Translated From Arabic

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company – Under Public Free Zone)

Separate Financial Statements for the financial Year Ended January 31, 2020 and Auditors' Reports

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(An Egyptian Joint stock company – Under Public Free Zone)

Separate Financial Statements for the financial Year Ended January 31, 2020 and Auditors' Reports

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KPMG

Hazem Hassan
Public Accountants & Consultants

12, Nouh Effendi St., from Sultan Hussein St.,
El Pharaana
Alexandria

Telephone: (203) 485 32 51 / 485 32 52
Telefax : (203) 485 32 50

AUDITOR'S REPORT

To \ The Shareholders of Al Arafa for Investment and Consultancies (Egyptian Joint Stock company, under public free Zone)

Report on the Separate Financial Statements

We have audited the accompanying separate financial statements of Al Arafa for Investment and Consultancies Company (Egyptian Joint Stock company, under public free Zone) for the financial year ended January 31, 2020 which comprise the separate Statement of financial position, the statements of income, comprehensive income, changes in equity, and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the separate Financial Statements

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

Auditor's Responsibility

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

The separate financial statements of the merging company as of January 31, 2019 were audited by another auditor and a report was issued with an unqualified opinion on these financial statements on April 21, 2019, and the financial statements of the merged companies on December 10, 2019 were audited by another auditor and a report was issued with an unqualified opinion on these financial statements, Taking into consideration the financial reporting framework requirements for the comparative figures.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects, the separate financial position of Al Arafa for Investment and Consultancies Company (Egyptian Joint Stock company, under public free Zone) (merging company) as of January 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards, the Egyptian laws and regulations relating to the preparation of these separate financial statements.

Emphasis of matters

Without qualifying our above mentioned opinion, we draw attention to the following :

As detailed in notes No. (1-2) of the notes of the separate financial statements, the decision of the formed committee was issued by the General Authority for Investment and Free Zone, approved on the first of July 2019 to verify the initial assessment of the assets and liabilities of the following companies for the purpose of merging Al Arafa for Investment and Consultancies Company (Egyptian Joint Stock company, under public free zone) (merging company), with both Al Arafa for investments in Garments industry company (merged company), Al Arafa for investments in Spinning & Textile industry Company (merged company), Al Arafa for investments in Garments Marketing & Retail Company (merged company) with the book values according to the financial statements as of October 31, 2018 for both the merging company and the merged companies taken as the basis for the merger.

According to the decree of the Extraordinary General Assembly of the merging company (Al Arafa for Investment and Consultancies Company) as of August 4, 2019 and the approval of the Financial Regulatory Authority as of November 25, 2019, it was agreed to determine the authorized capital of the merging company amounting USD 150 million (one hundred and fifty million USD) and as the company issued and paid-up capital were determined amounting USD 94 050 000 (ninety-four million fifty thousand USD) distributed over 470 250 000 shares (four hundred seventy million two hundred and fifty thousand shares) the value of each share is 20 US cents. It is represented in the total of the equity in the merging company, Al Arafa for Investment and Consultancies Company and the net of non - controlling in the merged companies according to the report of the formed committee by the General Authority for Investment and Free Zone. The Executive Chairman of the General Authority for Investment and Free Zone No. 85 of 2019 issued an authorization to merge, and this was notified in the commercial register of the company on December 10, 2019 authorizing the merge, as well as transferring all the rights and obligations of the merged companies to Al Arafa for Investment and Consultancies Company on that date and the financial statements presented include the financial implications arising from this merge.

Report on Other legal and Regulatory Requirements

The Company maintains proper books of account, which includes all that is required bylaw and by the statutes of the company, the separate financial statements, are in agreement therewith.

The financial information included in the Board of Director's report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the company's books of account and that is within the limits that such information are recorded in the books.

***KPMG* Hazem Hassan**
Public Accountants and Consultants

KPMG Hazem Hassan

KPMG **Hazem Hassan**
Public Accountants and consultants

Alexandria on May 21, 2020

Translated From Arabic

Auditor's report

To: The Shareholders of Al Arafa for Investment and Consultancies company (S.A.E).

Report on the Financial Statements

We have audited the accompanying separate financial statements of Al Arafa for Investment and Consultancies Company (S.A.E) which comprise the separate financial position as at January 31, 2020 and the standalone statements of income, comprehensive income, changes in equity and cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.

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

41, Sherif Pacha Street, Cairo, Egypt.
Tel: (02) 23939633 - 23939372 - 23937108 - 23930660
E-mail : acc@antonatalla-co.com
Fax: (02) 23927137
Website: www.antonatalla-co.com

Translated From Arabic

Opinion

In our opinion, the separate financial statements referred to above present fairly, in all material respects on the financial position of Al Arafa for Investment and Consultancies Company (S.A.E) as at January 31, 2020 and of its separate financial performance and its separate cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these separate financial statements.

Report on Other legal and Regulatory Requirements

The Company maintains proper books of account, which includes all that is required by law and by the statutes of the company, the separate financial statements, are in agreement therewith.

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The financial information included in the Board of Director's report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the company's books of account and that is within the limits that such information are recorded in the books.

Cairo, May 21, 2020

Auditor

Youssef Kamel
EFSA,S register of auditors
No. (112)
(A.R.NO. 3764)

YOUSSEF KAMEL
EFSA`s register of auditors no. (112)
(A.R no. 3764)

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company – Under Public Free Zone)
Separate statement of Financial Position as of January 31, 2020

	Note No	January 31, 2020 USD	January 31, 2019 Merging Company After The General Investment Authority Adjustments USD
Assets			
Non-current assets			
Property, plant & equipment (net)	(31-2), (8)	1 876 543	402 047
Intangible Assets	(9)	8 073 530	8 073 530
Investment in associates	(31-4), (10)	4 404 077	10 900
Investments in subsidiaries	(31-4), (11)	113 687 022	115 230 399
Investments in joint ventures	(31-5), (12)	–	659 810
Financial investments available for sale	(13)	30 860	30 860
Total non-current assets		**128 072 032**	**124 407 546**
Current Assets			
Trade and other receivables	(31-7), (14)	1 681 965	4 126 334
Due from related parties	(27-1)	28 721 979	24 271 815
Cash in banks and on hand	(31-8), (15)	76 588 213	51 327 355
Total current assets		**106 992 157**	**79 725 504**
Total assets		**235 064 189**	**204 133 050**
Equity and Liabilities			
Equity			
Issued and Paid up capital	(31-12), (22)	94 050 000	94 050 000
Reserves	(23)	18 257 754	12 135 736
Retained Earnings		2 590 594	--
Net profit for the year		13 858 449	6 393 944
Total Equity		**128 756 797**	**112 579 680**
Liabilities			
Non-current liabilities			
Medium term loan	(31-10), (16)	6 321 403	13 907 087
Long term lease contracts liabilities	(31-3), (19)	583 924	--
Total non-current liabilities		**6 905 327**	**13 907 087**
Current liabilities			
Medium term loan	(31-10), (16)	7 585 684	4 635 695
Short-term lease contracts liabilities	(31-3), (19)	1 473 778	--
Banks - credit facilities	(31-10), (17)	69 473 656	46 968 629
Trade and other payables	(31-11), (18)	498 993	3 871 521
Due to related parties	(27-2)	20 369 954	22 170 438
Total current liabilities		**99 402 065**	**77 646 283**
Total liabilities		**106 307 392**	**91 553 370**
Total equity and liabilities		**235 064 189**	**204 133 050**

- The notes on pages (14) to (46) are an integral part of these separate financial statements.
- Auditor's Report "attached"
- Date: May 21, 2020

Financial Manager

Accountant / Mohamed Mohamed Mohy Eldeen

Chairman and Managing Director

Dr / Alaa Ahmed Arafa

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company – Under Public Free Zone)
Separate Income Statement for the Financial Year Ended January 31, 2020

	Note No	January 31,2020 USD	January 31,2019 Merging Company After The General Investment Authority Adjustments USD
Operation Revenue			
Technical support services Revenue	(31-14 - iii)	1 416 365	3 240 828
Total Operation Revenue		**1 416 365**	**3 240 828**
Other income	(3)	238 289	1 117 346
Other expenses	(4)	(142 064)	(124 919)
General and administrative expenses	(5)	(2 059 568)	(3 896 787)
(losses) / Profits from operating activities		**(546 978)**	**336 468**
Finance expenses	(31 - 15 - i), (6)	(4 216 836)	(2 772 917)
Finance income	(31 - 14 - iv), (7)	18 622 263	8 830 393
Net finance income		**14 405 427**	**6 057 476**
Net profit for the year		**13 858 449**	**6 393 944**
Earnings Per Share for the year (USD /share)	**(31-16), (25)**	**0.0293**	**0.0134**

- The notes on pages (14) to (46) are an integral part of these separate financial statements.

