238,000,000, and 100% of the value of such increase was paid in cash. This increase was registered in the Commercial Register on 24 February 2022, the total paid-up capital amounted to EGP 1,238,000,000.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**14. Legal reserve**

In accordance with the Companies Law No.159 of 1981 and the Company's articles of association, 5% of the net profit for the year is transferred to the legal reserve account. Based on a proposal by the board and the approval of the General Assembly of the company, this transfer may be partially discontinued if the legal reserve reaches 50% of the issued capital. The legal reserve is not available for distribution to the shareholders.

Refer to note 32 showing the impacts of adjustments to the statement of profit or loss on the legal reserve.

**15. Loans**

Loan	Interest rate	Current Portion	Non-current portion	Accrued interest*	Total	Current portion	Non-current portion	Accrued interest*	Total
					31 December 2023				31 December 2022
First loan	1.5% + Corridor	79,771,987	520,236,452	11,147,553	611,155,992	64,645,178	612,490,394	12,695,846	689,831,418
Second loan	2% + Corridor	78,543,684	841,071,960	-	919,615,644	49,089,808	498,845,899	-	547,935,707
<b>Total loans</b>		<b>158,315,671</b>	<b>1,361,308,412</b>	<b>11,147,553</b>	<b>1,530,771,636</b>	<b>113,734,986</b>	<b>1,111,336,293</b>	<b>12,695,846</b>	<b>1,237,767,125</b>

\* Accrued interest is part of the current portion of the loans.

**First loan**

During 2021 the company has entered in a sale lease back agreement with BM Financial Leasing Company, Banque Misr. to sell and lease back the entire land and buildings of exhibitions No. (3), (4), (6), (7), (9), (11), (12), (13), (14), (15), (16), (17), (24), (34), (36) located in Sodic village at Km 38 Cairo-Alexandria Desert Road in the seventeenth district in the areas P1, P2, P3 in the northern sector and which is designated for trade fairs in Sheikh Zayed City.

The assets were sold with total amount of EGP 700 million allocated as follows:

- Banque Misr share from financing and risk sharing: EGP 650,000,000.
- BM share for financial leasing and risk sharing: EGP 50,000,000.

The company will repay the principals in addition to the interest which is 1.5% over the corridor rate to be paid on quarterly instalments starting from May 2021, additionally the last instalment will be paid in August 2028.

This agreement was considered as a finance agreement instead of a selling agreement as it was not qualified as a sale transaction in accordance with EAS 48. therefore, the assets were not derecognised from the statement of financial position, and the received amount has been recognised as loan.

**Second loan**

During 2022, based on the long-term finance contract between Banque Misr and Bonyan for Development and Trading on 23 January 2022, Banque Misr granted Bonyan for Development and Trading a long-term credit limit by an amount of EGP 982 million, in order to finance part of the purchase cost of six administrative buildings. Under this contract, the finance is disbursed in instalments as follows:

Instalment	Amount	Date
First instalment	105,192,436	23 January 2022
Second instalment	455,833,887	21 October 2022
Third instalment	420,769,745	21 July 2023

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**15. Loans (continued)**

The loan is to be paid on quarterly instalments starting in March 2022, provided that the last instalment shall be paid in September 2028 at the end of the loan.

**Collaterals**

Collaterals for loans consist of mortgaging some of the Company's buildings (investments in properties) to banks. The necessary measures are being taken for the mortgage. The fair value of these buildings is EGP 9,409,756,435 (Restated 31 December 2023: EGP 5,925,535,598).

	31 December 2023	31 December 2022
<b>The liabilities related to the loans are as follows:</b>		
During one year	485,599,051	317,358,899
Short-term future finance expenses	(316,135,827)	(190,928,067)
<b>Recognised as a short-term liability</b>	<b>169,463,224</b>	<b>126,430,832</b>
More than one year	2,218,308,421	2,188,746,075
future finance expenses	(857,000,009)	(1,077,409,782)
<b>Recognised as a long-term liability</b>	<b>1,361,308,412</b>	<b>1,111,336,293</b>

The amounts recognized in profit or loss related to loans are as follows:

	31 December 2023	31 December 2022
Interest expenses	261,322,861	95,632,234
Amortization of costs of obtaining the loan	7,655,088	3,693,595
Capitalised interests	-	12,660,641
<b>Total (note 25)</b>	<b>268,977,949</b>	<b>111,986,470</b>

**16. Trade and other payable**

	Re-issued 31 December 2023	Restated 31 December 2022
Deferred revenue *	30,002,116	46,050,424
Accrued expenses **	21,477,583	18,856,940
Service providers	5,841,945	6,598,779
Employee training fund	5,517,770	2,700,770
Retention	5,497,445	8,238,043
Notes payables	3,746,468	5,098,815
Trade payables	3,632,697	3,339,815
Consultants	3,121,852	1,279,082
Contractors	2,913,125	5,553,332
Value added tax (VAT)	2,562,963	12,285,438
Reserved units	-	9,210,000
Other	8,835,352	11,955,025
<b>Total</b>	<b>93,149,316</b>	<b>131,166,463</b>
Trade and other payable	93,149,316	131,166,463
Non-current portion of trade and other payable	(944,000)	(944,000)
<b>Current portion of trade and other payable</b>	<b>92,205,316</b>	<b>130,222,463</b>

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**16. Trade and other payable (continued)**

\* This amount represents the amount received from the customers in respect of the rent of units.

\*\* The amount includes balances due to Compass Capital amounting to EGP 4,219,421 as of 31 December 2023 (31 December 2022: EGP 5,039,738).

**17. Provisions**

	31 December 2023	31 December 2022
Stamp tax provisions	936,802	936,802
Salaries tax provisions	202,445	202,445
<b>Total</b>	<b><u>1,139,247</u></b>	<b><u>1,139,247</u></b>

**18. Assets purchase payables**

	31 December 2023	31 December 2022
Payments due during the year	-	420,769,745
<b>Total</b>	<b><u>-</u></b>	<b><u>420,769,745</u></b>

During 2022, the Company purchased six buildings and lands thereof in Nasr City and 5th Settlement, New Cairo for EGP 1,445,335,712.

The Company paid an amount of EGP 1,024,565,967 in 2022, and the remaining amount of EGP 420,769,745 was paid in September 2023.

**19. Deposit related to maintenance fees**

	Re-issued 31 December 2023	Restated 31 December 2022
Deposit related to maintenance fees	108,069,534	18,452,764

This amount represents amounts paid by buyers and tenants which are deposited in banks. The annual interest return from these amounts are used to fund the maintenance expenses of the sold and leased units. The amounts are repayable on demand as the entity may decide to dispose of the property in which case such amounts will be repaid. Interest earned to fund such expenses was EGP 9,002,814 (31 December 2022: EGP 3,914,440).

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**20. Other revenues**

	Re-issued 31 December 2023	Restated 31 December 2022
Utilities and finishing	19,435,374	5,254,062
Other revenues	4,970,708	7,847,838
Marketing revenue	4,037,325	2,356,524
Chilled water income	4,060,753	2,219,142
	<u>32,504,160</u>	<u>17,677,566</u>

**21. Expenses by nature**

	Cost of rental, maintenance and other revenue	General and administrative expenses	Selling and marketing expenses	Re-issued 31 December 2023
Wages and salaries	15,648,542	11,442,555	13,117,043	40,208,140
Building management	36,963,971	-	-	36,963,971
Electricity, water and gas expenses	20,993,733	26,784	-	21,020,517
Financial advisory fees	-	16,325,999	-	16,325,999
Commissions	-	-	13,803,718	13,803,718
Real estate tax	-	12,620,765	-	12,620,765
Marketing expenses	-	-	12,559,560	12,559,560
Other expenses	6,055,792	4,692,416	-	10,748,208
Maintenance and repair expenses	9,642,953	42,958	-	9,685,911
Cleaning expenses	6,081,919	37,325	-	6,119,244
Professional fees	-	5,506,488	600,710	6,107,198
Security expenses	4,616,081	-	-	4,616,081
Depreciation of fixed assets (note 5)	-	3,562,496	-	3,562,496
License fees	2,840,551	-	-	2,840,551
Employee training fund	-	2,817,000	-	2,817,000
Takaful contribution	-	2,416,301	-	2,416,301
Bank expenses	-	2,168,421	-	2,168,421
Insurance expenses	-	1,754,593	-	1,754,593
Transportation expenses	1,249,791	271,203	-	1,520,994
Agriculture expense	662,135	-	-	662,135
Rent	-	609,194	-	609,194
Government entities expenses	-	126,307	-	126,307
Travel and accommodation	-	100	-	100
<b>Total</b>	<u>104,755,468</u>	<u>64,420,905</u>	<u>40,081,031</u>	<u>209,257,404</u>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**21. Expenses by nature (continued)**

