

YOUSSEF KAMEL & CO.

CHARTERED ACCOUNTANTS - EXPERTS IN TAXATION

Since 1946 - Antoun Atalla

YOUSSEF KAMEL

(A.R no. 3764)

AMIN SAMY

(A.R no. 4994)

LATIF ZAKHER

(A.R no. 6854)

AMIR NOSHY

(A.R no. 15030)

Al Arafa for Investment and Consultancies (S.A.E.)
Free Zone

Consolidated financial statements
For the period ended 31 October 2016
And review report

Al Arafa for Investment and Consultancies (S.A.E.)

Free Zone

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Independent Auditor's Report **On Review Of Consolidated Interim Financial Statements**

To: The Board of Directors

Al Arafa for Investment and Consultancies (S.A.E) - Free Zone

Introduction

We have reviewed the accompanying consolidated financial statements of **Al Arafa for Investment and Consultancies (S.A.E)** represented on the consolidated financial position as at 31 October 2016 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine months period then ended, and notes, and a summary of significant accounting policies and other explanatory information the consolidated interim financial statements. The Company's management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with the Egyptian Accounting Standards. Our responsibility is limited to expressing a conclusion on these consolidated interim financial statements based on our review.

Scope of Review

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

Please be noted that the financial statements of the company Baird (subsidiary) were prepared in accordance with the UK accounting principles, the financial statements of the company were added in the financial statements of the Group taking into consideration that there may be differences in some applications between each of the Egyptian Accounting Standards and the UK Standards.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements are not presented fairly-in all aspects of the consolidated financial position as at 31 October 2016, its financial performance and its consolidated cash flows for the nine months period then ended in accordance with the Egyptian Accounting Standards.

Cairo, 12th December, 2016



Auditor

YOUSSEF KAMEL

EFSA's register of auditors no. (112)
(A.R no. 3764)

Al Arafa for Investment and Consultancies (S.A.E)

Free Zone

Consolidated Financial Position

As at 31 October 2016

	Note No.	31/10/2016 U.S \$	31/1/2016 U.S \$
Assets			
Non-current assets			
Property, plant and equipment	(8)	60 707 707	67 056 174
Projects in progress	(9)	6 384 612	6 745 462
Goodwill	(10)	29 494 198	34 441 823
Investments available for sale	(11)	3 257 351	41 611 934
Debtors on sale of investments	(12)	-	7 013 059
Investments in joint ventures	(13)	864 950	832 521
Deferred tax assets	(14)	276 285	579 811
Other assets	(15)	8 710 819	4 623 632
Long-term assets private for Baird group		302 834	283 137
Total non-current assets		109 998 756	163 187 553
Current assets			
Work in progress	(16)	941 254	1 067 479
Inventories	(17)	102 415 115	109 092 898
Debtors and other debit balances	(18)	139 459 527	124 751 195
Due from related parties	(7-1)	3 794 788	3 977 176
Debtors on sale of investments - current portion	(12)	35 600 000	28 400 000
Treasury bills (maturing more than three months)		-	3 832 870
Cash and cash equivalents	(19)	36 066 202	29 193 880
Total current assets		318 276 886	300 315 498
Total assets		428 275 642	463 503 051
Shareholders' Equity			
Paid up capital	(20)	94 050 000	94 050 000
Reserves	(21)	98 253 429	97 812 267
Decrease in the book value of net assets acquired over purchase considerations	(22)	(26 261 873)	(26 261 873)
Retained earnings		25 927 093	29 433 231
Total Shareholders' Equity (before net profit for the period / year)		191 968 649	195 033 625
Net profit for the period / year		2 218 391	10 692 790
Total Shareholders' Equity (including net profit for the period / year)		194 187 040	205 726 415
Foreign currency translation adjustments	(23)	(24 354 593)	(18 487 878)
Cumulative changes in the fair value of investment available for sale		(902 675)	(939 058)
Treasury stock reserve	(24)	890 207	890 207
Treasury stock	(25)	(1 161 530)	(1 161 530)
Net Shareholders' Equity		168 658 449	186 028 156
Non-controlling interests		17 882 933	20 431 722
Total Shareholders' Equity		186 541 382	206 459 878
Liabilities			
Non-current liabilities			
Banks - long-term credit facilities	(26)	13 179 959	12 011 278
Long-term loans	(27)	29 730 036	51 688 068
Other long-term liabilities	(28)	3 529 964	4 204 625
Total non-current liabilities		46 439 959	67 903 971
Current liabilities			
Provisions	(29)	1 062 786	1 022 077
Banks - overdraft	(19)	6 354 645	7 434 130
Banks - credit facilities	(26)	75 294 458	63 439 342
Creditors and other credit balances	(30)	47 758 643	52 649 143
Short-term loans	(31)	44 902 992	44 831 089
Long-term liabilities - current portion		840 814	629 659
Long-term loans - current portion	(27)	19 079 963	19 133 762
Total current liabilities		195 294 301	189 139 202
Total liabilities		241 734 260	257 043 173
Total shareholders' equity and liabilities		428 275 642	463 503 051

* The accompanying policies and the notes on pages (6) to (32) form an integral part of these consolidated financial statements.