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company – Under Public Free Zone)
Separate statements of comprehensive income statement for the financial year ended January 31, 2020

	January 31,2020 USD	January 31,2019 Merging Company After The General Investment Authority Adjustments USD
Net profit for the year	**13 858 449**	**6 393 944**
Other comprehensive income items	--	--
Total comprehensive income for the year	**13 858 449**	**6 393 944**

- The notes on pages (14) to (46) are an integral part of these financial statements.

Al Arafa for Investment and Consultancies
(An Egyptian stock Joint company – Under Public Free Zone)
Separate statement of changes in equity for the financial year ended January 31, 2020

	Issued and Paid up Capital USD	Reserves USD	Retained (Losses)/ Earnings USD	Net (Losses)/ Profits for the year USD	Total USD
Balance as of October 31, 2018 (Merge date)					
Al Arafa for Investment and Consultancies Company (merging)	**94 050 000**	**81 924 671**	**38 259 515**	**4 605 631**	**218 839 817**
Al Arafa for Investment in Garments industry Company (merged)	3 000 000	185 960	2 205 420	(62 989 554)	(57 598 174)
Al Arafa for Investment in Spinning and Textile Industry Company (merged)	3 000 000	28 800	464 204	237 866	3 730 870
Arafa for Investments in Garments Marketing and Retail Company (merged)	3 000 000	410 580	(6 176 227)	(475 708)	(3 241 355)
Balance as of October 31, 2018	**103 050 000**	**82 550 011**	**34 752 912**	**(58 621 765)**	**161 731 158**
Comprehensive Income					
Net profit / (loss) for the financial period from November 1, 2018 to February 1, 2019 (merging and merged companies)	--	--	--	1 788 313	1 788 313
Al Arafa for Investment and Consultancies Company (merging)	--	--	--	(79 245)	(79 245)
Al Arafa for Investment in Garments industry Company (merged)	--	--	--	45 105	45 105
Al Arafa for Investment in Spinning and Textile Industry Company (merged)	--	--	--	(258 190)	(258 190)
Arafa for Investments in Garments Marketing and Retail Company (merged)	**--**	**--**	**--**	**1 495 983**	**1 495 983**
Total comprehensive income for the financial period from November 1, 2018 to February 1, 2019	**103 050 000**	**82 550 011**	**34 752 912**	**(57 125 782)**	**163 227 141**

After it

(An Egyptian Joint stock company – Under Public Free Zone)
Separate statement of changes in equity for the financial year ended January 31, 2020

	Note No	Issued and Paid up Capital USD	Reserves USD	Retained (Losses)/ Earnings USD	Net (Losses)/ Profits for the year USD	Total USD
Balance as of February 1, 2019 (Merger date)						
Al Arafa for Investment and Consultancies Company (merging)		94 050 000	81 924 671	38 259 515	6 393 944	220 628 130
Al Arafa for Investment in Garments industry Company (merged)		3 000 000	185 960	2 205 420	(63 068 799)	(57 677 419)
Al Arafa for Investment in Spinning and Textile Industry Company (merged)		3 000 000	28 800	464 204	282 971	3 775 975
Arafa for Investments in Garments Marketing and Retail Company (merged)		3 000 000	410 580	(6 176 227)	(733 898)	(3 499 545)
Balance as of February 1, 2019 before General Authority for Investments and Free Zone		**103 050 000**	**82 550 011**	**34 752 912**	**(57 125 782)**	**163 227 141**
General Authority for Investments and Free Zone adjustments resulting from merger		(9 000 000)	--	(62 904 096)	--	(71 904 096)
Al Arafa for Investment and Consultancies Company (merging)		--	--	25 626 289	--	25 626 289
Al Arafa for Investment in Garments industry Company (merged)		--	--	(1 636 777)	--	(1 636 777)
Al Arafa for Investment in Spinning and Textile Industry Company (merged)		--	--	(655 537)	--	(655 537)
Arafa for Investments in Garments Marketing and Retail Company (merged)		--	--	--	--	--
Excluding the value of the investments of Al Arafa for Investment and Consultancies		--	--	--	--	--
Company (merging company) in the Al Arafa for investments in Spinning & Textile		--	--	(2 077 340)	--	(2 077 340)
Industry Company (merged company)		**(9 000 000)**	**--**	**(41 647 461)**	**--**	**(50 647 461)**
Total General Authority for investments and Free Zone adjustments resulting from merger	**(30)**	**94 050 000**	**82 550 011**	**(6 894 549)**	**(57 125 782)**	**112 579 680**
After it						

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company – Under Public Free Zone)
Separate statement of changes in equity for the financial year ended January 31, 2020

	Issued and Paid up Capital USD	Reserves USD	Retained (Losses)/ Earnings USD	Net (Losses)/ Profits for the year USD	Total USD
Balance as of February 1, 2019 after General Authority For Investments and Free Zone	**94 050 000**	**82 550 011**	**(6 894 549)**	**(57 125 782)**	**112 579 680**
Transfer net losses for the period to reserves	--	(57 125 782)	--	57 125 782	--
Transfer retained losses in reserves	--	(6 894 549)	6 894 549	--	--
profit for the year from Frebuary 1, 2018 to January 31, 2020	--	(6 393 944)	--	6 393 944	--
Balance as of January 31, 2020	**94 050 000**	**12 135 736**	**--**	**6 393 944**	**112 579 680**
Total Comprehensive income					
Net (losses) / profit for the period ended December 10, 2019 (merger date)					
Al Arafa for Investment in Garments industry Company (merged)	--	--	--	59 238	59 238
Al Arafa for Investment in Spinning and Textile Industry Company (merged)	--	--	--	(10 811)	(10 811)
Arafa for Investments in Garments Marketing and Retail Company (merged)	--	--	--	1 736 438	1 736 438
Total comprehensive income	**--**	**--**	**--**	**1 784 865**	**1 784 865**
Dividends for the financial year ended January 31, 2020					
Al Arafa for Investment and Consultancies Company (merging)	--	319 700	6 001 544	(6 393 944)	(72 700)
Al Arafa for Investment in Spinning and Textile Industry Company (merged)	--	14 150	268 821	(282 971)	--
Total Dividends	**--**	**333 850**	**6 270 365**	**(6 676 915)**	**(72 700)**
	94 050 000	**12 469 586**	**6 270 365**	**1 501 894**	**114 291 845**

After it

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company – Under Public Free Zone)
Separate statement of changes in equity for the financial year Ended January 31, 2020

	Note No	Issued and Paid up Capital USD	Reserves USD	Retained (Losses)/ Earnings USD	Net (Losses)/ Profits for the year USD	Total USD
Before it		**94 050 000**	**12 469 586**	**6 270 365**	**1 501 894**	**114 291 845**
Excluding investments in associates		--	--	(72 000)	--	(72 000)
Adjustments on balances		--	--	151 896	--	151 896
Adjustments resulting from financial lease agreements	(20)	--	--	526 607	--	526 607
Transfer the legal reserve for Al Arafa for Investment in Spinning and Textile Industry Company (after merger)		--	(14 150)	14 150	--	--
		--	**(14 150)**	**620 653**	**--**	**606 503**
Transfer (losses) / profit for the period ended December 10, 2019 (merged companies) – (Indexation date in the commercial register)						
Al Arafa for Investment in Garments industry Company (merged)		--	--	59 238	(59 238)	--
Al Arafa for Investment in Spinning and Textile Industry Company (merged)		--	--	(10 811)	10 811	--
Arafa for Investments in Garments Marketing and Retail Company (merged)		--	--	1 736 438	(1 736 438)	--
		--	**--**	**1 784 865**	**(1 784 865)**	**--**
Adjustments on balances to establish the General Authority for Investment and Free Zone adjustments		**--**	**5 802 318**	**(6 085 289)**	**282 971**	**--**
Total Comprehensive income						
Net profits for the financial year ended January 31, 2020 Al Arafa for Investment and Consultancies (merging company)		--	--	--	13 858 449	13 858 449
Balance as of January 31, 2020		**94 050 000**	**18 257 754**	**2 590 594**	**13 858 449**	**128 756 797**

- The notes on pages (14) to (46) are an integral part of these financial statements.