	Cost of rental, maintenance and other revenue	General and administrative expenses	Selling and marketing expenses	Restated 31 December 2022
Marketing expenses	-	-	25,517,517	25,517,517
Wages and salaries	12,295,831	4,664,034	7,047,031	24,006,896
Cleaning expenses	15,840,011	60,581	-	15,900,592
Commissions	-	-	13,733,362	13,733,362
Security expenses	13,061,566	-	-	13,061,566
Financial advisory fees	-	10,124,549	-	10,124,549
Maintenance and repair expenses	8,819,968	81,888	-	8,901,856
Building management	8,456,985	-	-	8,456,985
Electricity, water and gas expenses	7,147,093	26,804	-	7,173,897
Real estate tax	-	4,677,700	-	4,677,700
Other expenses	2,623,757	1,707,276	35,306	4,366,339
Professional fees	-	3,964,493	-	3,964,493
License fees	3,876,304	-	274,100	4,150,404
Depreciation of fixed assets (note 5)	-	3,539,683	-	3,539,683
Employee training fund	-	2,700,770	-	2,700,770
Other tax expense	-	2,420,757	108,103	2,528,860
Takaful contribution	-	2,025,403	-	2,025,403
Transportation expenses	1,053,490	215,742	-	1,269,232
Insurance expenses	-	1,149,660	-	1,149,660
Low value rent	-	661,541	-	661,541
Bank expenses	-	659,278	-	659,278
Agriculture expense	536,549	-	-	536,549
Government entities expenses	-	359,525	-	359,525
<b>Total</b>	<b>73,711,554</b>	<b>39,039,684</b>	<b>46,715,419</b>	<b>159,466,657</b>

**22. Net impairment of financial assets**

	31 December 2023	31 December 2022
No longer required / (formed) provisions of credit losses in trade receivables and other receivables (note 9)	5,304,720	(3,950,261)
Formed credit losses in receivables from related parties (note 10.a)	-	(974,015)
Formed credit losses in treasury bills (note 11)	(220,863)	-
Formed credit losses in cash at banks and on hand (note 12)	(441,722)	-
<b>Total</b>	<b>4,642,135</b>	<b>(4,924,276)</b>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**23. Gain from sale of investments**

	Re-issued 31 December 2023	31 December 2022
Gains on sale of investments at fair value through profit or loss*	23,779,666	-
<b>Total</b>	<b>23,779,666</b>	<b>-</b>

\* This value represents the profits resulting from investing in Global Depository Receipts (GDR).

**24. Finance income**

	Re-issued 31 December 2023	31 December 2022
Gains on foreign currency valuation differences	18,906,292	8,345,809
Credit interest	9,002,184	3,914,440
Treasury bills interests (note 11)	1,950,396	-
<b>Total</b>	<b>29,858,872</b>	<b>12,260,249</b>

\* This value represents the profits resulting from investing in Global Depository Receipts (GDR).

**25. Finance costs**

	31 December 2023	31 December 2022
Interest expense*	270,030,059	111,986,470
<b>Total</b>	<b>270,030,059</b>	<b>111,986,470</b>

**\* Interests expense**

	31 December 2023	31 December 2022
Total interests on loans (note 15)	268,977,949	124,647,111
Capitalised interests on qualifying assets**	-	(12,660,641)
Letter of guaranteed expenses	1,052,110	-
	<u>270,030,059</u>	<u>111,986,470</u>

**\* Capitalised interests on qualifying assets**

	31 December 2023	31 December 2022
Projects in progress (note 6.b)	-	12,660,641
<b>Total</b>	<b>-</b>	<b>12,660,641</b>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**26. Income tax****26.a) Current income liabilities**

	31 December 2023	31 December 2022
<b>Balance at the beginning of the year</b>	-	-
Income tax for the year	56,013,564	-
Tax expense on gain from selling securities	2,377,967	-
Income tax settlement against withholding tax receivable (note 9.b)	(13,107,243)	-
	<u>45,284,288</u>	<u>-</u>

**26.b) Deferred income tax liabilities**

Deferred income tax is represented in the tax liabilities arising from temporary differences between the tax basis of assets and their carrying amount in the financial statements.

The movement of the deferred tax liabilities during the year is as follows:

	Fixed assets	Differences resulting from investment properties evaluation	Total
<b>Balance at 1 January 2022 as previously issued</b>	-	-	-
Impact of changes in accounting policy	-	433,992,110	433,992,110
Impact of changes in correction of errors	-	(129,107,150)	(129,107,150)
<b>Balance at 1 January 2022 (restated)</b>	-	<u>304,884,960</u>	<u>304,884,960</u>
Deferred income tax charged to the statement of profit or loss	-	596,196,319	596,196,319
<b>Balance at 31 December 2022 and 1 January 2023 (restated)</b>	-	<u>901,081,279</u>	<u>901,081,279</u>
<b>Balance as of 1 January 2023 as previously issued</b>	-	-	-
Impact of changes in accounting policy	-	1,035,680,013	1,035,680,013
Impact of changes in correction of errors	-	(134,598,734)	(134,598,734)
<b>Balance as of 1 January 2023 (Re-issued)</b>	-	<u>901,081,279</u>	<u>901,081,279</u>
Deferred income tax charged to the statement of profit or loss	2,501,081	770,296,960	772,798,041
<b>Balance as of 31 December 2023 (Re-issued)</b>	<u>2,501,081</u>	<u>1,671,378,239</u>	<u>1,673,879,320</u>
<b>Balance as of 31 December 2023 as previously issued</b>	2,501,081	1,821,946,067	1,824,447,148
Impact of changes in accounting policy	-	(63,954,532)	(63,954,532)
Impact of changes in correction of errors	-	(86,613,296)	(86,613,296)
<b>Balance as of 31 December 2023 (Re-issued)</b>	<u>2,501,081</u>	<u>1,671,378,239</u>	<u>1,673,879,320</u>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**26. Income tax (continued)****26.b) Deferred income tax liabilities (continued)**Un-recognized deferred tax assets

The following deferred tax assets are not recognized due to the uncertainty of being useful in tax in the future:

	31 December 2023	31 December 2022
Tax impact on impairment of trade and other receivables	1,450,773	2,644,335
Tax impact on provisions	256,331	256,331
Tax impact on impairment of cash and cash equivalents	99,387	-
Tax impact on the impairment of investments in treasury bills	49,694	-
<b>Total</b>	<b>1,856,185</b>	<b>2,900,666</b>

**26.c) Income tax expense**

	Reissued 31 December 2023	Restated 31 December 2022
Current income tax expense	56,013,564	-
Deferred tax arising from temporary differences	772,798,041	596,196,319
	<b>828,811,605</b>	<b>596,196,319</b>
Tax expense on gain from selling securities	2,377,967	-
<b>Total current income tax expense</b>	<b>831,189,572</b>	<b>596,196,319</b>
Net profit for the year before tax	3,780,026,841	2,906,672,113
Tax using prevailing tax rate (22.5%)	850,506,039	654,001,225
Tax impact of expenses not recognised for tax purposes	1,970,125	2,979,018
Tax impact for non-taxable income	(3,023,646)	-
The tax impact of revenues subject to a different tax rate	(5,350,425)	-
The tax impact of carried forward tax losses to be carried forward	(15,290,488)	(60,783,924)
	<b>828,811,605</b>	<b>596,196,319</b>
The tax impact of profits resulting from the gain on sale of securities	2,377,967	-
<b>Total</b>	<b>831,189,572</b>	<b>596,196,319</b>
<b>Effective tax rate</b>	<b>21.99%</b>	<b>20.51%</b>

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**27. Basic and diluted earnings per share**

Basic earnings per share for the year is calculated by dividing the net profit for the year by the weighted average number of shares outstanding during the year.