Chairman and Managing Director

(Dr. Alaa Ahmed Arafa)

Group Financial Director

(Mohamed Mohamed Mohy Eldeen)

* Review report "attached "

Arafa
CONSULTANTS

Al Arafa for Investment and Consultancies (S.A.E)
Free Zone

Consolidated income statement
For the period ended 31 October 2016

	<u>Note No.</u>	<u>Period from 1/2/2016 to 31/10/2016</u>	<u>Period from 1/2/2015 to 31/10/2015</u>	<u>Period from 1/7/2016 to 31/10/2016</u>	<u>Period from 1/7/2015 to 31/10/2015</u>
		<u>U.S \$</u>	<u>U.S \$</u>	<u>U.S \$</u>	<u>U.S \$</u>
Revenue		186 844 612	199 747 741	64 255 767	63 681 467
Cost of revenue		(122 582 757)	(132 795 856)	(44 622 623)	(41 579 189)
Gross profit		64 261 855	66 951 885	19 633 144	22 102 278
Other revenues	(32)	3 885 850	3 857 003	1 585 876	1 143 489
Distribution expenses		(41 021 583)	(38 738 603)	(13 578 800)	(12 547 518)
General and administrative expenses		(21 280 604)	(17 944 996)	(7 651 698)	(6 052 018)
Other expenses	(33)	(267 420)	(762 818)	(73 773)	(269 722)
Operating profit (loss)		5 578 098	13 362 471	(85 251)	4 376 509
Joint venture share of results	(13)	32 429	(353 248)	(11 768)	(190 244)
Net finance expenses (cost)	(34)	(1 216 589)	(4 548 150)	(220 685)	(1 050 735)
Net profit (loss) for the period before taxes		4 393 938	8 461 073	(317 704)	3 135 530
Income tax for the period		(1 404 795)	(2 009 092)	(201 019)	(102 243)
Deferred tax	(14)	46 922	56 158	5 897	28 858
Net profit (loss) for the period after taxes		3 036 065	6 508 139	(512 826)	3 062 145
<u>Attributable to:</u>					
Holding company owners share		2 218 391	5 081 125	(672 779)	2 582 961
Non-controlling interests share		817 674	1 427 014	159 953	479 184
Net profit (loss) for the period after taxes		3 036 065	6 508 139	(512 826)	3 062 145

* The accompanying policies and the notes on pages (6) to (32) form an integral part of these consolidated financial statements.

Arafa
HOLDING

Al Arafa for Investment and Consultancies (S.A.E)
Free Zone

Consolidated comprehensive income statement
For the period ended 31 October 2016

	Period from 1/2/2016 to 31/10/2016 <u>U.S \$</u>	Period from 1/2/2015 to 31/10/2015 <u>U.S \$</u>	Period from 1/7/2016 to 31/10/2016 <u>U.S \$</u>	Period from 1/7/2015 to 31/10/2015 <u>U.S \$</u>
Net profit (loss) for the period after taxes	3 036 065	6 508 139	(512 826)	3 062 145
<u>Other comprehensive income for the period</u>				
Differences from translation of foreign operations	(5 866 715)	(1 202 283)	(621 103)	65 978
Changes in the fair value of investment available for sale	36 383	7 064	(29 631)	-
Total comprehensive income for the period	(2 794 267)	5 312 920	(1 163 560)	3 128 123
<u>Attributable to:</u>				
Holding company owners share	(3 611 941)	3 885 906	(1 323 513)	2 648 939
Non-controlling interests share	817 674	1 427 014	159 953	479 184
Total comprehensive income for the period	(2 794 267)	5 312 920	(1 163 560)	3 128 123

* The accompanying policies and the notes on pages (6) to (32) form an integral part of these consolidated financial statements.



AlArafa for Investment and Consultancies (S.A.E)

Free Zone

Consolidated Statement of Changes in Equity

For the period ended 31 October 2016

	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$
	Paid up capital	Reserves	Decrease in the book value of net assets acquired over purchase consideration	Cumulative changes in the fair value of investment available for sale	Retained earnings	Treasury stock reserve	Net profit for the year / period	Cumulative translation of foreign operations	Treasury stock	Total	U.S.\$	U.S.\$
Balance as at 31 January 2015	94 050 000	98 326 412	(26 261 873)	(943 871)	27 469 686	890 207	10 388 699	(16 509 619)	(1 161 530)	186 248 111	U.S.\$	U.S.\$
Total comprehensive income												
Net profit for the period ended 31/10/2015	-	-	-	-	-	-	5 081 125	-	-	5 081 125		
Other comprehensive income	-	-	-	7 064	-	-	-	(1 202 283)	-	(1 195 219)		
Total comprehensive income	-	-	-	7 064	-	-	5 081 125	(1 202 283)	-	3 885 906		
Transactions with holding company owners												
Closing net profits for the year ended 31/1/2015	-	-	-	-	10 388 699	-	(10 388 699)	-	-	-		
Dividends the year ended 31/1/2015	-	634 073	-	-	(5 490 573)	-	-	-	-	(4 856 500)		
Adjustments	-	(1 148 218)	-	-	(2 863 687)	-	-	-	-	(4 011 905)		
	-	(514 145)	-	-	2 034 439	-	(10 388 699)	-	-	(8 868 405)		
Balance as at 31 October 2015	94 050 000	97 812 267	(26 261 873)	(936 807)	29 504 125	890 207	5 081 125	(17 711 902)	(1 161 530)	181 265 612		
Balance as at 31 January 2016	94 050 000	97 812 267	(26 261 873)	(939 058)	29 433 231	890 207	10 692 790	(18 487 878)	(1 161 530)	186 028 156		
Total comprehensive income												
Net profit for the period ended 31/10/2016	-	-	-	-	-	-	2 218 391	-	-	2 218 391		
Other comprehensive income	-	-	-	36 383	-	-	-	(5 866 715)	-	(5 830 332)		
Total comprehensive income	-	-	-	36 383	-	-	2 218 391	(5 866 715)	-	(3 611 941)		
Transactions with holding company owners												
Closing net profits for the year ended 31/1/2016	-	-	-	-	10 692 790	-	(10 692 790)	-	-	-		
Dividends the year ended 31/1/2016	-	7 441 162	-	-	(7 441 162)	-	-	-	-	-		
The effect of GAFI valuation for the net assets of merged companies	-	-	-	-	(3 898 240)	-	-	-	-	(3 898 240)		
Adjustments	-	(7 000 000)	-	-	(2 859 526)	-	-	-	-	(9 859 526)		
	-	441 162	-	-	(3 506 138)	-	(10 692 790)	-	-	(13 757 766)		
Balance as at 31 October 2016	94 050 000	98 253 429	(26 261 873)	(902 675)	25 927 093	890 207	2 218 391	(24 354 593)	(1 161 530)	168 658 449		

* The accompanying policies and the notes on pages (6) to (32) form an integral part of these consolidated financial statements.