Al Arafa for Investment and Consultancies
(An Egyptian Joint stock company – Under Public Free Zone)
Separate statement of cash flows for the financial year ended January 31, 2020

	Note No	January 31,2020 USD	January 31,2019 Merging Company After The General Investment Authority Adjustments USD
Cash flows from operating activities:			
Profit for the year before tax		13 858 449	6 393 944
Adjustments for the followings			
Property, plant and equipment depreciation	(8)	269 885	114 669
Interest and finance expenses	(7)	4 216 836	4 090 733
Interest income	(7)	(6 482 963)	(5 147 993)
Capital gain	(3)	--	(937 923)
Dividends income from subsidiaries		--	(863 844)
Impairment in receivables according to the Authority's adjustments		--	(64 116 780)
Change in investments in subsidiaries		--	63 450 000
Foreign currencies exchange differences	(7)	(12 139 300)	165 624
Adjustments aroused from lease contracts and profits		611 762	--
		334 669	**3 148 430**
Changes in:			
Trade and other receivables	(14)	2 444 369	25 002 190
Due from related parties	(27-1)	(4 450 164)	(23 061 037)
Trade and other payables	(18)	8 766 772	2 192 099
Due to related parties	(27-2)	(1 800 484)	7 513 082
cash (used in) operating activities	(6)	5 295 162	14 794 764
Interest and finance expense paid		(4 216 836)	(4 167 968)
Net cash expenses provided from operating activities		**1 078 326**	**10 626 796**
Cash flows from investing activities			
Payments for acquisition of property, plant and equipment	(8)	(37 475)	(12 002)
Payments for acquisition of financial investments in subsidiaries	(11)	(2 849 800)	--
Collected interest income		6 482 963	5 147 993
Proceeds from treasury bills		--	10 051 321
Proceeds from investments in joint ventures		659 810	--
Net cash provided investing activities		**4 255 498**	**15 187 312**
Cash flows from financing activities			
Change in bank-credit facilities	(17)	22 505 027	19 104 517
Payments for long-term loans	(16)	(7 585 684)	(8 864 972)
Payments from medium term loans	(16)	--	(2 528 561)
Proceeds from medium term loans	(19)	2 949 989	--
Proceeds from leasing contracts		2 057 702	--
Dividends paid		--	(98 100)
Net cash flows provided from financing activities		**19 927 034**	**7 612 884**
Net change in cash and cash equivalent during the year		**25 260 858**	**33 426 992**
Cash and cash equivalents at the end of the year	(15)	**51 327 355**	**17 900 363**
Cash and cash equivalents at the end of the year	(15)	**76 588 213**	**51 327 355**

- The notes on pages (14) to (46) are an integral part of these financial statements.

1- Background and activities

1-1 Legal entity

- Al Arafa for Investment and Consultancies Company - an Egyptian Joint Stock Company, in accordance with investment incentives and guarantees Law No.8 of 1997, operating under the Free Zone decree.

- The Board of Directors of Swiss Garments Company (S.A.E.) -Free Zone (subsidiary company) proposed in its meeting held on the 18th of June 2005 to separate the Company into two Joint Stock Companies (main Company and Spin-off Company) operating according to the Free Zone System with the same shareholders and the same participation percentage in the company’s issued capital as of the separation date. The Board also proposed using the book value of the assets and liabilities, as of the 30th of June 2005 as a basis for the separation. As the purpose of the main company will be specialized in investing in financial instruments and the spin-off company will be specialized in manufacturing ready made garments, As the company’s Extraordinary General Assembly at its session held on October 14,2005 agreed on the mentioned board of director’s proposal, as a final approval on the issuance of the separation decision was taken by the general Authority for Investment and Free Zone as of November 24,2005.

- The main Company's name was changed to Al Arafa for Investment and Consultancies Company, and the commercial register was amended accordingly on January 11, 2006.

- The company’s amendment has been registered in the commercial registry with no. 17426 on 16/1/2006.

- According to the merging company’s main statute, the company’s financial year start from the first of February from each year and ends at 31 January from the next year, rule 55.

- Company's financial year changed from 31 March of each year to 31 January

- Company's location: Nasr city free zone, Arab Republic of Egypt.
  The Company's Chairman and Managing Director is Dr / Alaa Ahmed Abd Al Maksood Arafa.

- The separate financial statements were approved for issuance by the company's board of directors on May 21, 2020

1-2 Merger of both Al Arafa for Investment and Consultancies Company (S. A. E.) with the General Free Zone System (merging company) and Al Arafa for Investment in Garments industry Company (merged company), Al Arafa for Investment in Spinning and Textile Industry Company (merged company), and Al Arafa for Investments in Garments Marketing and Retail Company (merged company)

The decision of the formed committee was issued by the General Authority for Investment and Free Zone, approved on the first of July 2019 to enquire the initial assessment of the assets and liabilities of the following companies for the purpose of merging with the Al Arafa for Investment and Consultancies Company (S. A. E.) merging company with both Al Arafa for Investment in Spinning and Textile Industry Company (S. A. E.) (free zone), and Al Arafa for Investment in Garments industry Company (S. A. E.) (free zone) and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) (free zone) (merged companies) in book values according to the financial statements of the merging company and the merged companies on October 31, 2018. Mainly taken as a basis for the merger.

And establishing the net equity of Al Arafa for Investment and Consultancies Company (merging company) on October 31, 2018 amounting 146 935 721 USD (one hundred forty six million nine hundred thirty five thousand seven hundred and twenty one USD) and the net non controlling interest in the Al Arafa for Investment in Garments industry Company (merged company) deficit of USD 31 971 885 (thirty one million nine hundred seventy one thousand eight hundred eighty five USD) and the Al Arafa for Investment in Spinning and Textile Industry Company (merged company) The amounting 16 753 USD (sixteen thousand seven hundred and fifty three USD) after excluding the value of the investments of Al Arafa for Investment and Consultancies Company (the merging company) in Al Arafa for Investment in Spinning and Textile Industry Company (merged company) amounting 2 077 340 USD (two million and seventy seven thousand and three hundred and forty USD), and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) (merged company) deficit of USD 3 896 892 (three million eight hundred ninety six thousand eight hundred and ninety two USD).

According to the decision of the extraordinary general assembly of the company on August 4, 2019, it was agreed to specify the authorized capital of the merging company amounting USD 150 million (one hundred and fifty million USD) as the issued and paid-up capital of the company was established amounting USD 94 050 000 (ninety four million fifty thousand USD) distributed over 470 250 000 shares (four hundred seventy million two hundred and fifty thousand shares) each share value is USD 20 cents. It is represented by the total net equity in the merging company, Al Arafa for Investment and Consultancies Company and the equity of net non-controlling interest in the merged companies according to the report of the committee formed by the General Authority for Investment and Free Zone and according to the decision of the Executive chairman of the General Authority for Investment and Free Zone No. 85 of 2019 regarding licensing the merger of each of the Al Arafa for Investment in Spinning and Textile Industry Company (S. A. E.), and Al Arafa for Investment in Garments industry Company (S. A. E.) and Al Arafa for Investments in Garments Marketing and Retail Company (S. A. E.) (free zone) (merged companies) in Al Arafa for Investment and Consultancies Company (S. A. E.) merging company in the public free Zone system in Nasr City, and this was notified in the company's commercial registry on December 10, 2019.

1-3 Company's purpose

Providing financial and management consultancy services, investing in Capitals of Egyptian and Foreign Companies and participating in restructuring companies and providing technical and management support.

1-4 Registration in the stock exchange

The Company has been registered in the Egyptian Stock Exchange.

2- Basis of preparation of the separate financial statements

2-1 Statement of compliance

The separate financial statements have been prepared in accordance with Egyptian Accounting Standards "EAS", and in accordance with the prevailing Egyptian laws and regulations.

2-2 Basis of measurement

The separate financial statements have been prepared on the historical cost basis except for Investments available for sale are measured at fair value and financial assets classified at fair value through other comprehensive income

2-3 Functional and presentation currency

The separate financial statements are presented in the USD and all the financial information included are in USD.

2-4 Use of estimates and judgments

- The preparation of separate financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and assumptions related to the prevailing experience and other variable elements as actual results may differ from these estimates.

- Estimates and related assumptions are reviewed periodically.

- Changes in accounting estimates are recognized in the period in which the estimate is changed if the change affects only that period or the period of change or future periods if the change affects both.

- The following are the most important accounts and notes related to them, and these estimates and assumptions are used :

  1- Useful life of fixed assets (Note No. 31-2-iii).
  2- Provisions and contingent liabilities (Note No. 31-13)
  3- Impairment in the value of financial and non-financial assets (Note No. 31-9)
  4- Financial instruments (Note No. 21).

2-5 Fair value measurement

- The fair value of financial instruments is determined on the basis of the market value of the financial instrument or similar instruments at the date of separate financial statements, without deducting any estimated future selling costs,the financial assets are valued at current purchase prices for these assets, while the financial liabilities are valued at current settlement costs of these liabilities.