	Re-issued 31 December 2023	Restated 31 December 2022
Net profit for the year	2,948,837,269	2,310,475,794
Weighted average number of ordinary shares	123,800,000	119,085,833
<b>Earnings per share</b>	<b>23.82</b>	<b>19.40</b>

The weighted average number of ordinary shares is calculated as follows:

	31 December 2023	Weighted Factor	Weighted average for the shares for 31 December 2023	31 December 2022	Weighted Factor (approximated)	Weighted average for the shares for 31 December 2022
<b>Number of shares at the beginning of the year</b>	<b>123,800,000</b>	<b>1</b>	<b>123,800,000</b>	<b>80,400,000</b>	<b>1</b>	<b>80,400,000</b>
Outstanding shares on 9 February 2022	-	-	-	43,100,000	0.89	38,430,833
Outstanding shares on 24 February 2022	-	-	-	300,000	0.85	255,000
<b>Earnings per share</b>	<b>123,800,000</b>	<b>-</b>	<b>123,800,000</b>	<b>123,800,000</b>	<b>-</b>	<b>119,085,833</b>

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares by the effects of all potential ordinary shares causing this dilution. The Company does not have potential diluted shares as at 31 December 2023 and 31 December 2022, therefore, diluted earnings per share equal to basic earnings per share.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**28. Tax position**

Due to the nature of the procedures of estimating tax liabilities in Arab Republic of Egypt, the final outcome of the estimation by the Tax Authority might not be realistic. Therefore, additional liabilities are contingent upon the tax inspection and assessment of the Tax Authority for the Company's due taxes. The Company's management creates a provision for contingent liabilities based on the development of negotiations with the Tax Authority and based on the opinion of the Company's tax consultant. The Company's tax position until 31 December 2023 is summarised below:

**28.1 Corporate tax**

Tax returns were prepared and submitted on time until 2022 according to the provisions of Law No. 91 of 2005, as amended and its executive regulations, and it was handed over to the competent department on legal times.

**Years from 2008 to 2022**

- The Company was inspected for the years from 2008 to 2016 and the tax differences were settled and paid.
- The Company was inspected for the years from 2017 and 2018 and the inspection was appealed, and a decision of re-inspection was issued.
- The Company is currently being inspected for the years from 2017 to 2021.
- Inspection was not made for 2022.
- The Company shall pay all tax liabilities to date.

**28.2 Wages and salaries tax**

- The Company settles the wages and salaries tax and tax forms on the legal deadlines.

**Years from 2008 to 2022**

- The Company was inspected for the years from 2008 to 2016 and the tax differences were settled and paid.
- The Company is currently being inspected for the years from 2017 to 2022.

**28.3 Stamp tax****Years since inception until 31 December 2022:**

- The Company calculates the stamp tax on advertisements in accordance with Law no. 111 of 1981 and its legal amendments 143 of 2006. The Company was inspected for the years since inception until 31 December 2020, and tax differences were settled and paid.
- Inspection was not carried out for the years from 2021 to 2022.

**28.4 Sales Tax - Value Added Tax**

- The Company was registered for sales tax at 14 December 2009.
- The Company regularly submits the sales tax return to the competent department in the legal dates.

**Years from 2008- 2022:**

- Inspection was made from the date of registration until 31 December 2019. The Company was notified by Form 15 and the tax differences and additional tax were fully paid.
- The Company was inspected for the years from 2020 to 2021, and the inspection was appealed, but the appeal was not accepted. The Company submitted a memorandum of reasons for the appeal, and the tax inspection was transferred to the legal affairs.
- Inspection was not made for 2022.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**28. Tax position (continued)**
**28.5 Withholding tax**

- The Company is committed to deducting withholding taxes in accordance with the provisions of Law No. 159 of 2005 as amended and its executive regulations. The Company was inspected since inception until 31 December 2017, and the amount was fully paid.

Years from 2008- 2022:

- The Company was inspected for the years since inception date to 31 December 2017 and the tax differences were settled and paid.
- The years from 2018 to 2020 are under inspection.
- The years from 2021 to 2022 were inspected.

**29. Reconciliation of liabilities arising from financing activities**

The following is an analysis of the liabilities arising from financing activities and the movement of liabilities arising from financing activities for each of the presented years. The following liabilities items are those presented as financing activities in the statement of cash flows:

	Loans	Capital	Total
<b>Balance at 31 December 2021 and 1 January 2022</b>	<b>605,681,522</b>	<b>804,000,000</b>	<b>1,409,681,522</b>
<b>Cash flows</b>			
Loans withdrawals	655,725,641	-	655,725,641
Loan principals payment	(33,797,173)	-	(33,797,173)
Interest payments	(114,489,976)	-	(114,489,976)
Capital increase	-	434,000,000	434,000,000
<b>Other movements</b>			
Finance costs (note 25)	124,647,111	-	124,647,111
<b>Balance at 31 December 2022</b>	<b>1,237,767,125</b>	<b>1,238,000,000</b>	<b>2,475,767,125</b>
<b>Balance at 31 December 2022 and 1 January 2023</b>	<b>1,237,767,125</b>	<b>1,238,000,000</b>	<b>2,475,767,125</b>
<b>Cash flows</b>			
Loans withdrawals	420,769,745	-	420,769,745
Loan principals payment	(137,364,949)	-	(137,364,949)
Interest payments	(259,378,234)	-	(259,378,234)
<b>Other movements</b>			
Finance costs (note 25)	268,977,949	-	268,977,949
<b>Balance at 31 December 2023</b>	<b>1,530,771,636</b>	<b>1,238,000,000</b>	<b>2,768,771,636</b>

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**30. Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The company's CODM is the board of directors of the company who is in charge of operations and assessing the financial performance and position of the company and making strategic decisions. The company management has determined the operating segments based on the information frequently reviewed by the board of directors for the purpose of assessing the financial performance and position of the company and making strategic decisions.

The board of directors reviews the operating results of the operating segments as regards the nature of operation of the segment. Since the Company's activities are organized into one sector (operation) entirely related to the sale and lease of investment properties, the enterprise-level information required under EAS No. 41 "Operating Segments" is already included in the financial statements, so no other disclosure information is required.

The board of director assesses the performance of the operating segments based on the total revenues, the operating profit, total non-current assets and current assets, the total liabilities and equity of segment. This measurement basis excludes discontinued operations, interest income and expenditure.

The Company is domiciled in Egypt, as all the amount of its revenue are generated from customers in Egypt, total revenue for the year ending on 31 December 2023 is amounted to EGP 912,881,928 (2022: EGP 643,802,157).

The revenue generated from the major customer of the Company represents 8% (2022: 10%) of the total Company's revenue.

All its non-current assets are in Egypt which are amounting to as of 31 December 2023 EGP 9,830,922,529 (31 December 2022: 6,159,037,011).

**31. Contingent liabilities and capital commitments**

The Company has no contingent liabilities or capital commitments as of 31 December 2022 and 31 December 2023.

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements**

The comparative information was restated to reflect the change in accounting policy of investment in property. The restatements were accounted for in accordance with EAS 5 - Accounting policies, changes in accounting estimates and errors.

The note also includes adjustments as a result of the reissuance of the 31 December 2023 financial statements issued on 7 May 2024.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)****1. Change in accounting policy related to investment property - before reissuance of financial statements**

In the prior year, the Company's accounting policy was to recognize and measure investment properties using the cost model. In 2023, EAS No. (34) was amended by the Ministerial Resolution No. 3287 of 2023 which allows the Company to elect an accounting policy choice to measure investment properties at fair value model and to recognize the fair value changes in the statement of profit and loss.

As a result, during the year ended 31 December 2023, the Company's management elected to change the accounting policy from applying cost method to the fair value method.