Al Arafa for Investment and Consultancies (S.A.E)
Free Zone

Consolidated Cash flows statement
For the period ended 31 October 2016

	<u>Note No.</u>	<u>Period</u> <u>from 1/2/2016</u> <u>to 31/10/2016</u> <u>U.S \$</u>	<u>Period</u> <u>from 1/2/2015</u> <u>to 31/10/2015</u> <u>U.S \$</u>
<u>Cash flows from operating activities</u>			
Net profit for the period		2 218 391	5 081 125
<u>Adjustments</u>			
Property, plant and equipment depreciation	(8)	4 711 800	5 290 729
Gain on sale fixed assets		(56 886)	(78 257)
Interest and finance expense	(35)	7 158 310	7 265 189
Interest income	(35)	(429 145)	(730 274)
Other asstes amortization	(15)	118 210	130 382
Loss from sale of investments available for sale	(32)	3 046 048	-
Adjustments on retained earnings		(2 859 526)	(2 863 687)
Share of results from joint ventures	(13)	(32 429)	353 248
Formed provisions	(29)	143 419	86 400
<u>Change in</u>			
Inventories		6 677 783	4 027 533
Debetors and other debit balances		(17 531 249)	(4 679 506)
Debtors on sale of investments		(186 941)	(225 396)
Due from related parties		182 388	(69 268)
Creditors and other credit balances		1 395 627	(844 022)
Assets deferred tax		303 526	(80 129)
Cash generated from operating activities		4 859 326	12 664 067
Interest and finance cost paid		(7 450 325)	(6 120 132)
Net cash (used in) generated from operating activities		(2 590 999)	6 543 935
<u>Cash flows from investing activities</u>			
Payments to purchase property, plant and equipment and projects in progress		(3 808 546)	(2 853 890)
Proceeds from sale of fixed asstes		1 566 181	102 015
Proceeds from sale of investments available for sale		23 729 260	-
Change in Treasury bills maturing after three months		3 832 870	(6 413 115)
Cash generated from (used in) investing activities		25 319 765	(9 164 990)
Credit interest collected		408 909	463 868
Net cash generated from (used in) investing activities		25 728 674	(8 701 122)
<u>Cash flows from financing activities</u>			
Change in non-controlling interests		(2 529 064)	(3 093 050)
Change in long-term loans		(21 958 032)	(18 991 091)
Change in long-term loans - current portion		(53 799)	4 361 695
Change in short term loans		71 903	(130 397)
Change in bank-credit facilities		13 023 797	2 092 523
Change in other laibilities		(3 932 131)	3 695 652
Change in long-term liabilities - current portion		211 155	613 138
Change in long-term assets private for Baird group		(19 697)	1 020
Net cash used in financing activities		(15 185 868)	(11 450 510)
Net increase (decrease) in cash and cash equivalents during the period		7 951 807	(13 607 697)
Cash and cash equivalents at beginning of the period		21 759 750	30 405 601
Cash and cash equivalents at end of the period	(19)	29 711 557	16 797 904

* The accompanying policies and the notes on pages (6) to (32) form an integral part of these consolidated financial statements



Al Arafa for Investment and Consultancies (S.A.E)
Free Zone

Notes to the consolidated financial statements
For the period ended 31 October 2016

1- Company background

1-1 Legal status

Arafa for Investment and Consultancies Company - on Egyptian Joint Stock Company - was founded on 16 January 2006, 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 proposed in its meeting held on the 18th of June 2005 to split the Company into two Joint Stock Companies (main Company and Spin-off Company) operating under the Free Zones System with the same shareholders and the same shareholding percentage as at the splitting 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 split. 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.

The Extraordinary General Assembly agreed on its meeting held on the 14th of July 2005 on the above - mentioned Board of Directors proposals. The final approval of the splitting decision was issued from the General Authority for Investment and Free Zones on 24 November 2005.

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

The company has been registered in the commercial registry with no. 17426 on 16/1/2006.
The company's period is 25 years from the registration in the commercial registry date.

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

1-2 The 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.

1-3 Registration in the stock exchange

The Company has been registered in the Egyptian Stock Exchange.

2- Basis of preparation

2-1 Statement of compliance

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

The consolidated financial statements were approved by the Board of Directors held on 12 December 2016.

2-2 Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the financial position:

- available-for-sale financial assets are measured at fair value
- Forward deals at fair value.

The methods used to measure the fair values are disclosed further in note 4.

2-3 Functional and presentation currency

The consolidated financial statements are presented in the US \$ and all the financial information include are in US dollar unless indicated otherwise.

2-4 Use of estimates and judgments

The preparation of 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. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis, Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements is included in the following notes:

Note (3-1): Basis of consolidation

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial statements are included in the following notes:

Note (3-3) : valuation of financial instruments

Note (3-4) : Property, plant and equipment

Note (3-14): Impairment of value

Note (3-17): Provisions

Note (3-21): Deferred tax

3 - Significant accounting policies

3-1 Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The consolidated financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as of the acquisition date. The assets and liabilities acquired are recognized at the carrying amounts recognized previously in the Group's controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity except that any share capital of the acquired entities is recognized as part of equity. Any cash paid for the acquisition and exceeds its carrying amounts is recognized directly in equity.

Associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method. The consolidated financial statements include the Group's share of the income and expenses of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Investments in joint ventures

Joint ventures are entities established by contractual agreement and requiring unanimous consent for strategic and operating decisions.

Joint ventures are reported using equity method.

Basis of consolidation

Intra-group balances, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

As the currency of some subsidiaries is the Egyptian pound and some pound sterling the consolidated financial statements of the subsidiaries have been translated to the holding company functional currency which is US\$ according to the accounting framework.

3-2 Foreign currency

Foreign currency transaction

The company maintains its accounts in US dollar. Transactions dominated in foreign currencies are translated at foreign exchange rate ruling at the date of translations. Monetary assets and liabilities dominated in foreign currencies at the financial position date are translated at the foreign exchange rates ruling at that date. Foreign currency differences arising on the retranslation are recognized in the income statement.

Consolidated financial statements translation for the foreign companies

The assets and liabilities of foreign operations are translated to U.S \$ at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at average foreign exchange rate during the reporting period. The parent company's share in accumulated difference arising from re-evaluation of foreign entity is presented as a separate item in shareholders' equity in the consolidated financial position.

3-3 Financial instruments

Non-derivative financial assets

The Company initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the 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 on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans, receivables and available for sale financial assets.

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Upon initial recognition attributable transaction costs 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 are recognized in profit or loss.

Held-to-maturity financial assets

If the Company has the positive intent and ability to hold debt securities to maturity, then such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. Any sale or reclassification of a more than insignificant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and that are not classified in any of the previous categories. The Company's investments in equity securities and certain debt securities are classified as available for-sale financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for sale equity instruments, are recognized directly in equity. When an investment is derecognized, the cumulative gain or loss in equity is transferred to profit or loss.

Financial assets held for trading

Financial asset held for trading are classified as current assets, and recognized at fair value, and include both resulting gain and loss in the income statement.

Non-derivative financial liabilities

Financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company has the following non-derivative financial liabilities: loans and borrowings, and bank overdrafts, such financial liabilities are recognised initially at the proceeds received, net of transaction costs incurred. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

3-4 Property, plant and equipment

Property, plant and equipment are stated at historical cost and presented in the financial position net of accumulated depreciation and impairment (note 3-14). Depreciation is charged to the income statement over the estimated useful life of each asset using the straight – line method. The following are the estimated useful lives, for each class of assets ,for depreciation calculation purposes :

	Estimated useful lives year
* Buildings and construction	5-50
* Machinery & equipment	3.3-10
* Tools & Supplies	2-10
* Transport & Transportation Vehicles	4-10
* Office equipment:	
- Office equipment	2-16.6
- Computers	3-4
* Improvements in leased places	5-10

Expenditure incurred to replace a component of an item of property and equipment that is accounted for separately, including major inspection and overhand expenditure is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the property and equipment. All other expenditure is recognized in the income statement as an expense as incurred.

3-5 Projects in progress

Projects in progress are recognized initially at cost. Cost includes all expenditure directly attributable to bringing the asset to working condition for intended use. Property and equipment in progress are transferred to property and equipment caption when they are completed and are ready for their intended use.

3-6 Goodwill

Goodwill is initially measured at its cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities. After initial recognition, the Group measures acquired goodwill at cost less impairment losses. Recognized goodwill impairment losses are not subsequently reversed.

3-7 Intangible assets

Other intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses (note: 3-14).

Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated over the cost of the asset, less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use, and the useful life is as follow:

Trademarks	Ages estimated 10-20 years
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3-8 Financial lease

Leases are classified as operating leases, rental payments (After deducting any discounts and taking any grace periods into consideration) are recognized as rent expense in the income statement on straight line basis over the lease contract period. The accrued amounts of the operating lease contracts..

3-9 Inventories

- Inventories are measured at the lower of cost and net recoverable value. The cost of inventories is based on the first-in, first-out (FIFO) principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.
- Net recoverable value is the estimated selling price, in the ordinary course of business, less the estimated costs of completion and selling expenses.
- The inventory of work in process is measured at the lower of cost, which is determined based on the last process the work in process reached, or net recoverable value.
- Finished production is measured at the lower of manufacturing cost or net recoverable value. The manufacturing cost comprises raw materials, direct labor, and cost includes an appropriate share of overheads based on normal operating capacity.

3-10 Debtors and other receivables

Trade and other receivables are stated at their nominal value less an allowance for any doubtful debts.

3-11 Repurchase of share capital

When the company purchase its own shares, the amount of the consideration paid, including directly attributable costs, is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity

3-12 Treasury Bills

Purchases of treasury bills and certificates of deposit of the central bank proving at nominal value and are included in cash and cash equivalents, treasury bills which deserves more than three months are included in a separate item at statement of financial position in accordance with the requirements of the Egyptian Accounting Standards.

3-13 Creditors and other credit balances

Creditors and other credit balances are stated at their cost.

3-14 Impairment

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

The Company considers evidence of impairment for receivables and held-to-maturity investment securities at both a specific asset and collective level. All individually significant receivables and held-to-maturity investment securities are assessed for specific impairment. All individually significant receivables and held-to-maturity investment securities found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Receivables and held-to-maturity investment securities that are not individually significant are collectively assessed for impairment by grouping together receivables and held to- maturity investment securities with similar risk characteristics.

In assessing collective impairment the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognized by transferring the cumulative loss that has been recognized in equity, to profit or loss. The cumulative loss that is removed from equity and recognized in profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss previously recognized' in profit or loss. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than biological assets, investment property, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are 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.