- In case of absence of an active market to determine the value of the financial instruments, the fair value shall be determined using other valuation techniques taking into consideration recent transactions prices and using the guidance of current fair value as similar instruments. The discount cash flow method is used primarily or any other technique, which may result in a reliable value.

- When using the discounted cash flow method as a valuation method, the future cash flows are calculated using the management's most probable expectations. The discount rate used is the prevailing rate for a similar instrument in the market similar in nature and condition, on the date of the financial statements

3- Other Income

	Note No.	January 31, 2020 USD	January 31,2019 Merging Company After The General Investment Authority Adjustments USD
Revenue from service rendered to other		105 727	37 186
Rent Revenue		121 376	59 350
Capital gains		--	937 923
Others		11 186	82 887
		238 289	**1 117 346**

4- Other expenses

	Note No.	January 31, 2020 USD	January 31,2019 USD
50 % on rents		60 688	29 767
1 % on revenue		81 376	95 152
		142 064	**124 919**

5- General and Administrative expenses

	Note No.	January 31, 2020 USD	January 31,2019 USD
Wages and salaries		75 433	72 710
Property, plant and equipment depreciation	(8)	76 443	114 669
Payments of lease contracts	(20)	226 248	1 506 322
Others		1 681 444	2 203 086
		2 059 568	**3 896 787**

6- Finance Expenses

	Note No.	January 31, 2020 USD	January 31,2019 USD
Interest expense, bank commission and expenses		4 216 836	2 772 917
		4 216 836	**2 772 917**

7- Finance income

	Note No.	January 31, 2020 USD	January 31,2019 USD
Interest income		6 482 963	5 147 874
Foreign currency exchange differences	(31-1)	12 139 300	3 682 519
		18 622 263	**8 830 393**

8- Property, plant and equipment

	Note. No.	Buildings and Constructions resulting from lease contracts USD	Vehicles USD	Fixtures and Fittings USD	Installations in Leasehold	Total USD
Cost as of February 1, 2019		**--**	**279 668**	**270 635**	**507 121**	**1 057 424**
Adjustments resulting from lease contracts	(20)	1 706 906	--	--	--	1 706 906
Additions during the year		--	27 824	9 651	--	37 475
Cost as of January 31, 2020		**1 706 906**	**307 492**	**280 286**	**507 121**	**2 801 805**
Accumulated depreciation as of Feburary 1,2019		**--**	**250 255**	**253 178**	**151 944**	**655 377**
Adjustments resulting from lease contracts	(20)	193 442	--	--	--	193 442
Depreciation for the year		4 770	16 127	4 895	50 651	76 443
Accumulated depreciation as of January 31, 2020		**198 212**	**266 382**	**258 073**	**202 595**	**925 262**
Fixed assets (Net) as of January 31, 2020		**1 508 694**	**41 110**	**22 213**	**304 526**	**1 876 543**
Fully depreciation fixed assets and still working as of January 31, 2020		**--**	**232 488**	**250 735**	**--**	**483 223**
Cost as of February 1, 2018		**--**	**279 668**	**259 303**	**506 451**	**1 045 422**
Additions during the year		--	-	11 332	670	12 002
Cost as of January 31, 2019		**--**	**279 668**	**270 635**	**507 121**	**1 057 424**
Accumulated depreciation as of February 1, 2018		**--**	**194 321**	**245 122**	**101 265**	**540 708**
Depreciation for the year		--	55 934	8 056	50 679	114 669
Accumulated depreciation as of January 31, 2019		**--**	**250 255**	**253 178**	**151 944**	**655 377**
Fixed assets (Net) as of January 31,2019		**--**	**29 413**	**17 457**	**355 177**	**402 047**

According to the assurances provided by the company's management:
* There are no restrictions on the company's ownership of the assets and no encumbered assets as a collateral against liabilities.
* The book value of assets does not differ materially from their fair value.
* There are no fully booked assets.
* There are no contractual commitments for the acquisition of fixed assets in the future.

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9- Intangible assets

	January 31, 2020 USD	January 31, 2019 Merging Company After The General Investment Authority Adjustments USD
Trademarks		
Balance as of January 31, 2020	8 073 530	8 073 530
	8 073 530	**8 073 530**

10- Investments in Associates

	Participation Percentage	January 31, 2020 USD	January 31, 2019 Merging Company After The General Investment Authority Adjustments USD
Golden Tex Company	43.94%	4 393 177	--
Italian Shirts DMCC	40%	10 900	10 900
Balance as of January 31, 2020		**4 404 077**	**10 900**

11- Investments in subsidiaries

Company's Name investee	Legal form	Participation Percentage In capital as of January 31, 2020 %	Paid Percentage From participation value %	Cost of Investment as of January 31, 2020 USD	Cost of Investment as of January 31, 2020 (Merging Company) After General Investment Authority adjustments USD
Concrete Garments Company	(S.A.E.)	91.64	100	31 771 464	31 771 464
Swiss Garments Company	(S.A.E.)	99.20	100	4 565 223	4 565 223
Egypt Tailoring Garments Company	Free Zone (S.A.E.)	99.4	100	16 008 060	16 008 060
Crystal for Making Shirts ***	(S.A.E.)	99.49	100	1 888 764	--
Savini Garments Company *	(S.A.E.)	49.20	25	1 181 090	1 181 090
Fashion Industry	(S.A.E.)	89.80	33.18	731 313	731 313
Camegit for Garments Manufacturing **	Free Zone (S.A.E.)	99.50	100	961 036	--
Egypt Portugal Marketing Company	(S.A.P.)	59	100	40 445	40 445
EP Garments	Free Zone (S.A.E.)	60	100	39 777	39 777
Euromed for Trading and Marketing	(S.A.E.)	97.14	100	970 180	970 180
White Head Spinning Company	(S.A.E.)	44.10	100	315 419	315 419
Port Said Garments Company	(S.A.E.)	97.17	100	1 150 820	1 150 820
Swiss Garments Company	(S.A.E.)	99.20	100	18 848 000	18 848 000
Baird Group	England	98.15	100	35 215 430	35 215 430
Golden Tex Wool Company	(S.A.E.)	43.94	100	--	4 393 177
Al Arafa for real estate Investment ****	(S.A.E.)	99.20	100	1	1
Balance as of January 31, 2020				**113 687 022**	**115 230 399**

* The company owns 49.2 % of the capital of Savini Garments Company, in addition to 50 % indirect ownership through the subsidiary Swiss Garments Company.

** On June 27, 2019, the company acquired 50 % from the shares of Camegit for Garments Manufacturing, as the total of the year in contribution is 99.5 %.

*** On September 4, 2019, the company purchased 11.22 % from the shares of Crystal for Making Shirts, as the participation percentage in the company's mentioned capital is 99.49%.

**** The investments in Al Arafa for real estate Investment Company amounting USD 1, after deducting the impairment losses of the Authority, which was previously formed in previous years.

12- Investments in joint ventures

The investments are represented in joint ventures with comparative figures, as the participation in the capital of Camegit for Garments Manufacturing (S. A. E.), subject to the provisions of the Investment Guarantees and Incentives Law promulgated by Law No. 8 of 1997, its executive regulations, status, and location of activity in the medium industries area of the new Beni Suef city.

The value of the participation amounting 494 800 Euro (equivalent to 659 810 USD) for 49 480 shares, with a par value of 10 Euro, with a contribution rate of 49.5 % of the company's issued capital of 1 000 000 Euro, fully paid according to what is recorded No. 2110 on January 29, 2012 in the company's registration sheet in the commercial registry, and the company is registered with the Commercial Investment Office in Cairo under No. 55880 of January 5, 2012.

On June 27, 2019, the company acquired 50% from the shares of Camegit for Garments Manufacturing Company, as the total participation percentage will be 99.5 %, subsequently it was represented as investments in subsidiaries to change the participation percentage.

13- Investments available for sale*

Company's Name investee	Legal form	Participation Percentage in capital %	Paid Percentage from participation value %	Cost of Investment as of January 31, 2020 USD	Cost of Investment as of January 31, 2019 (Merging Company) After General Investment Authority adjustments USD
Al Asher for Real Estate Development and investment	(S.A.E.)	1	100	30 860	30 860
Balance as of January 1,2020				**30 860**	**30 860**

- Financial investments available for sale are not listed in on the Egyptian Exchange and are stated at cost due to the difficulty in determining their fair value.