The Company's management applied the amendments to EAS No. (34) retrospectively as of 31 December 2023 and accordingly, the comparative figures for certain items in the statement of financial position, the statement of profit or loss, statement of comprehensive income, statement of changes in equity, and statement of cash flows were amended. Refer the relevant tables below for the impact of the adjustments.

**2. Adjustments to the previously issued financial statements**

In addition to the reissuance of the financial statements as further detailed in note 2.1 (b), the comparatives as presented in the 31 December 2023 financial statements issued on 7 May 2024 were restated to also reflect other restatement adjustments and enhanced disclosures. Furthermore, certain of the adjustments were as a result of changes in presentations to align with the requirements in EAS 1 - Financial Statement Presentation and EAS 4 - Statement of Cash flows.

This note sets out the details of adjustments and the impact in the statement of financial position, statement of profit and loss, statement of changes in equity, and statement of cash flows. Where required, the adjustments resulted in the restatement of the comparatives. The changes in the statement of comprehensive income were not presented and the adjustments were only as a result of the changes to the statement of profit and loss.

The tables below set out the impact of other adjustments that have been reflected in these reissued financial statements including adjustments pertaining to the year ended 31 December 2023 and comparatives.

**2A- Classification and measurement of units available for sale**

Units available for sale were previously classified as Investment Properties and measured at fair value. Management has reconsidered and reassessed the classification of the units available for sale and other units in the Walk of Cairo "WOC" mall to determine if these units should be accounted for in accordance with [EAS 34 - Investment Properties or EAS 2 - Inventory]. Subsequent to the reassessment of the approved plans for the respective phases of the Walk of Cairo "WOC" mall, it was determined that the units available for sale and other units presented in investment property in relation to [Phase 3 and substantial parts of Phase 2] should have been accounted for as inventory and not investment property available for sale.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

On the statement of financial position, this would result in a reclassification of the units previously recognized as investment property to the amount of fair value of EGP 404,941,333 and cost of 52,129,035 as inventory. In addition, the fair value adjustment of EGP 150,415,890 related to these units would need to be reversed as inventory may not be carried at fair value.

The statement of profit and loss was amended to present revenue from sale of units on a gross basis with the related cost of units in the cost of revenue.

In addition, the statement of cash flow was amended to present the adjusted movements in working capital for units held for sale.

The comparative information in the reissued financial statements and the 31 December 2023 financial statements has been restated to reflect the above adjustments.

**2B- Valuation of investment property:**

Subsequent to the previous issuance of the financial statements on 7 May 2024, management identified that the Company should have appointed a valuator who is approved by the Egyptian Financial Regulatory Authority "FRA" in assessing the fair valuation of investment properties in line with the requirements of EAS No. (34). As a result of the change in the appointed valuator, certain fair values of investment properties set out in the previous financial statements were revised as follows and accordingly, the financial statements are now reissued to reflect the required adjustments to the fair value:

	As reflected in the statement issued on 7 May 2024	Adjustment	Fair value reflected in the re-issued financial statements
Statement of financial position			
• Investment property	9,750,475,981	(258,873,593)	9,491,602,388
Statement of profit and loss			
• Fair value gain on investment property	3,756,686,645	(258,873,593)	3,497,813,052

The adjustment only impacted the financial statements of 31 December 2023.

**2C- Reclassification of projects in progress**

In the previously issued financial statements and comparatives, projects in progress were presented as a separate financial statement line item in the statement of financial position. Given that these projects are in the scope of investment properties, the amounts were reclassified to investment property and not shown separately.

The adjustment impacted 31 December 2023 and comparative information and has been restated.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)****2D- Accounting for prepayments and related obligations**

The Company entered into an agreement to acquire a property during the year ended 31 December 2023. Refer to note 7 for details. A cash amount of EGP 71,786,736 was paid during the year 2023 and checks were provided to the seller for an amount of EGP 163,151, 673. As a result, the Company previously recognized a prepayment for the cash to the amount of EGP 71,786,736 and for the checks provided with a corresponding liability in relation to checks provided of EGP 163,151,673. However, given that the property was not yet delivered to the Company, the transaction was not completed, and the amount recognized for the checks provided should not be recognized unless the seller had delivered the property. The amount recognized as cash paid to the seller is correctly shown as a prepayment. As such, the amount related to the checks provided should not be recognized as a liability in accordance with EAS 47 - Financial Instruments.

Accordingly, the reissued financial statements adjusted the prepayments amount to exclude the amounts related to checks provided and reversed the corresponding liability. In addition, the statement of cash flows was amended accordingly.

The adjustment had no impact on the comparative information.

**2E- Reclassification of loan receivables related to units sold**

In accordance with EAS 1, amounts owing for units sold were previously disclosed as part of trade and other receivables. However, trade receivables are current in nature and do not normally include balances related to long term receivables such as financing to customers. These balances are not similar to trade receivables due to the size and nature of these items and should not be aggregated together and, these amounts should be shown separately from trade and other receivables.

As a result, amounts owing on units sold have now been presented separately as loans receivable on sale and classified as current and non-current appropriately and no longer as trade receivables. The statement of cash flows was amended accordingly.

The adjustment impacted 31 December 2023 and comparative information and has been restated.

**2F- Classification of checks under collection as cash and cash equivalent**

Checks under collection were included as part of cash and cash equivalents. Checks under collection do not result in the settlement of the receivable and as such, the related receivables should not be derecognized on receipt of the checks but only once the check has been presented to the bank and cash has been received. As such, these balances do not meet the requirements to be presented as cash and cash equivalents and accordingly, were reclassified to trade and other receivables. The cash and cash equivalents in the statement of cash flow was amended accordingly.

The balances as at 31 December 2023 were adjusted accordingly.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)****2G- Reclassification of trade payable and notes payable, other credit balances and deposits related to maintenance fees**

In the 31 December 2023 financial statements prior to reissuance and in the comparative year, the statement of financial position contained several financial line items in respect of trade payable and other credit balance which were of a similar nature. In addition, included in other credit balances was a significant amount of deposits related to maintenance fees. Management has reassessed the presentation of these balances and determined that the trade and notes payable and other credit balances should be presented on an aggregate basis and deposits related to maintenance fees should be presented separately due to the nature and size thereof.

The adjustment impacted 31 December 2023 and comparative information has been restated.

**2H- Legal reserve and retained earnings**

The adjustments to the statement of profit and loss described below, have impacted the net profit for the respective prior years and accordingly, the retained earnings of the Company. This has resulted in the amendment to the legal reserve which is calculated as 5% of the net profit for the year and the Basic and diluted earnings per share for each year presented.

**2I- Adjustments to comply with the requirements of EAS 1 on presentation in profit and loss**

In the previously issued financial statements, the statement of profit and loss was presented by function and not by nature of expense. Management has reconsidered the presentation in accordance with EAS 1 and identified certain figures where the presentation needed to be corrected in the 31 December 2023 and the comparative information. These have been set out individually below:

1. Disaggregation of revenue and cost of revenue: Revenue and cost of revenue was disaggregated on the face of the statement of profit and loss to present the line items by function. As a result, revenue was disaggregated into rental income, revenue from units sold, maintenance income and other income. Cost of revenue was disaggregated into Operating cost related to rental and maintenance income, cost of units sold.
2. Interest income on financing of units sold: As a significant part of the units have been sold and amounts are paid in installments, interest income of EGP 12,015,155 (2022: EGP 2,299,283) earned on the related loan receivables from units sold was not presented separately. EAS 1 requires such interest income which is considered revenue to be disclosed as revenue and on the face of the statement of profit and loss.
3. Net gain from fair value adjustments on investment property: Fair value adjustments on investment property were previously presented in revenue. EAS 1 does not allow such adjustments to be presented in revenue and accordingly, these amounts of EGP 3,390,398,634 (2022: EGP 2,610,228,098) are now disclosed separately below gross profit but within operating profit.
4. Gain from sale of investments: A gain was recognized on the sale of investment of EGP 23,779,666 and this was presented as part of finance income. EAS 1 does not permit such amounts to be recognized in finance income and the amount has been reclassified to a separate financial line item within operating profit.