(For the purpose of impairment testing, assets that cannot be tested individually 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 groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3-15 Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group are re measured in accordance with the Company's accounting policies. Thereafter generally the assets, or disposal group are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group first is allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, and deferred tax assets, which continue to be measured in accordance with the Company's accounting policies. Impairment losses on initial classification as held for sale and subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

3-16 Employee benefits

3-16-1 Pensions contribution plans

The company contributes to the government social insurance system for the benefit of its employees according to the social Insurance law No.79 of 1975 and its amendments, the company's contributions are recognized in the consolidated income statement using the accrual basis of accounting. The company's obligation in respect of employees' pensions is confined to the amount of aforementioned contributions.

3-16-2 Short-term employee benefits

Short-term employee benefits are recognized as an expense when providing the relevant service. And it is expected to recognize the amount paid as a liability when the Company has a legal or constructive obligation to pay this amount as a result of the employees make an earlier service can be incredibly commitment to support the estimate.

3-16-3 Employees share in profits:

The company distributes 10 % of the profits to be decided in cash distribution to the employees of the company in accordance with the rules established by the Board of Directors and approved by the General Assembly shall not exceed the total annual wage of employees. Recognizes working in earnings in equity and as a liability when it relies share of the Ordinary General Assembly of the shareholders of the company. And it is not to recognize any obligations of workers in undistributed profits share.

3-17 Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability, the unwinding of the discount is recognized as finance cost. Then check the balance of provision in the date of financial statements and adjusted when necessary to show current best estimate.

3-18 Revenue

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized.

Income from investments is recognized when the shareholders of the Company have the right to receive dividends that have been established from the associates and available for sale in the financial period in which these dividends is approved by the general assemblies meeting of the investee companies.

Gains and losses resulting from the sale of financial investments is proofed in the date of a process and that the difference between cost and selling price minus the expenses and sales commissions

Management fees are recognized once the service in accordance with the principle of accrual. Credit interests are recognized in the income statement based on the percentage of time.

3-19 Finance income and expenses

Interest income is recognized as it accrues in profit or loss, using the effective interest method.

Dividend income received from investments is recognized in profit or loss on the date of collection.

Construction or production of a qualifying asset is recognized in profit or loss using the effective interest method.

3-20 Income Tax

Income tax on profit or loss for the period comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly on equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the financial position date, and any adjustment to tax payable in respect of previous period.

3-21 Deferred tax

Deferred tax is recognized using the financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3-22 Forward deals

Forward deals are recognized by the fair value (market value) of these deals in the date of conclusion of the deal and these deals are reevaluated in the date of the consolidated financial statements. Gains and losses resulted from the reevaluation of these deals are recognized in consolidated income statement.

3-23 Leases

Leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

3-24 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing related products or services (business segment), which is subject to risks and rewards that are different from those of other segments. The group's main format for segment reporting is based on business segments.

3-25 Basic earnings per share

Basic earnings per share are calculated by dividing the profit for the period attributable to the Holding company by the weighted average number of outstanding ordinary shares during the period.

3-26 Legal reserve

According to the Companies Law requirements and the statutes of the Company, 5% of the annual net profit transferred to a legal reserve until the accumulated reserve reaches 50% of the issued share capital. The reserve is, un-distributable; however, it can be used to increase the share capital or to offset losses. If the reserve falls below the defined level (50% of the issued share capital), then the Company is required to resume setting aside 5% of the annual profit until it reaches 50% of the issued share capital. Legal reserve is not available for distribution cash dividend.

4- Determination of fair value

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4-1 Financial instruments evaluation (forward deals)

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

4-2 Available for sale investments

The investment securities and certain debt securities are recognized at its net fair value.

5 - Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk
- Foreign currency risk
- Operational risk

Risk management framework

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

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company's Board is assisted in its oversight role by Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the B.O.D.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investment securities.

Investments

The Company limits its exposure to credit risk by only investing in liquid securities and securities with high credit ratings.

Guarantees

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

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. Typically the company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Company maintains the following lines of credit:

Market risk

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

The company incurs financial liabilities in order to manage market risks, all such transactions are carried out within the guidelines set by the management

Foreign currency risk

The Company is exposed to currency risk on sales, purchases and loans, which are handled in a currency other than the functional currency of the company, mainly Egyptian Pound.

The Company uses direct exchange contracts to cover foreign currency risk and which have maturities less than a year from the date of preparation of the report

With regard to other financial assets and liabilities and residents in foreign currencies, and net value of the exposure to these risks, it is still at an acceptable level by buying or selling foreign exchange rates prevailing at a particular time and, when necessary, to address any imbalance short-term

Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behavior. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk *is* assigned to senior management within each business unit. This responsibility is Supported by the development of overall Company standards for the management of operational risk in the following areas:

- Requirements for appropriate segregation of duties, including the independent authorization of transactions
- Compliance with regulatory and other legal requirements
- Documentation of controls and procedures
- Requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- Requirements for the reporting of operational losses and proposed remedial action
- Development of contingency plans
- Training and professional development
- Ethical and business standards
- Risk mitigation, including insurance where this is effective.

Compliance with Company standards is supported by a programme of periodic reviews undertaken by management. The results of Management reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Company.

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital, which the Company defines as net operating income divided by total shareholders' equity, excluding non-redeemable preference shares. The Board of Directors also monitors the level of dividends to ordinary shareholders.