14- Trade and other receivables

	January 31, 2020 USD	January 31, 2019 Merging Company After The General Investment Authority Adjustments USD
Tax authority	53 074	47 836
Trade and other receivables (sold companies)	44 580 084	44 624 447
Notes receivables	50 219	29 177
Prepaid expenses	49 386	475 469
Deposits held by others	1 651	1 488
Insurance letters of guarantee	17 272	17 621
Other receivables	2 508 383	4 552 763
	47 260 069	**49 748 801**
Less:		
Impairment losses on Trade and other receivables	(44 580 084)	(447 624 44)
Impairment on other receivables	(998 020)	(998 020)
Balance as of January 31, 2020	**1 681 965**	**4 126 334**

15- Cash and cash equivalents

Time deposits	72 344 790	48 432 896
Current accounts	4 140 603	2 827 665
Cash on hand	102 820	66 794
Balance as of January 31, 2020	**76 588 213**	**51 327 355**

16- Medium loan

	Medium loan USD	Medium loan Current portion USD
Used of (medium loan) amounting USD 29 971 343 granted to the company from the Arab African International Bank "S.A.E." to finance the purchase of 38% of Concrete Garments Company capital. The payments of the loans balance was rescheduled at December 31, 2017. Amounting USD 21 071 343 on four not equal yearly installments, ending at July 2021	6 321 403	7 585 684
Balance as at January 31, 2020	**6 321 403**	**7 585 684**

17- Banks - Credit facilities

	January 31, 2020 USD	January 31, 2019 Merging Company After The General Investment Authority Adjustments USD
Banks - Credit facilities *	69 473 656	46 968 629
Balance as of January 31, 2020	**69 473 656**	**46 968 629**

* The credit facility item amounting USD 69 473 656 is represented in withdrawals from short-time current facilities with a term deposit guarantee granted by local banks in USD on the basis of an interest rate linked to the LIBOR rate on the amounts withdrawn in USD.

18- Trade and other payables

	January 31, 2020 USD	January 31, 2019 Merging Company After The General Investment Authority Adjustments USD
Deferred capital gains	--	2 170 835
Deposits from others	48 207	41 189
Accrued expenses	56 501	81 473
General Authority for Investment and Free Zone	56 563	69 329
Notes payable	34 271	462 789
Unearned revenue	6 648	7 548
Accrued interest - financial lease	53 562	139 634
Accrued interest expense	238 317	516 871
Other payables	4 924	381 853
Balance as of 31/1/2020	**498 993**	**3 871 521**

19- Lease contracts liabilities

Total lease contracts liabilities	2 057 702	--
Less:		
Installments due in a year	(1 473 778)	--
The balance of long-term Lease contracts liabilities	**583 924**	**--**

20- Lease contracts (Sale and re-leased system).

The company has sold and re-leased the administrative building of the company's headquarters in the public free zone in Nasr City, and the administrative building in the Investors area - Fifth Settlement - New Cairo, with a financial lease financial lease agreement established with CorpLease Egypt (SAE), according to the provisions of the law No. 95 of 1995, its executive regulations and amendments, and the data for these contracts are as follows:

Contract No. 3848 - selling and re-leased the administrative company's building in the public free zone in Nasr City:

At June 12, 2014, the company sold and re- leased its administrative building in the public free zone in Nasr City according to a Financial lease, as follows:

Description	Contract value USD	Accrued interest USD	Contract duration Month	Purchase value at the contract end USD	The quarter value USD
The contract from 12/6/2014 to 12/6/2021	5 185 596	1 622 869	84	1	244 715

Contract No. 4454 - selling and re- leased the administrative building in the investors area in the Fifth settlement:

At February 15, 2016, the company sold and re- leased its administrative building in the Investors' area in Fifth Settlement, New Cairo, according to financial lease, as follows:

Description	Contract value USD	Accrued interest USD	Contract duration Month	Purchase value at the contract end USD	The quarter value USD
The contract from 15/2/2016 to 15/2/2021	1 353 261	388 595	60	1	87 093

Transitional rules for the standard of Financial lease

In accordance with the provisions of the transitional rules for the Egyptian Accounting Standard No. 49 of 2019 for leasing contracts, the date of the initial implementation date for this standard is the beginning of the period of the annual report in which the Financial Leasing Law No. 95 of 1995 and its amendments were cancelled and the issuance of the law regulating the activities of financial leasing and factoring No. 176 of 2018 as regarding to leasing contracts that were subject to Law 95 of 1995 as these were handled according to the Egyptian Accounting Standard No. 20 (accounting rules and standards related to financial leasing operations). The transformation resulted in the following :

	January 31,2020 USD
Recognition of buildings cost	1 706 906
Recognition of depreciation	193 443
Recognition of obligations arising from lease contracts	2 057 702
Deferred revenue cancellation	1 311 071
Cancellation of finance lease payments	252 719
The effect of the amendment in retained earnings	526 607
The effect of the amendment in general and administrative expenses	1 167 932
The effect of the amendment in other income	859 764

21- Financial instruments and risk management

21-1 Financial instruments

i. Credit risk

The book value of financial assets represents the maximum credit exposure.
The maximum exposure to credit risk at the date of the separate financial statements is as follows:

	January 31, 2020 USD	January 31, 2020 Merging Company After The General Investment Authority Adjustments USD
Investments available for sale	30 860	30 860
Trade and other receivables	22 997 242	25 015 528
Due from related parties	10 345 816	5 889 962
Cash and cash equivalents	76 588 213	51 327 355

ii. Liquidity risk

The following statement shows the contractual terms of the company's financial obligations at January 31, 2020:

		Due date	
	Book value USD	Within one year USD	2-5 Years USD
Banks - credit facilities	69 473 656	69 473 656	--
Trade and other receivables	498 993	498 993	--
Due to related parties	23 358 453	23 358 453	--
Long-term lease contracts obligations	2 057 702	1 473 778	583 924
Medium loan	13 907 087	7 585 684	6 321 403

21-2 Financial risk elements

Foreign exchange risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates.
The Company's exposure to foreign exchange risk at January 31, 2020 was in accordance with the amounts in foreign currencies as follows:

	January 31, 2020 Surplus (Deficit)	January 31, 2020 Surplus (Deficit)
Euro	(1 190 046)	(1 297 430)
Sterling Pound	4 150	1 871
Egyptian Pound	1 083 237 963	722 434 330

The following is a statement of foreign exchange rates against the USD

	Closing Rate		Average exchange rate	
	January 31, 2020	**January 31, 2020**	**January 31, 2020**	**January 31, 2020**
	USD	**USD**	**USD**	**USD**
Euro	1.1012	1.1485	1.1174	1.1756
Sterling Pound	1.3010	1.3127	1.2788	1.3285
Egyptian Pound	0.0630	0.0558	0.0599	0.0559

21-2-1 Non-derivative financial assets and liabilities - Recognition and derecognition

The company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the transactions date when the entity becomes a party to the contractual provisions of the financial instrument.

The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. the resulted equity or liabilities occurred or retained when transferred are recognized as asset or liability.

The company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

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

21-2-2 Non-derivative financial assets

21-2-2-1 Financial assets at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for-trading or is designated as such on initial recognition. Directly attributable transaction costs related to acquisition or issuance of financial asset are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income distribution, are recognized in profit or loss.

21-2-2-2 Held-to-maturity financial assets

These assets are initially recognized at fair value plus any directly attributable transaction costs related to acquisition or issuance of financial asset. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method

21-2-2-3 Loans and receivables

These assets are initially recognized at fair value plus any directly attributable transaction costs related to acquisition or issuance of financial asset. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

21-2-2-4 Financial investments available for sale

These assets are measured at initial recognition at fair value plus transaction costs directly attributable to the acquisition or issue of the financial asset. After initial recognition, they are measured at fair value. Changes in fair value other than impairment losses and effects of changes in foreign exchange rates on debt instruments are recognized in other comprehensive income and recognized in the fair value reserve. Assets The cumulative gain or loss recognized in other comprehensive income is reclassified to profit or loss.

21-2-2-5 Non-derivative financial liabilities – Measurement

Financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs related to acquisition or issuance of liability are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.

Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs related to acquisition or issuance of liability. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

22- Capital

22-1 The Authorized Capital

The authorized capital of the company amounting USD 150 million (one hundred and fifty million US dollars), and the issued capital of the company is the sum of the net equity in the merging company according to the report of the formed committee by the General Authority for Investment and Free Zone according to the decision of the CEO of the General Investment Authority And the free Zone No. 127 of 2019, and this was indicated in the company's commercial register in the commercial registry on December 15, 2019.

22-2 Issued and paid up capital

The issued and paid up capital after the amendment has reached according to the decision of the extraordinary general assembly of the company.

The issued and paid-up capital of the company consists of 470 250 000 nominal shares, at a value of US 20 cents per share, and the issued capital amounting USD 94,050,000 is fully paid, which is the sum of the net equity in the merging company, according to the report of the formed committee by the General Authority for Investment and Free Zone in accordance with the decision of the CEO of the General Authority for Investment and Free Zone No. 127 of 2019.