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

5. Financial investment profits tax expense of EGP 2,377,967 (2022: nil) has been reclassified to current income tax expense as these are of similar nature.
6. Deferred income tax expense has been adjusted by EGP 15,969,094 (2022: EGP 596,196,319) due to the other adjustments noted above.
7. Basic and diluted earnings per share (EGP/share) have been recalculated to reflect the change in the net profit for the year.

The adjustments above impacted 31 December 2023 and comparative information and has been restated.

**2J- Adjustments in the statement of cash flows related to adjustments in other primary statements**

The majority of the adjustments are as a result of the above adjustments. These have been disclosed in aggregate in the table. In addition, the following adjustment below has been identified in the statement of cash flows.

**2K- Adjustment relating to financing of assets**

During the year ended 31 December 2023, the Company financed an acquisition of assets with bank financing. The Company disclosed the transaction as a non-cash transaction. In accordance with EAS 4, such amounts should be shown as outflows in investing and inflows in financing cash flows respectively. The Company has adjusted the 31 December 2023 statement of cash flow to correctly reflect the cash flows as investing cash outflows and financing cash inflows.

**Disclosure enhancements**

In addition to the adjustments above, there were certain disclosure enhancements that were made in some of the notes. In particular:

- Segment reporting: Disclosure was to indicate who the chief operating decision maker is and that the entity has only one segment.
- Improvement in the fair value disclosures of investment property.
- Enhancement in the disclosures of financial instruments.

The tables below set out the adjustments per financial statement line item. The following tables have been provided:

1. Statement of financial position for 31 December 2023: Adjustments to the balances from the previously issued financial statements issued on 7 May 2024 and the reissued financial statement presented above.
2. Statement of financial position for 31 December 2022: Adjustments related to all adjustments to the comparative information including those as a result of the reissuance.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

- 32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**
3. Statement of financial position for 1 January 2022: These adjustments related to 1 January as EAS 1 requires the presentation of the third statement of financial position for opening balances on the earliest period presented.
  4. Statement of profit and loss for year ended 31 December 2023: Adjustments to the balances from the previously issued financial statements issued on 7 May 2024 and the reissued financial statement presented above.
  5. Statement of profit and loss for year ended 31 December 2022: Adjustments related to all adjustments to the comparative information including those as a result of the reissuance.
  6. Statement of cash flow for year ended 31 December 2023: Adjustments to the balances from the previously issued financial statements issued on 7 May 2024 and the reissued financial statement presented above.
  7. Statement of cash flow for year ended 31 December 2022: Adjustments related to all adjustments to the comparative information including those as a result of the reissuance.

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

**Refer below for tables**

Financial statements line item	31 December 2023 before reissuance	Adjustments related to the reissuance					Restated 31 December 2023 after reissuance
		2A	2B	2C	2D	2E	
<i>Non-current assets</i>							
Fixed assets	44,820,381	-	-	-	-	-	44,820,381
Investment in properties	9,750,475,982	(81,842,955)	(258,876,592)	13,117,694	-	-	9,422,874,129
Projects in progress	13,117,694	-	-	(13,117,694)	-	-	-
Prepayments to purchase investment properties	234,938,409	-	-	-	(163,151,673)	-	71,786,736
Loan receivables on sale - non-current portion (renamed from Trade and other receivables - long term)	291,441,283	-	-	-	-	-	291,441,283
<b>Total non-current assets</b>	<b>10,334,793,749</b>	<b>(81,842,955)</b>	<b>(258,876,592)</b>	<b>-</b>	<b>(163,151,673)</b>	<b>-</b>	<b>9,830,922,529</b>
<i>Current assets</i>							
Units available for sale	404,941,333	(178,054,907)	(150,415,890)	-	-	-	76,470,536
Trade receivables on sale - current portion	-	-	-	-	258,044,946	-	258,044,946
Trade receivables, other receivables and prepayments (renamed from Trade and other receivables)	338,569,029	-	-	-	(258,044,946)	1,050,894	81,574,977
Due from related parties	6,290,005	-	-	-	-	-	6,290,005
Investments in treasury bills	46,551,393	-	-	-	-	-	46,551,393
Cash and cash equivalents	88,262,029	-	-	-	-	(1,050,894)	87,211,135
<b>Total current assets</b>	<b>884,613,789</b>	<b>(178,054,907)</b>	<b>(150,415,890)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>556,142,992</b>
<b>Total assets</b>	<b>11,219,407,538</b>	<b>(259,897,862)</b>	<b>(409,292,482)</b>	<b>-</b>	<b>(163,151,673)</b>	<b>-</b>	<b>10,387,065,521</b>
<i>Equity</i>							
Paid-up capital	1,238,000,000	-	-	-	-	-	1,238,000,000
Legal reserve	342,813,874	-	-	-	-	(31,830,904)	310,982,970
Retained earnings	5,872,580,822	(195,943,330)	(322,679,186)	-	-	-	5,385,789,210
<b>Total equity</b>	<b>7,453,394,696</b>	<b>(195,943,330)</b>	<b>(322,679,186)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,934,772,180</b>

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

Financial statements line item	31 December	Adjustments related to the reissuance					Restated
	2023 before reissuance	2A	2B	2C	2D	2E	31 December 2023 after reissuance
<b>Non-current liabilities</b>							
Loans - non-current portion	1,361,308,412	-	-	-	-	-	1,361,308,412
Notes payable - non-current portion (renamed from Trade and notes capable of being paid - non-current portion)	20,618,201	-	-	-	-	(19,674,201)	944,000
Deferred income tax liability	1,824,447,148	(63,954,532)	(86,613,296)	-	-	-	1,673,879,320
<b>Total non-current liabilities</b>	<b>3,206,373,761</b>	<b>(63,954,532)</b>	<b>(86,613,296)</b>	-	-	<b>(19,674,201)</b>	<b>3,036,131,732</b>
<b>Current liabilities</b>							
Provisions	1,139,247	-	-	-	-	-	1,139,247
Loans - current portion	169,463,224	-	-	-	-	-	169,463,224
Notes payable – current portion	-	-	-	-	-	-	-
Trade and other payable	161,789,554	-	-	-	-	(69,584,238)	92,205,316
Assets purchase payables	-	-	-	-	-	-	-
Due to related parties	-	-	-	-	-	-	-
Deposit related to maintenance fees (renamed from Creditors and other credit balances)	181,962,768	-	-	(163,151,673)	-	-	108,069,534
Current income tax liabilities	45,284,288	-	-	-	-	89,258,439	45,284,288
<b>Total current liabilities</b>	<b>559,639,081</b>	-	-	-	<b>(163,151,673)</b>	-	<b>416,161,609</b>
<b>Total equity and liabilities</b>	<b>11,219,407,538</b>	<b>(195,943,330)</b>	<b>(409,292,482)</b>	-	<b>(163,151,673)</b>	-	<b>10,387,065,521</b>