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

6 - Group Entities

The following is a list of the Subsidiaries owned and controlled by the Company as at 31/10/2016 and its ownership percentage:

Subsidiary's Name	Ownership Percentage		Country of Incorporation
	31/10/2016	31/1/2016	
Swiss Garments Company	98.41 %	98.41 %	Egypt
Egypt Tailoring Garments Company	98.60 %	98.41 %	Egypt
Concrete Garments Company	90.91 %	90.91 %	Egypt
Port Said Garments Company	96.40 %	96.40 %	Egypt
Golden Tex Wool Company *	43.60 %	43.60 %	Egypt
Sbaghy golden Tex (Indirect ownership – Golden Tex Wool Company) *	39.23 %	39.23 %	Egypt
White Head Spinning Company *	43.75 %	43.75 %	Egypt
Euromed for trading & marketing Company	98.42 %	98.42 %	Egypt
Al Arafa for investments in Garments industry	99.2 %	99.2 %	Egypt
Al Arafa for investments in Spinning & Textile industry	99.2 %	99.2 %	Egypt
Al Arafa for investments in Garments Marketing & Retail Fashion Industry	99.2 %	99.2 %	Egypt
Savini Garments Company **	97.81 %	97.81 %	Egypt
Swiss Cotton Garments Company	98.8 %	98.8 %	Egypt
Egypt Portugal Marketing Company	98.41 %	98.41 %	Egypt
AI Arafa for real estate investment	59 %	59 %	Egypt
EP Garments	98.41 %	98.41 %	Egypt
Baird Group	60 %	60 %	Portugal
	98.2 %	98.2 %	United Kingdom

* Arafa for Investment and Consultancies has entered into a management Contract dated 1 January 2007, according to this contract the Company has the right to control the operating and financial policies of Golden Tex group and White Head spinning companies.

** Savini is included within the subsidiaries as it is directly owned by 49.2% through the Holding Company and indirectly through Swiss Garments Company which own 50% of the Savini ownership, this was registered in the commercial register of the Company on 27/10/2010.

Company's Name	Share Percentage		Country of Incorporation
	31/10/2016	31/1/2016	
Metco (Indirect ownership)	48.5 %	48.5 %	Egypt
Forall Group	-	35 %	Italy

The above mentioned companies are out of the consolidation scope, as the Holding Company has entered to management agreement in which the other shareholders practice the control on the financial and operating decisions for those companies.

Al Arafa for Investment and Consultancies (S.A.E) – Free Zone

Notes to the consolidated financial statements for the period ended 31 October 2016

8 - Property, plant and equipment

	Land	Buildings & Constructions	Machinery & equipment	Vehicles	Tools & Supplies	Furniture & Office Equipment	Improvements in leasehold	Total
	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$	U.S.\$
Cost								
Cost as at 31/1/2015	9 558 085	69 530 256	54 499 240	1 448 919	638 322	48 545 369	3 638 688	187 858 879
Additions during the period	-	497 447	800 471	152 069	182 535	1 441 905	104 226	3 178 653
Disposals during the period	-	-	(728 555)	(276 754)	-	(78 014)	(212 091)	(1 295 414)
Translation differences	(397 495)	(1 657 253)	(1 365 204)	(59 228)	(19 875)	(210 339)	(430 412)	(4 139 806)
Cost as at 31/10/2015	9 160 590	68 370 450	53 205 952	1 265 006	800 982	49 698 921	3 100 411	185 602 312
Cost as at 31/1/2016	9 154 075	68 603 478	53 055 819	1 264 985	801 524	49 156 555	3 574 481	185 610 917
Additions during the period	-	75 437	817 749	55 469	10 507	2 569 937	121 811	3 650 910
Disposals during the period	(1 158 520)	(406 819)	(269 294)	(38 769)	-	(4 437)	-	(1 877 839)
Decrease in assets value according to GAFI valuation of merged subsidiaries	(623 795)	(325 732)	-	-	-	-	-	(949 527)
Translation differences	(491 980)	(1 926 240)	(2 052 180)	(58 967)	(24 729)	(2 291 695)	(1 018 441)	(7 864 232)
Cost as at 31/10/2016	6 879 780	66 020 124	51 552 094	1 222 718	787 302	49 430 360	2 677 851	178 570 229
Accumulated depreciation								
Accumulated depreciation as at 31/1/2015	-	24 383 860	42 558 640	1 012 269	432 698	45 367 293	2 732 368	116 487 128
Depreciation for the period	-	1 177 017	1 926 062	108 392	35 973	1 278 007	765 278	5 290 729
Accumulated depreciation of disposals	-	-	(712 651)	(274 128)	-	(73 413)	(211 464)	(1 271 656)
Translation differences	-	(588 917)	(1 060 046)	(57 274)	(17 585)	(179 221)	(390 808)	(2 293 851)
Accumulated depreciation as at 31/10/2015	-	24 971 960	42 712 005	789 259	451 086	46 392 666	2 895 374	118 212 350
Accumulated depreciation as at 31/1/2016	-	25 350 323	42 839 617	827 942	464 492	46 019 703	3 052 666	118 554 743
Depreciation for the period	-	1 123 926	1 738 517	100 801	37 431	1 159 557	551 568	4 711 800
Accumulated depreciation of disposals	-	(96 045)	(230 876)	(37 187)	-	(4 436)	-	(368 544)
Translation differences	-	(807 934)	(1 373 527)	(43 711)	(22 946)	(1 699 203)	(1 088 156)	(5 035 477)
Accumulated depreciation as at 31/10/2016	-	25 570 270	42 973 731	847 845	478 977	45 475 621	2 516 078	117 862 522
Net cost								
Net cost as at 31/1/2016	9 154 075	43 253 155	10 216 202	437 043	337 032	3 136 852	521 815	67 056 174
Net cost as at 31/10/2015	9 160 590	43 398 490	10 493 947	475 747	349 896	3 306 255	205 037	67 389 962
Net cost as at 31/10/2016	6 879 780	40 449 854	8 578 363	374 873	308 325	3 954 739	161 773	60 707 707

Al Arafa for Investment and Consultancies (S.A.E) – Free Zone

Notes to the consolidated financial statements for the period ended 31 October 2016

- 8-1 Some of the Group's property, plant and equipments were purchased through initial contracts, the legal procedures to legalize and register such contracts are currently being undertaken.