23- Reserves

	Note No.	January 31, 2019 USD	January 31, 2019 (Merging Company) After General Investment Authority adjustments USD
Legal reserve*	(23-1)	17 367 547	11 245 529
Other reserves (Treasury bills reserve)	(23-2)	890 207	890 207
Balance as of January 31, 2020		**18 257 754**	**12 135 736**

The decision of the formed committee was issued by the General Authority for Investment and Free Zone, approved on the first of July 2019, authorizing the merger of Al Arafa for Investment and Consultancies Company (S.A.E.) - merging company with both Al Arafa for investments in Spinning & Textile industry Company (S.A.E. free zone), Al Arafa for investments in Garments industry Company (S.A.E. free zone), and Al Arafa for investments in Garments Marketing & Retail Company (S.A.E. free zone), (merged companies) with book values according to the separate financial statements of the merging company and the merged companies at October 31, 2018. Taken as a basis for the merger and determining of the net equity of Al Arafa for Investment and Consultancies Company (S.A.E.) - merging company at October 31, 2018 amounting USD 146 935 721 (one hundred forty six million nine hundred thirty five thousand seven hundred twenty one USD) and the net non controlling interest in Al Arafa for investments in Garments industry Company (merged company), a deficit of USD 31 971 885 (thirty-one million nine hundred and seventy one thousand eight hundred and eighty five USD) and Al Arafa for investments in Spinning & Textile industry Company (merged company) amounting USD 16 753 (sixteen thousand seven hundred and fifty three USD) after excluding the value of the investments of Al Arafa for Investment and Consultancies Company (merging company) in the Al Arafa for investments in Spinning & Textile industry Company (merged company), which amounting USD 2 077 340 (two million and seventy seven thousand three hundred and forty USD) and the Al Arafa for investments in Garments

Marketing & Retail Company (S.A.E.) (merged company) deficit of 3 896 892 USD (Three million eight hundred ninety six thousand eighty nine and two USD)

According to the decision of the extraordinary general assembly of the company at August 4, 2019, in which the decision of the formed committee by the authority was approved on the basis of the book values of the merging and merged companies on October 31, 2018, which is the date of the merger and approval to keep the authorized capital for the Al Arafa for Investment and Consultancies Company (merging company) before the merger of amounting USD 150 million, as well as the issued and paid up capital of Al Arafa for Investment and Consultancies Company (merging company) before the merger amounting 94 050 000 for the company and between the total value of the net Equity of both the merging company and the merged companies with a value amounting USD 111 083 697, the difference amounting USD 17 033 697, included in the merging companys' reserves.

The legal reserve amounting USD 17 367 547 includes the amount of USD 333 850, which represents the legal reserve formed from the profits for the financial year ending as of January 31, 2019 realized in accordance with the decision of the ordinary general assembly of the company.

23-1 Legal reserve

According to the requirements of the Companies Laws and the Company's Articles of Association, 5% of the annual net profit is set aside to form the legal reserve up to 50% from the issued capital of the Company.
This reserve is not distributed but can be used to increase capital or reduce losses.

23-2 Treasury bills reserve

The balance represents profit from sale of treasury bills amounting 11 396 151 shares sold in 2008.

24- Legal status

As mentioned in the Company's tax card , the Company and the company`s dividends are not subject to tax laws and charges applied in Republic of Egypt (article No. 35 of law No.8 of 1997 which replaced by Article 41 of Law 72 of 2017) .

24-1 Payroll tax

The payroll tax has been inspected from the beginning of the activity until 2013 and the final assessment has been made and the years from 2014/2017 are currently inspected by the competent authority. The tax within held is paid monthly on legal dates.

24-2 Withholding Tax

The company provides the withholding tax to the Central Department of withholding tax under the tax account in the legal dates.

25- Earnings Per Share

Earnings per share for the Financial year ending at January 31, 2020 was calculated on the basis of the profit for shareholders holding ordinary shares and the weighted average for the number of shares outstanding during the year as follows:

		31/1/2020 USD	31/1/2019 (Merging Company) After General Investment Authority Adjustments USD
Net profit for the year	USD	13 858 449	6 393 944
Less:			
Share of employees	USD	(75 433)	(72 700)
Board of Directors share's	USD	--	--
Distributable Net Profit (Shareholders' Share)	USD	13 783 016	6 321 244
Weighted average of paid shares	Share	470 250 000	470 250 000
Earnings per share	USD/Share	**0.0293**	**0.0134**

26- Pension and Post Retirement Plans

The Company contributes in the governmental social insurance scheme for the benefit of its employees in accordance with the social insurance law no. 79 of 1975 and its amendments. Contributions are charged to the Separate income statement as incurred

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27- Related Parties

Transactions with related parties represent the company's transactions with company's shareholder and the companies owned by the shareholders whether directly or indirectly and the company's top management as they have a significant influence and control, as the following:

27-1 Due from related parties

Company's Name	Nature of transactions	Value of transactions USD	Balance as of January 31, 2020 USD	Balance as of January 31, 2020 Merging Company After The General Investment Authority Adjustments USD
Baird Group	Financial transactions	(5 690)	18 376 163	18 381 853
Swiss Cotton Garments Company	Financial transactions	3 550 753	4 060 292	509 539
AI Arafa for real estate investment	Financial transactions	(653 017)	3 750 010	4 403 027
Golden Tex Wool Company	Financial transactions	1 608 745	1 730 229	121 484
Camegit for Garments Manufacturing	Financial transactions	242 079	478 729	236 650
Crystal for Making shirts	Technical Support & Financial transactions	(291 703)	294 883	586 586
Egypt Portugal Marketing Company	Financial transactions	1 675	21 393	19 718
Italian Shirts DMCC	Financial transactions	--	5 538	5 538
EP Garments	Financial transactions	(832)	4 742	5 574
White Head Spinning Company	Financial transactions	(1 606)	--	1 606
Apparel International	Financial transactions	(240)	--	240
Balance as of January 31, 2020			**28 721 979**	**24 271 815**

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27-2 Due to related parties

Company's Name	Nature of transactions	Value of transactions USD	Balance as of January 31, 2020 USD	Balance as of January 31, 2020 (merging company) after Investment authority adjustments USD
Swiss Garments Company	Technical Support & Financial transactions	(508 567)	11 727 349	12 235 916
Egypt Tailoring Garments Company	Financial transactions	(509 146)	5 165 861	5 675 007
Savini Garments Company	Financial transactions	(37)	2 384 787	2 384 824
Fashion Industry	Financial transactions	(6 018)	955 136	961 154
Concrete Garments Company	Financial transactions	(825 551)	79 860	905 411
Port Said Garments Company	Financial transactions	48 162	48 162	--
Euromed for trading & marketing Company	Technical Support & Financial transactions	673	8 799	8 126
Balance as of January 31, 2020			**20 369 954**	**22 170 438**

- All related parties transactions during the year were performed with the basis of interacting with other.
- There are no transactions with the top management.

28- Contingent liabilities

The value of the letters of guarantee issued by banks on behalf of the company and some of its subsidiaries and on behalf of others on December 10, 2019 amounting USD 10 251 937.

29- Comparative figures

Comparative figures included in the statement of financial position that includes the separate company's financial statements (merging company) at January 31, 2019, after affecting the balances of the merged companies. AL Arafa for investment in spinning and Textile industry company(S.A.E) Public free zone (merged company). Al Arafa for investments in Garments industry Company (S.A.E) Public free Zone (merged company) and Al Arafa for investments in Garments Marketing and Retail Company (S.A.E) Public free zone (merged company) and the accounting adjustments of the General Authority for Investment and Free Zone for the merger. Taking the separate financial statements of the merging and merged companies at October 31, 2018 as a base of the merger with the book values and the separate income statement which represents the income statement for the merging company according to the approved separate financial statements as of January 31, 2019.