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

Financial statements line item	As previously issued 2023	Change in presentation of impact in units sold [Adjustment 2A]	Restatement as a result of change in presentation of other items [Adjustment 2(B)]	Restated 2023 - after reissuance
Rental income	-	-	339,181,419	339,181,419
Revenue from units sold	-	168,332,485	309,908,307	478,240,792
Maintenance income	-	-	50,940,402	50,940,402
Interest income on financing for units sold	-	-	12,015,155	12,015,155
Other income	-	-	32,504,160	32,504,160
<b>Total revenues</b>	-	<b>168,332,485</b>	<b>744,549,443</b>	<b>912,881,928</b>
Revenues	4,669,568,573	-	(4,669,568,573)	-
Cost of revenues	(502,316,660)	126,981,776	375,334,884	-
<b>Gross profit</b>	<b>4,167,251,913</b>	<b>19,567,356</b>	<b>(4,186,819,269)</b>	<b>-</b>
Operating cost related to rent and maintenance	-	-	(104,755,468)	(104,755,468)
Cost of units sold	-	-	(102,246,931)	(102,246,931)
<b>Total cost of revenues</b>	<b>-</b>	<b>-</b>	<b>(207,002,399)</b>	<b>(207,002,399)</b>
<b>Gross profit</b>	<b>-</b>	<b>295,314,261</b>	<b>537,547,044</b>	<b>705,879,529</b>
Net gain from fair value adjustment on investment in properties	-	(107,414,420)	(258,873,593)	3,390,398,634
Selling and marketing expenses	(40,081,031)	-	-	(40,081,031)
General and administrative expenses	(64,420,905)	-	-	(64,420,905)
Net impairment (reversal of impairment) of financial assets (renamed from Impairment of financial assets)	4,642,135	-	-	4,642,135
Gain from sale of investments	-	-	23,779,666	23,779,666
<b>Operating profits</b>	<b>4,067,392,112</b>	<b>187,899,843</b>	<b>(258,873,593)</b>	<b>4,020,198,028</b>
Finance income	53,638,538	-	(23,779,666)	29,858,872
Finance costs	(270,030,059)	-	-	(270,030,059)
<b>Profits for the year before tax</b>	<b>3,851,000,591</b>	<b>187,899,843</b>	<b>(258,873,593)</b>	<b>3,780,026,841</b>
Current income tax expense	(56,013,564)	-	(2,377,967)	(58,391,531)
Financial investment profits tax	(2,377,967)	-	2,377,967	-
Deferred income tax	(788,767,135)	(4,402,655)	20,371,749	(772,798,041)
<b>Net profit for the year</b>	<b>3,003,841,925</b>	<b>183,497,188</b>	<b>(238,501,844)</b>	<b>2,948,837,269</b>
<b>Basic and diluted earnings per share (EGP/share)</b>	<b>24.26</b>			<b>23.82</b>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

	As previously issued 2023	Adjustments in the statement of cash flows related to adjustments in other primary statements 2J	Adjustment relating to financing of assets 2K	Restated 2023 - after reissuance
<b>Cash flows from operating activities</b>				
Net profit for the year before tax	3,851,000,592	(70,973,751)	-	3,780,026,841
Adjustments for:				
Depreciation of fixed assets	3,562,496	-	-	3,562,496
Net gain from fair value adjustment on investment in properties	(3,756,686,645)	366,288,011	-	(3,390,398,634)
Interests on loan	268,977,949	-	-	268,977,949
Credit interest	(9,002,184)	-	-	(9,002,184)
Treasury bills interests	(1,950,396)	-	-	(1,950,396)
Gain from sale of securities	(23,779,666)	-	-	(23,779,666)
(Reversal) impairment of financial assets	(5,083,857)	-	-	(5,083,857)
<b>Operating profits before change in working capital</b>	<b>327,038,289</b>	<b>295,314,260</b>	-	<b>622,352,549</b>
<b>Change in working capital</b>				
Proceeds from units available for sale	397,561,193	(295,314,262)	-	102,246,931
Trade receivables and other receivables	(227,488,238)	227,488,238	-	-
Trade receivables from sales	-	(220,889,829)	-	(220,889,829)
Trade receivables, other receivables and previous prepayments	-	(7,649,302)	-	(7,649,302)
Deposit related to maintenance fees	-	89,616,770	-	89,616,770
Due from related parties	(5,970,884)	-	-	(5,970,884)
Trade payables and other credit balances	54,213,364	(54,213,364)	-	-
Creditors and other credit balances	(2,613,741)	(35,403,406)	-	(38,017,147)
Due to related parties	-	-	-	-
<b>Net cash flows generated from operating activities</b>	<b>542,739,983</b>	<b>(1,050,895)</b>	-	<b>541,689,088</b>
<b>Cash flows from investing activities</b>				
Payments to purchase of fixed assets	(25,125,497)	-	-	(25,125,497)
Prepayments to purchase investment properties	(71,786,735)	-	-	(71,786,735)
Payments to purchase investment properties	(54,834,969)	54,834,969	-	-
Payments to purchase projects in progress	(20,422,013)	20,422,013	-	-
Payments to purchase investment properties and projects in progress	-	(75,256,982)	-	(75,256,982)
Payments for assets payable	-	-	(420,769,745)	(420,769,745)
Payments for purchase of treasury bills	(44,821,860)	-	-	(44,821,860)
Payments to purchase securities	-	(29,193,035)	-	(29,193,035)
Proceeds from selling securities	23,779,666	29,193,035	-	52,972,701
Credit interest collected	9,002,184	-	-	9,002,184
<b>Net cash flows used in investing activities</b>	<b>(184,209,224)</b>	-	<b>(420,769,745)</b>	<b>(604,978,969)</b>
<b>Cash flows from financing activities</b>				
Paid up capital	-	-	-	-
Proceeds from loans	-	-	420,769,745	420,769,745
Payment of loans	(137,364,949)	-	-	(137,364,949)
Payment of loan interest	(259,378,234)	-	-	(259,378,234)
<b>Net Cash flows (used in) generated from financing activities</b>	<b>(396,743,183)</b>	-	<b>420,769,745</b>	<b>24,026,562</b>
<b>Net change in cash and cash equivalents</b>	<b>(38,212,424)</b>	<b>(1,050,895)</b>	-	<b>(39,263,319)</b>
Cash and cash equivalents at the beginning of the year	126,474,454	-	-	126,474,454
<b>Cash and cash equivalents at end of the year</b>	<b>88,262,030</b>	<b>(1,050,895)</b>	-	<b>87,211,135</b>
<b>Non-cash transactions:</b>				
Transferred from projects in progress to investment properties	38,987,235	-	-	38,987,235
Transfer from investment in properties to units available for sale	679,134,603	(679,134,603)	-	-
Assets purchase payable	420,769,745	-	(420,769,745)	-
Prepayments to purchase investment properties	163,151,674	(163,151,674)	-	-
Trade and notes payables	163,151,674	(163,151,674)	-	-
Income tax settlement against withholding tax receivable (note 9.b)	13,107,243	-	-	13,107,243
<b>Non cash transactions related to loans</b>	<b>420,769,745</b>	-	<b>(420,769,745)</b>	-