	31/10/2016	31/1/2016
	U.S \$	U.S \$
Lands	1 891 183	1 891 183
	1 891 183	1 891 183

9 - Projects in progress

	31/10/2016	31/1/2016
	U.S \$	U.S \$
Buildings & Constructions	6 269 149	6 061 368
Plant and machinery under installation	-	49 524
Advance payments to purchase fixed assets	230 938	634 570
Decrease in Projects in progress according to GAFI valuation (subsidiary)	(115 475)	-
	6 384 612	6 745 462

10 - Goodwill

Balance amounted to USD 29 494 198 represents the goodwill resulted from business combinations, the change in the goodwill balance is due to the change in foreign currencies exchange differences

11- Investments available for sale

Particulars	Country of Incorporation	Ownership percentage	Paid percentage	Cost of Investment as at	Cost of investment as at
				31/10/2016	31/1/2016
		%	%	U.S \$	U.S \$
Egyptian Company for Trading & Marketing	Egypt	2.62	100	29 472	29 472
10 th of Ramadan for Developments & Construction Investments Co.	Egypt	4.036	100	876 179	876 179
Forall *	Italy	35	100	-	38 090 268
Middle East Company (Metco)	Egypt	48.5	100	2 543 467	2 543 467
Citadel Capital	Egypt	-	-	3 044 072	3 044 072
Other investments				69 234	69 234
				6 562 424	44 652 692
Impairment				(44 885)	(44 885)
Cumulative changes in fair value of financial investments				(902 675)	(939 058)
Impairment in Investments available for sale – according to the valuation of the General Investment Authority (subsidiary)				(9 810)	-
Effect of foreign currency exchange differences				(2 347 703)	(2 056 815)
				3 257 351	41 611 934

- The Group has sold its whole share in its investment in Forall Italian group, amounting to 35% of the group shares to foreigner investor on 28 July 2016 .

- The company wasn't able to measure the fair value of financial investments available for sale the absence of an active market can be dependable as shown accounting policy (3-3).

12 - Debtors sale of investments

	Long term assets U.S \$	Current portion U.S \$	Total U.S \$
Accrued installments due to the sales the group share in SRG & Melka International as agreed to collect the sale price over 10 equivalent installments ending by 11 October 2017	-	35 600 000	35 600 000
Balance at 31/10/2016	-	35 600 000	35 600 000
Balance at 31/1/2016	7 013 059	28 400 000	35 413 059

13 - Investments in joint ventures

Particulars	Country of Incorporation	Ownership percentage %	Cost of Investment as at 31/10/2016 U.S \$	Cost of investment as at 31/1/2016 U.S \$
Crystal for Making shirts	Egypt	60	294 845	294 845
Camegit for Garments Manufacturing	Egypt	49.48	570 105	537 676
			864 950	832 521

The following is the movement through the ended period dated 31/10/2016

	31/10/2016 U.S \$
Balance at the beginning of the period	832 521
Share of results from Camegit for Garments Manufacturing	32 429
	864 950

14 - Deferred tax assets

	31/10/2016 U.S \$	31/1/2016 U.S \$
Balance at the beginning of the period / year - (asset)	579 811	688 999
Transaction during the period / year	46 922	41 293
Effect of translation differences	(350 448)	(150 481)
Balance at the end of the period / year - (asset)	276 285	579 811

15 - Other Assets

	31/10/2016 U.S \$	31/1/2016 U.S \$
Balance at the beginning of the period / year	4 623 632	4 863 230
Additions during the period / year	4 314 960	-
Amortization of the period / year	(118 210)	(172 122)
Change in foreign currency exchange rates	(109 563)	(67 476)
	8 710 819	4 623 632

Al Arafa for Investment and Consultancies (S.A.E) – Free Zone*Notes to the consolidated financial statements for the period ended 31 October 2016***16 - Work in progress**

This balance amounted to US \$ 941 254 at 31/10/2016 (US \$ 1 067 479 as at 31/1/2016) represents the total contractual consideration to purchase a piece of land in 10th of Ramadan City with an area of 104424.89 square meters including the contractual expenses, such land was acquired to construct residential units according to the National Housing Project specifications.

17 - Inventories

	31/10/2016	31/1/2016
	U.S \$	U.S \$
Raw materials	14 486 279	17 732 381
Spare parts and auxiliary material	4 139 208	4 298 728
Packing materials	385 175	516 545
Work in process	21 314 837	28 180 810
Finished goods	64 936 157	61 913 181
Goods in transit	272 329	434 729
	105 533 985	113 076 374
Less: impairment of inventories	(4 567 322)	(4 953 535)
	100 966 663	108 122 839
L/C's to purchase goods	1 448 452	970 059
	102 415 115	109 092 898

18 - Debtors and other debit balances

	31/10/2016	31/1/2016
	U.S \$	U.S \$
Trade receivables	57 160 190	53 943 143
Less:		
Impairment of trade receivables	(2 362 345)	(2 517 178)
	54 797 845	51 425 965
Notes receivables	2 007 082	2 030 768
	56 804 927	53 456 733
Debtors attributable to sold companies	44 550 191	44 541 301
Suppliers & contractors - debit balances	4 522 404	4 109 390
Tax authority	2 116 962	1 166 212
Deposits with others	1 797 960	1 449 509
Prepaid expenses	9 570 018	7 961 004
Accrued revenues	10 980 273	9 837 768
Other debit balances	29 060 845	22 192 840
	102 598 653	91 258 024
Less:		
Impairment of debtors & other debit balances	(19 944 053)	(19 963 562)
	82 654 600	71 294 462
	139 459 527	124 751 195

19 - Cash and cash equivalents

	31/10/2016	31/1/2016
	U.S \$	U.S \$
Time deposits & Treasury bills	15 000 181	11 297 464
Current accounts	20 356 655	17 392 718
Cheques under collection	-	2 890
Cash on hand	709 366	500 808
Cash and cash equivalents	36 066 202	29 193 880
Overdraft	(6 354 645)	(7 434 130)
Cash and cash equivalents for the purpose of cash flows statement	29 711 557	21 759 750

20 - Capital

20-1 Authorized capital

The authorized capital amounted to U.S. \$ 150 million, as registered in the commercial register on 13/11/2006.