Al Arafa for Investment and Consultancies
***(*An Egyptian Joint stock company – Under Public Free Zones)**
Notes to the financial statements for the financial year ended January 31, 2020

30- General Authority for Investment and Free Zone Adjustments

Item	Balances as of 31/10/2018 Before evaluation	Balances according to General Investment Authority as of 31/10/2018	General Investment Authority Adjustments as of 31/10/2018
Non-current assets	**USD**	**USD**	**USD**
Property, plant and equipment (net)	419 576	419 576	--
Intangible Assets	8 073 530	8 073 530	--
Investments in subsidiaries	101 542 416	117 307 738	15 765 322
Investments available for sale	249 523	30 860	(218 663)
Investments in joint ventures	659 810	659 810	--
Investment in associates	10 900	10 900	--
Total non-current assets	**110 955 755**	**126 502 414**	**15 546 659**
Current assets			
Trade and other receivables	52 920 670	25 949 171	(26 971 499)
Due from related parties	138 605 335	137 060 054	(1 545 281)
Current holding company	7 717 303	7 717 303	--
Due from related party– Italian Shirts	5 538	5 538	--
Debtors of purchase of investments	35 600 000	--	(35 600 000)
Cash and cash equivalents	44 364 668	44 364 668	--
Total current assets	**279 213 514**	**215 096 734**	**(64 116 780)**
Total assets	**390 169 269**	**341 599 148**	**(48 570 121)**
Non-current liabilities	13 907 087	13 907 087	--
Current liabilities	214 531 024	214 531 024	--
Total liabilities	**228 438 111**	**228 438 111**	--
Equity	**161 731 158**	**113 161 037**	**(48 570 121)**
Elimination of Al Arafa for Investment and Consultancies Company investments (merging company) in Al Arafa for Investment in spinning & Textile Industry Company (merged company)	--	(2 077 340)	(2 077 340)
Shareholders' Equity for Al Arafa for Investment and Consultancies Company-public free Zone as of October 31, 2018	**161 731 158**	**111 083 697**	**(50 647 461)**

31- Significant accounting policies

The accounting policies set out below have been applied consistently during the financial periods presented in these Separate financial Statements

31-1 Translation of transactions in foreign currencies

The company maintains its accounts in USD. Foreign transactions are translated in the functional currency at the exchange rate prevailing on the transaction dates. Assets and liabilities of a monetary nature in foreign currencies are translated into the functional currency at the exchange rate at the date of the preparation of the separate financial statements.

Assets and liabilities that measured at fair value are translated at the exchange rate used when determining the fair value.

Non-monetary assets and liabilities that measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Exchange rate differences are recognized in profits and losses except for the exchange rate differences arising from translation of foreign transactions of what is recognized in other separate comprehensive income.

31-2 Property, plant and equipment

a. Recognition and measurement

Items of property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment losses.
When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.
profit and loss resulted from disposal of assets are recognized within separate income statement

b. Subsequent acquisition costs

The costs subsequent to acquisition are capitalized on the assets only if it is probable that it will generate and increase the future economic benefits and of the assets. As all the other expenses are recognized in the separate income Statement as an expense.

c. Depreciation

Depreciation of fixed assets - which is the cost of an asset deducting its scrap value – according to the straight-line method over the estimated useful life of each type of fixed asset and the depreciation is charged to the separate income statement.
Land is not depreciated.

The following are the estimated useful lives, for each class of assets for the financial year and the year comparison.

Fixed assets	Years
* Buildings	50
* Transport & Transportation Vehicles	5
* Office furniture and equipment	2-16.66
* Improvements in leased places	10

31-3 Leasing contracts

31-3-1 Financial leasing contracts (sales and re-lease operations)

If the entity (the lessee) transfers the asset to another entity (the lessor) and re-leases this asset, the entity must determine whether the transfer of the asset is accounted for whether or not a sale of this asset.

31-3-2 In the case of transferring the asset is not a sale:

The lessee must recognize the transferred asset, and must recognize a financial liability equal to the transfer proceeds.

31-4 Investments in subsidiaries and associates

Investments in subsidiaries and associates are stated at cost and in the case of permanent impairment in their market value or the value of the assets calculated from their book value, according to the studies carried out in this regard.

The book value is adjusted to the impairment loss in the value of the assets and charged to the separate income statement. For each investment separately, the amount of impairment previously recognized in prior periods is reversed, so that the book value of these investments does not exceed their net value before impairment losses are recognized in the asset value.

31-5 Investments in joint ventures:

Joint ventures are companies that have been established under contractual agreements and require a majority approval to undertake strategic financial and management decisions.

31-6 Financial investments (Treasury Bills)

Treasury bills purchases-if any-are stated at nominal value less returns and are included in a separate item in the statement of financial position, the amounts due within three months from the date of purchase is added to cash and banks to achieve cash and cash equivalents at the date of statement of financial position value in order to prepare the cash flows statement in accordance with the requirements of the Egyptian Accounting Standards.

31-7 Trade receivables, debators and note receivables

Trade receivables, debtors and note receivable are included as current assets unless they are contractually due over more than twelve months after the interim financial statements date in which case they are classified as non-current assets in the financial statements. These assets are recognized initially at fair value plus any directly attributable transaction costs.
Subsequent to initial recognition, they are measured at amortized cost using the effective interest method, less impairment losses (31-9-i).

31-8 Cash and cash equivalents

Cash and cash equivalents comprise cash balances, banks' current accounts, time deposits, and treasury bills which do not exceed three months -if any- and banks overdrafts that are repayable on demand and form an integral part of the company's cash management.

31-9 Impairment

i. Non- derivative financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is measured as the difference between its book value, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the income statement. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in shareholders' equity is transferred to the income statement.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost and available-for-sale financial assets that are debt securities, the reversal is recognized in income statement. For available-for-sale financial assets that are equity securities, the reversal is recognized directly in equity.

ii. Non-financial assets

At each financial period end, the company carries out a review of the carrying amounts of its non-financial assets and deferred tax assets (to assess whether there are any indications of impairment). If there are indications of possible impairment the company makes an estimate of the recoverable amount of the assets.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units.

The recoverable amount of an asset or cash generating units is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating units.

An impairment loss is recognized if the book value of an asset or cash generating units exceeds its recoverable amount. The impairment losses recognized previously for other assets are revised at the date of the separate financial statements. For other assets, an impairment loss is reversed only to the extent that the asset's book value does not exceed the book value that would have been determined, net of depreciation, if no impairment loss had been recognized.

31-10 Loans and credit facilities

Loans are measured at initial recognition at fair value plus related cost.
After initial recognition, they are measured at amortized cost using the effective interest method.

31-11 Trade and other payables

Trade and other payables recognized at their cost.

31-12 Capital

i. Common shares

Incremental costs directly attributable to the issue of common stock and underwriting options are recognized as a deduction from shareholders' equity.

ii. Repurchase and re-issuance of capital share

When capital share recognized as equity is repurchased, the amount of consideration paid against repurchase, including directly attributable costs, is recognized and it will be classified as treasury bills, presenting the treasury bills as a deduction from total equity.

When the treasury shares are sold or reissued, the amount proceed is recognized as an increase in shareholders' equity and the surplus or deficit resulting from the transaction within the reserves.

iii. Dividends

Dividends are recognized as a liability in the period in which they are declared and approved by company's general assembly

31-13 Provisions

A provision is recognized when the company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic benefits will be required to settle the obligation, and the obligation can be reasonably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability, as the provisions balance is audited at the financial statement date, amending the balance if necessary for an optimal estimation.

31-14 Revenue

i. Return on investments

Dividend income is recognized in the statement of income on the date of establishing the company's right to receive the dividends of the investee companies is established and is recognized after the date of acquisition.

ii. Profits (losses) on sale of investments

Gains and losses arising from the sale of financial investments are recognized in the separate statement of income at the date of disposal, by the difference between the cost and the selling price deducting expenses and commissions.

iii. Management fees and technical support services

Management fees and technical support services are recognized as the service is provided in accordance with the accrual basis.

iv. Interest income

Interest payable is recognized in the separate income statement based on the accrual basis on a time proportion basis, taking into consideration the target rate of return on the asset.

31-15 Expenses

i. Cost of borrowing

Interest expenses associated with loans and bank credit facilities are recognized in the income statement using the effective interest rate method on an accrual basis.

ii. Social insurance contribution

The Company contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance. Under this law, the employees and the employer contribute into the system on a fixed percentage - of - salaries basis. The Company’s liability is confined to the amount of its contribution. Contributions are charged to the income statement according to the accrual basis.

31-16 Earnings per share

Earnings per share is calculated by dividing the profit or loss relating to shareholders by their common shares in the Company by the weighted average to the number of shares outstanding during the period.

31-17 Reserve

According to the Company’s bylaws, 5% of the net profit is set aside to form a legal reserve. The transfer to legal reserve ceases once the reserve reaches 50% of the issued share capital, if the reserve falls below the defined percentage then the Company is required to continue setting aside more reserves

31-18 Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

This note presents information on the Group's exposure to each of the above risks, the Company's objectives, policies and methods for measuring and managing the risk, as well as the Company's capital management, as well as some additional disclosures included in these financial statements.

The Board of Directors is fully responsible for the development and monitoring of the overall risk management framework of the Group and identifies and analyzes risks to the Group to identify and monitor risk levels and appropriate controls.

The Company's management aims to establish a disciplined and disciplined regulatory environment in which all employees are aware of and understand their role and commitment.

The Audit Committee assists the Board of Directors of the Holding Company in its supervisory role in the regular and sudden examination of controls and policies related to risk management.