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

Financial statements line item	As previously issued 31 December 2022	Restatements as a result of change in accounting policies (before reissuance)		Adjustments related to the reissuance			Restated 31 December 2022 - after reissuance
		[Adjustment 1]	[Adjustment 2]	2A	2C	2E	
<i>Non-current assets</i>							
Investment in properties	23,257,380	-	23,257,380	-	-	-	23,257,380
Projects in progress	2,061,935,228	4,517,166,507	6,579,101,735	(653,566,137)	31,682,916	-	5,957,218,514
Prepayments to purchase investment properties	31,682,916	-	31,682,916	-	(31,682,916)	-	-
Loan receivables on sale	178,561,117	-	178,561,117	-	-	-	178,561,117
<b>Total non-current assets</b>	<b>2,295,436,641</b>	<b>4,517,166,507</b>	<b>6,812,603,148</b>	<b>(653,566,137)</b>	-	-	<b>6,159,037,011</b>
<i>Current assets</i>							
Units available for sale	37,512,151	85,855,772	123,367,923	55,349,544	-	-	178,717,467
Loan receivables on sale - current portion	-	-	-	-	-	149,328,556	149,328,556
Trade receivables and other receivables	231,763,481	-	231,763,481	-	-	(149,328,556)	82,434,925
Related parties	319,121	-	319,121	-	-	-	319,121
Investments in treasury bills	-	-	-	-	-	-	-
Cash at banks and on hand	126,474,454	-	126,474,454	-	-	-	126,474,454
<b>Total current assets</b>	<b>396,069,207</b>	<b>85,855,772</b>	<b>481,924,979</b>	<b>55,349,544</b>	-	-	<b>537,274,523</b>
<b>Total assets</b>	<b>2,691,505,848</b>	<b>4,603,022,279</b>	<b>7,294,528,127</b>	<b>(598,216,593)</b>	-	-	<b>6,696,311,534</b>
<i>Equity</i>							
Paid-up capital	1,238,000,000	-	1,238,000,000	-	-	-	1,238,000,000
Legal reserve	14,254,665	178,367,113	192,621,778	-	-	(29,080,671)	163,541,107
Retained earnings	(370,044,161)	3,388,975,153	3,018,930,992	(463,617,859)	-	29,080,671	2,584,393,804
<b>Total equity</b>	<b>882,210,504</b>	<b>3,567,342,266</b>	<b>4,449,552,770</b>	<b>(463,617,859)</b>	-	-	<b>3,985,934,911</b>
<i>Non-current liabilities</i>							
Loans - non-current portion	1,111,336,293	-	1,111,336,293	-	-	-	1,111,336,293
Notes payable - non-current portion (renamed from Trade and notes payable - non-current portion)	944,000	-	944,000	-	-	-	944,000
Deferred income tax liability	-	1,035,680,013	1,035,680,013	(134,598,734)	-	-	901,081,279
<b>Total non-current liabilities</b>	<b>1,112,280,293</b>	<b>1,035,680,013</b>	<b>2,147,960,306</b>	<b>(134,598,734)</b>	-	-	<b>2,013,361,572</b>
<i>Current liabilities</i>							
Provisions	3,840,017	(2,700,770)	1,139,247	-	-	-	1,139,247
Loans - current portion	126,430,832	-	126,430,832	-	-	-	126,430,832
Notes payable - current portion	-	-	-	-	-	-	-
Trade payables and other payable - current portion	20,925,823	-	20,925,823	-	-	109,296,640	130,222,463
Assets purchase payables	420,769,745	-	420,769,745	-	-	-	420,769,745
Due to related parties	-	-	-	-	-	-	-
Deposit related to maintenance fees (renamed from Creditors and other credit balances)	125,048,634	2,700,770	127,749,404	-	-	(109,296,640)	18,452,764
Current income tax liabilities	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>697,015,051</b>	<b>4,603,022,279</b>	<b>7,294,528,127</b>	<b>(598,216,593)</b>	-	-	<b>6,696,311,534</b>
<b>Total equity and liabilities</b>	<b>2,691,505,848</b>	<b>4,603,022,279</b>	<b>7,294,528,127</b>	<b>(598,216,593)</b>	-	-	<b>6,696,311,534</b>

**BONYAN FOR DEVELOPMENT AND TRADING (S.A.E.)**

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

Financial statements line item	As previously issued in 2022	Change in accounting policy [Adjustment 1]	Prior to reissuance	Change in presentation of impact in units sold	Restatement as a result of change in presentation of other items	Restated 2022 - after reissuance
Rental income	-	-	-	-	233,730,298	233,730,298
Revenue from units sold	-	-	-	350,102,786	-	350,102,786
Maintenance income	-	-	-	-	39,992,224	39,992,224
Interest income on financing for units sold	-	-	-	-	2,299,283	2,299,283
Other income	-	-	-	-	17,677,566	17,677,566
<b>Total revenues</b>	-	-	-	<b>350,102,786</b>	<b>293,699,371</b>	<b>643,802,157</b>
Revenues	641,502,873	2,857,231,731	3,498,734,604	-	(3,498,734,604)	-
Cost of revenues	(196,485,864)	(183,063,272)	(379,549,136)	-	379,549,136	-
<b>Gross profit</b>	<b>445,017,009</b>	<b>2,674,168,459</b>	<b>3,119,185,468</b>	-	<b>(3,119,185,468)</b>	-
Operating cost related to rental and maintenance	-	-	-	-	(73,711,554)	(73,711,554)
Cost of units sold	-	-	-	(83,240,988)	-	(83,240,988)
<b>Total cost of revenues</b>	-	-	-	<b>(83,240,988)</b>	<b>(73,711,554)</b>	<b>(156,952,542)</b>
<b>Gross profit</b>	-	-	-	<b>266,861,798</b>	<b>219,987,817</b>	<b>486,849,615</b>
Net gain from fair value adjustment on investment in properties	-	-	-	(291,268,836)	2,901,496,934	2,610,228,098
Selling and marketing expenses	(46,715,419)	-	(46,715,419)	-	-	(46,715,419)
General and administrative expenses	(36,338,914)	(2,700,770)	(39,039,684)	-	-	(39,039,684)
Net Impairment (reversal of impairment) of financial assets (renamed from impairment of financial assets)	(4,924,276)	-	(4,924,276)	-	-	(4,924,276)
Provisions formed	(2,700,770)	2,700,770	-	-	-	-
<b>Operating profits</b>	<b>(90,679,379)</b>	-	<b>(90,679,379)</b>	<b>(24,407,038)</b>	<b>3,121,484,751</b>	<b>3,006,398,334</b>
Finance income	14,559,532	-	14,559,532	-	(2,299,283)	12,260,249
Finance costs	(111,986,470)	-	(111,986,470)	-	-	(111,986,470)
<b>Profits for the year before taxes</b>	<b>(188,106,317)</b>	-	<b>(188,106,317)</b>	<b>(24,407,038)</b>	<b>3,119,185,468</b>	<b>2,906,672,113</b>
Current income tax expense	-	-	-	-	-	-
Financial investment profits tax	-	-	-	-	-	-
Deferred income tax	-	(601,687,903)	(601,687,903)	5,491,584	-	(596,196,319)
<b>Net profit for the year</b>	<b>(188,106,317)</b>	<b>(601,687,903)</b>	<b>(789,794,220)</b>	<b>(18,915,454)</b>	<b>3,119,185,468</b>	<b>2,310,475,794</b>
<b>Basic and diluted earnings per share (EGP/share)</b>	<b>19.56</b>	-	-	-	-	<b>19.40</b>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

	As previously issued 2022	Adjustments in the statement of cash flows related to adjustments in other primary statements 2.]	Restated 2022 - after reissuance
<b>Cash flows from operating activities</b>			
<b>Net profit for the year before tax</b>	<b>256,910,692</b>	<b>2,649,761,421</b>	<b>2,906,672,113</b>
<b>Adjustments for:</b>			
Depreciation of fixed assets	3,539,683	-	3,539,683
Depreciation of investment in property	39,533,323	(39,533,323)	-
Net gain from fair value adjustment on investment in properties	-	(2,610,228,098)	(2,610,228,098)
Interests on loan	-	111,986,470	111,986,470
Debit interest	111,986,470	(111,986,470)	-
Credit interest	(6,213,723)	2,299,283	(3,914,440)
Impairment of receivables	3,950,261	(3,950,261)	-
Impairment of related parties	974,015	(974,015)	-
Provisions formed	2,700,770	(2,700,770)	-
Treasury bills interests	-	-	-
Gain from securities selling	-	-	-
(Reversal) impairment of financial assets	-	4,924,276	4,924,276
<b>Operating profits before change in working capital</b>	<b>413,381,491</b>	<b>(401,487)</b>	<b>412,980,004</b>
<b>Change in working capital</b>			
Proceeds from units available for sale	83,240,988	-	83,240,988
Trade receivables and other receivables	(311,632,461)	311,632,461	-
Loan receivables on sale	-	(275,990,552)	(275,990,552)
Trade receivables, other receivables and prepayments	-	(35,641,909)	(35,641,909)
Trade payables and other credit balances	96,600,616	(82,395,819)	14,204,797
Trade and notes payable	1,939,584	85,096,589	87,036,173
Due from related parties	(1,293,136)	-	(1,293,136)
Due to related parties	(978,393)	-	(978,393)
<b>Net cash flows generated from operating activities</b>	<b>281,258,689</b>	<b>2,700,770</b>	<b>283,557,972</b>
<b>Cash flows from investing activities</b>			
Payments to purchase of fixed assets	(16,264,794)	-	(16,264,794)
Prepayments to purchase investment properties	-	-	-
Payments to purchase investment properties and projects in progress	(1,034,267,927)	(69,432,613)	(1,103,700,540)
Payments to purchase projects in progress	(69,432,613)	69,432,613	-
Payments for purchase of treasury bills	-	-	-
Payments for purchase of securities	-	-	-
Payments from selling securities	-	-	-
Proceeds from selling securities	-	-	-
Credit interest collected	6,213,723	(2,299,283)	3,914,440
<b>Net cash flows used in investing activities</b>	<b>(1,113,751,611)</b>	<b>(2,299,283)</b>	<b>(1,116,050,894)</b>
<b>Cash flows from financing activities</b>			
Paid up capital	434,000,000	-	434,000,000
Proceeds from loans	655,725,641	-	655,725,641
Payment of loans	(33,797,173)	-	(33,797,173)
Payment of loan interest	(114,489,976)	-	(114,489,976)
<b>Net Cash flows (used in) generated from financing activities</b>	<b>941,438,492</b>	<b>-</b>	<b>941,438,492</b>

**BONYAN FOR DEVELOPMENT AND TRADING (S.A.E.)**

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

Financial statements line item	As previously issued 31 December 2021	Restatements as a result of change in accounting policies (before reissuance)		Restated 31 December 2021 - before reissuance	Adjustments related to the reissuance			Restated 31 December 2021 - after reissuance
		(Adjustment I)	(Adjustment II)		2A	2C	2E	
<b>Non-current assets</b>								
Fixed assets	10,532,269	-	-	10,532,269				10,532,269
Investment in properties	313,533,141	1,815,188,817	(681,728,782)	2,128,721,958		362,866,314		1,809,859,490
Projects in progress	362,866,314	-	-	362,866,314		(362,866,314)		-
Prepayments to purchase investment properties	-	-	-	-		-		-
Loan receivables on sale - non-current portion (renamed from Trade receivables and other receivables - long term)	35,419,542	-	-	35,419,542		-		35,419,542
<b>Total non-current assets</b>	<b>722,351,266</b>	<b>1,815,188,817</b>	<b>(681,728,782)</b>	<b>2,537,540,083</b>	<b>(681,728,782)</b>	<b>-</b>	<b>-</b>	<b>1,855,811,301</b>
<b>Current assets</b>								
Units available for sale	40,374,225	113,665,003	107,919,227	154,039,228		-		261,958,455
Loan receivables on sale - current portion	-	-	-	-		16,255,250		16,255,250
Trade receivables, other receivables and prepayments (renamed from Trade receivables and other receivables)	67,222,856	-	-	67,222,856		(16,255,250)		50,967,606
Due from related parties	-	-	-	-		-		-
Investments in treasury bills	-	-	-	-		-		-
Cash and cash equivalents	17,528,884	-	-	17,528,884		-		17,528,884
<b>Total current assets</b>	<b>125,125,965</b>	<b>113,665,003</b>	<b>107,919,227</b>	<b>238,790,968</b>	<b>107,919,227</b>	<b>-</b>	<b>-</b>	<b>346,710,195</b>
<b>Total assets</b>	<b>847,477,231</b>	<b>1,928,853,820</b>	<b>(573,809,555)</b>	<b>2,776,331,051</b>	<b>(573,809,555)</b>	<b>-</b>	<b>-</b>	<b>2,202,521,496</b>
<b>Equity</b>								
Paid-up capital	804,000,000	-	-	804,000,000		-		804,000,000
Legal reserve	1,409,130	74,743,086	-	76,152,216		-	(28,134,899)	48,017,317
Retained earnings	(614,109,318)	1,420,118,624	(444,702,405)	806,009,306		-	28,134,899	389,441,800
<b>Total equity</b>	<b>191,299,812</b>	<b>1,494,861,710</b>	<b>(444,702,405)</b>	<b>1,686,161,522</b>	<b>(444,702,405)</b>	<b>-</b>	<b>-</b>	<b>1,241,459,117</b>

**BONYAN FOR DEVELOPMENT AND TRADING (S.A.E.)**

**Notes to the re-issued financial statements – For the year ended 31 December 2023**

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

**32. Adjustments related to the reissuance of the financial statements for the financial year ended 31 December 2023 and the restatement of comparative information in the financial statements (continued)**

Financial statements line item	As previously issued 31 December 2021	Restatements as a result of change in accounting policies (before reissuance) [Adjustment +/-]		Adjustments related to the reissuance			Restated 31 December 2021 - after reissuance
		Restated 31 December 2021 - before reissuance	Restated 31 December 2021 - before reissuance	2A	2C	2E	
<b>Non-current liabilities</b>							
Loans - non-current portion	543,793,437	-	543,793,437	-	-	-	543,793,437
Notes payable - non-current portion (renamed from financial securities payable - non-current portion)	3,680,127	-	3,680,127	-	-	-	3,680,127
Deferred income tax liability	-	433,992,110	433,992,110	(129,107,150)	-	-	304,884,960
<b>Total non-current liabilities</b>	<b>547,473,564</b>	<b>433,992,110</b>	<b>981,465,674</b>	<b>(129,107,150)</b>	<b>-</b>	<b>-</b>	<b>852,358,524</b>
<b>Current liabilities</b>							
Provisions	1,139,247	-	1,139,247	-	-	-	1,139,247
Loans - current portion	61,888,085	-	61,888,085	-	-	-	61,888,085
Notes payable - current portion	16,250,112	-	16,250,112	-	(16,250,112)	-	-
Trade and other payable -	-	-	-	-	40,450,163	-	40,450,163
Assets purchase payables	-	-	-	-	-	-	-
Due to related parties	978393	-	978,393	-	-	-	978,393
Deposit related to maintenance fees (renamed from Creditors and other credit balances)	28,448,018	-	28,448,018	-	(24,200,051)	-	4,247,967
Current income tax liabilities	-	-	-	-	-	-	-
<b>Total current liabilities</b>	<b>108,703,855</b>	<b>-</b>	<b>108,703,855</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>108,703,855</b>
<b>Total liabilities and equity</b>	<b>847,477,231</b>	<b>1,928,853,820</b>	<b>2,776,331,051</b>	<b>(573,809,555)</b>	<b>-</b>	<b>-</b>	<b>2,202,521,496</b>

## Notes to the re-issued financial statements – For the year ended 31 December 2023

(All amounts in the notes are shown in Egyptian pounds unless otherwise stated)

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**33. Significant events**

- A) The conflict in Gaza, which ended on 7 October 2023, had a significant impact on the Egyptian economy and consumer trends. The company assessed the main effects of the economic conflict, which shows a formation in the supply chain due to the conflict affecting the combat of navigation in the Red Sea. This led to an increase in shipping prices in general due to increased insurance and shipping costs. The company is also broad, and the company is not affected in the long term, but the uncertainty and liquidity in the situation, so the impact in the comprehensive and long term is not specified.
- B) The Company's functional and presentation currency witnessed significant movements in the year ended 2023, as the Egyptian pound has decreased by 24.4% against foreign currencies. These movements are within the framework of the ongoing liberalisation of the Exchange Rate Regime by the Central Bank of Egypt (CBE).

**34. Subsequent events**

- A) In February 2024, the Monetary Policy Committee of the Central Bank of Egypt decided to raise key interest rates by 200 basis points.
- B) On 6 March 2024, the Monetary Policy Committee of the Central Bank of Egypt decided in its extraordinary meeting to raise the overnight lending rate and the main operation rate of the Central Bank of Egypt by 600 basis points to reach 27.25%, 28.25% and 27.75% respectively. The credit and discount rates were also raised by 600 basis points to reach 27.75%. The Central Bank decided to continue its efforts to move towards a flexible framework for targeting inflation, by continuing to target inflation as a nominal anchor of monetary policy while allowing the exchange rate to be determined according to market mechanisms so that the exchange rate reflects the value of the Egyptian pound against other foreign currencies by the forces of supply and demand, which led to a depreciation of the Egyptian pound. The potential impact of the depreciation of the Egyptian pound on the company's performance remains uncertain as of the date of this report, however, management continues to closely monitor the situation.
- C) During October 2024, the Company has partially settled part of its debt related to Banque Misr and BM Lease for an amount of EGP 313 million. This brings the Company's total outstanding debt to EGP 1,078 million as of 31 October 2024. This will serve to reduce the Company's debt and financing costs which will reflect positively on the Company's financial statements.
- D) During 2024 the Board of Directors of the Company decided to start the communication process with the Financial Regulatory Authority to start the submission process of listing the Company in the Egyptian stock exchange.