Credit risk

Credit risk is the risk that one party of a financial instruments will fail to discharge his obligation and cause to incur financial losses to the other party.

Trade, notes receivables and other debit balances

The company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer as almost all the company’s debtors is represented in related parties which not comprise a material concern to the credit risk on the basis of the transactions that took place during the year, and there are not any losses resulted from it.

Guarantees

The Company's policy is to provide financial guarantees for owned subsidiaries only.

Liquidity risk

The Liquidity risk is the risk that the company will not be able to meet its contracted financial obligations.

The company’s approach to manage its liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company reputation.The company maintains sufficient cash balance to meet the expected operating expenses for a relevant period including financial liabilities and excluding the effect of unpredictable circumstances such as natural disasters.

The company holds USD 69 473 656 in credit facilities with a guarantee of 3% interest rate over the LIBOR to the USD.

Market risk

Market risk is the risk that changes in market prices, such as foreign currencies exchange rates, interest rates and equity instruments prices will affect the Company’s income or the value of its financial instruments.
The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Capital risk management

The Board of Directors policy is to maintain substantive capital in order to maintain the confidence of investors, creditors and the market as well as to meet the future developments of the activity.
The Board of Directors of the Company will monitor the return on capital as determined by the management as the net profit for the year divided by the total shareholders' equity. The Board of Directors of the Company will also monitor the level of dividends to the shareholders.
The board of directors of the company endeavor to balance the higher returns that can be achieved with the levels of interest and the advantages and guarantees provided by maintaining appropriate capital position.
There are no changes in the Company's capital management strategy during the period. The Company is not subject to any external requirements imposed on its own capital.

32- Events subsequent to the date of the financial statements

Most of the world including Egypt were exposed to the spread of the pandemic virus (COVID-19) throughout the first quarter from 2020, accordingly disorders took place at most of the commercial and economic activities in general, as most properly this could have a significant impact on the elements of Assets ,Liabilities and the recovery value of it, as well as business outcomes in the company’s financial statements throughout the coming periods, in addition to the potential impact on providing the row materials , the essential supplies for production and operating processes, the demand of our end markets and the liquidity available in the company. As currently the company is evaluating and specifying magnitude of this impact on the current Financial statements, as in case of instability and lack of assurance as a result of the current situations, as the magnitude of this impact of that event depends mainly on extent envisioned and the duration of ending this event and its implications, which is difficult to specify meanwhile.

33- New issues and amendments to the Egyptian Accounting Standards

On 18 March, 2019, the Minister of Investment and International Cooperation issued Resolution No. 69 of 2019 amending some provisions of the Egyptian Accounting Standards issued by Minister of Investment Decision No. 110 of 2015 which includes some new accounting standards and amendments to some of the existing standards. The Egyptian facts were published on 7 April, 2019.

New or Amended Standards	A Summary of The Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
1- The new Egyptian Accounting Standard No. (47) "Financial Instruments"	1- The new Egyptian Accounting Standard No. (47), "Financial Instruments", supersedes the corresponding related issues included in the Egyptian Accounting Standard No. (26), "Financial Instruments: Recognition and Measurement". Accordingly, Egyptian Accounting Standard No. 26 was amended and reissued after cancelling the paragraphs pertaining to the issues addressed in the new Standard No. (47) and the scope of the amended Standard No. (26) was specified and intended to deal only with limited cases of Hedge Accounting according to the choice of the enterprise. 2- Pursuant to the requirements of the Standard, financial assets are classified based on their subsequent measurement whether at amortized cost, or fair value through other comprehensive income or at fair value through profit or loss, in accordance with the enterprise business model for managing financial assets and the contractual cash flow characteristics of the financial asset.	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted; provided that the amended Egyptian Accounting Standards Nos.(1), (25), (26) and (40) are to be simultaneously applied.

New or Amended Standards	A Summary of The Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
	3- When measuring the impairment of financial assets the Incurred Loss Model is replaced by the Expected Credit Loss (ECL)Models, which requires measuring the impairment of all financial assets measured at amortized cost and financial instruments measured at fair value through other comprehensive income from their initial recognition date regardless whether there is any indication of the occurrence of loss event. 4- based on the requirements of this standard the following standards were amended : a) Egyptian Accounting Standard No. (1)“Presentation of Financial Statements” as amended in 2019] b) Egyptian Accounting Standard No. (4) -“Statement of Cash Flows”. c) Egyptian Accounting Standard No. (25) - “Financial Instruments: Presentation. d) Egyptian Accounting Standard No. (26) - “Financial Instruments: Recognition and Measurement”. Egyptian Accounting Standard - EAS No. (40) - “Financial Instruments: Disclosures “		-These ammendments are effective as of the date of implementing Standard No. (47)]

New or Amended Standards	A Summary of The Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers"	1. The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers" shall supersede the following standards and accordingly such standards shall be deemed null and void: a- Egyptian Accounting Standard No. (8) - "Construction Contracts" as amended in 2015. b- Egyptian Accounting Standard No. (11) – "Revenue" as amended in 2015. **1-** For revenue recognition, Control Model is used instead of Risk and Rewards Model. **2-** incremental costs of obtaining a contract with a customer are recognized as an asset if the enterprise expects to recover those costs and the costs of fulfilling the contract are to be recognized as an asset when certain conditions are met. **3-** the standard requires that contract must have a commercial substance in order for revenue to be recognized. **4-** Expanding in the presentation and disclosure requirements	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	Standard No (48) applies to financial periods beginning on or after January1st, 2020, and the early implementation thereof is permitted

New or Amended Standards	A Summary of The Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
The new Egyptian Accounting Standard No. (49) "Lease Contracts	1- The new Egyptian Accounting Standard No. (49) "Lease Contracts" shall supersede and revoke Standard No. (20), ”Accounting Rules and Standards related to Financial Leasing” issued in 2015. 2- The Standard introduces a single accounting model for the lessor and the lessee where the lessee recognizes the usufruct of the leased asset as part of the company’s assets and recognizes a liability that represents the present value of the unpaid lease payments under the company's liabilites, taking into account that the lease contracts are not classified in respect of the leassee as operating l or finance lease contracts. 3- As for the lessor, he shall classify each lease contract either as an operating lease or a finance lease contract. 4- As for the finance lease , the lessor must recognize the assets held under a finance lease contract in the Statement of Financial Position and present them as amounts receivable with an amount equivalent to the amount of the net investment in the lease contract . 5- As for operating leases, the lessor must recognize the lease payments of operating lease contracts as income either based on the straight-line method or based on any other regular basis.	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard No. (49) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted if Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" is 2019. Except for the above-mentioned date of enforcement, Standard No. (49) 2019 applies to lease contracts that were subjected to Finance Lease Law No. 95 of 1995 and its amendments and were treated according to Egyptian Accounting Standard No. 20, ”Accounting rules and standards related to financial leasing ” as well as the finance lease contracts that arise under and are subjected to Law No. 176 of 2018 to the effect of regulating both financial leasing and factoring activities starting from the beginning of the annual reporting period in which Law No. (95) of 1995 was revoked and Law No. (176) of 2018 was issued.

New or Amended Standards	A Summary of The Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
Egyptian Accounting Standard No. (38) as ammended "Employees Benefits "	Anumber of paragraphs were introduced and amended in order to amend the Accounting Rules of Settlements and Curtailments of Benefit Plans.	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard No. (38) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted.
Egyptian Accounting Standard No. (42) as ammended "Consolidated Financial Statements"	Some paragraphs related to the exclusion of the Investment Entities from the consolidation process were added . This amendment has resulted in introducing an amendment to some of the standards related to the subject of the Investment Entities. The standards that were ammended are as follows: - (ESA 15) Related Party Disclosures - (ESA17) Consolidated and Separate Financial Statements - (ESA 18) Investments in Associates - (ESA 24) Income Taxes - (ESA 29) Business Combinations - ESA (30) Periodical Financial Statements - EAS (44) Disclosure of Interests in Other Entities.	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted. - The new or amended paragraphs Pertaining to the amended standards concerning the investment entities shall apply on the effective date of Egyptian Accounting Standard No. (42) "Consolidated Financial Statements", as amended and issued

in 2019

New or Amended Standards	A Summary of The Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
Egyptian Accounting Standard No. (22) as ammended " Earnings per Share	The scope of implementaion of the Standard was amended to be applied to the separate, or consolidated financial statements issued to all enterprises.	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.
Egyptian Accounting Standard No. (4) as ammended " Statemnet of Cash Flows"	This standard requires the entity to provide disclosures that enable users of the financial statements to assess changes in liabilities arising from finance activities, including both changes arising from cash flows or non-cash flows .	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.