20-2 Paid up capital

The Company's issued and paid up capital amounted to U.S. \$ 18 115 510 distributed over 18 115 510 shares the nominal value of each is U.S. \$ 1, prior to the capital increase referred to in the following paragraphs:

The Company's issued share capital had been increased in cash, by U.S. \$ 13 884 490 to become U.S. \$ 32 million, each share was split into five shares and accordingly the par value of each share became 20 cent. The share capital increase and the share split were approved by the General Authority for Investment and Free Zone by virtue of decree No. 1724/2 of 2006.

The Extraordinary Shareholders Meeting held on 16 November, 2006 approved increasing the capital by U.S. \$ 15 500 000 to become U.S.\$ 47 500 000 represented in 237 500 000 shares, the nominal value of each share is 20 cent, and this was by subscription on two categories, the first is public subscription and the second is private subscription by the fair value of the share and the subscription made for the full increase. This was registered in the commercial register of the Company on 18 December 2006.

The ordinary Shareholders Meeting dated on 23/5/2010 decided to increase the capital by U.S. 4 750 000 represented in 23 750 000 shares, the nominal value of each share is 20 cent financed from retained earnings the capital become after the increase amount U.S.\$ 52 250 000 (which is within the limits of authorized capital \$ 150 million U.S.\$) represented in 261 250 000 the nominal value of each share is 20 cent, This was registered in the commercial register of the Company on 29 September 2010.

The ordinary Shareholders Meeting dated on 25/5/2011 decided to increase the capital by U.S. 10 450 000 represented in 52 250 000 shares, the nominal value of each share is 20 cent financed from retained earnings the capital become after the increase amount U.S. \$ 62 700 000 (which is within the limits of authorized capital \$ 150 million U.S. \$) represented in 313 500 000 the nominal value of each share is 20 cent, This was registered in the commercial register of the Company on 27 July 2011.

Al Arafa for Investment and Consultancies (S.A.E) – Free Zone*Notes to the consolidated financial statements for the period ended 31 October 2016*

The ordinary Shareholders Meeting dated on 18/6/2012 decided to increase the capital by U.S. 31 350 000 represented in 156 750 000 shares, the nominal value of each share is 20 cent financed from special reserve the capital become after the increase amount U.S. \$ 94 050 000 (which is within the limits of authorized capital \$ 150 million U.S. \$) represented in 470 250 000 the nominal value of each share is 20 cent, This was registered in the commercial register of the Company on 2 October 2012.

21 - Reserves

	31/10/2016	31/1/2016
	U.S \$	U.S \$
Legal reserve	33 470 509	33 087 100
Special reserve (*)	18 665 343	18 665 343
General reserve	45 415 879	45 415 879
Other reserves	701 698	643 945
	98 253 429	97 812 267

(*) Special reserve - This balance represents share premium of the capital increase amounted to U.S. \$ 76 450 000 for the issuance of 77.5 million shares, after deducting, an amount of U.S. \$ 23 529 959 to maintain the 50 % of the legal reserve from the paid up capital and the deduction of a transaction cost related to this capital increase amounted to U.S. \$ 2 904 698, as of 2 October 2012 the capital increase which amounted to U.S. \$ 31 350 000 has been financed through Special reserve.

22 - Decrease in the book value of net assets acquired over purchasing consideration

The holding company acquired the shares of some subsidiaries that were under the control of the shareholders of Al Arafa for Investment and Consultancies Company and Swiss Garments Company (Subsidiary). The difference between the acquisition cost and its share in the net of shareholders' equity for these companies was recognized in the shareholders' equity in the consolidated financial statements.

23 - Translation adjustment

	31/10/2016	31/1/2016
	U.S \$	U.S \$
Balance at the beginning of the period / year	(18 487 878)	(16 509 619)
Change during the period / year	(5 866 715)	(1 978 259)
Balance at the end of the period / year	(24 354 593)	(18 487 878)

24 - Treasury stock reserve

Balance amounted to U.S \$ 890 207 represents the gains on sale of 11 396 151 treasury shares. Treasury stock reserve not for distribution.

25 - Treasury stock

The balance represent in the investments of Concrete Garments Company (subsidiary) in the company's shares, according to the accounting standards, when preparing the consolidated financial statements these investments is classified as treasury stock at consolidated Financial Position.

26 - Banks – Credit Facilities

Banks – Credit Facilities equivalent to U.S.\$ 75 294 458 (US \$ 63 439 342 as at 31/1/2016) Were granted to the group's Companies from local banks in different currencies against various guarantees, one of the subsidiaries (Barid Group) has a long – term credit facilities maturing within one year amounting U.S.\$ 13 179 959 (US \$ 12 011 278 as at 31/1/2016)

27 - Long-term Loans, and its current portion

	Long term Loans U.S \$	Current portion U.S \$	Total U.S \$
Al Arafa for Investment and Consultancies			
CIB-Egypt	8 864 972	-	8 864 972
Al Arafa for investments in Garments Marketing & Retail			
AAIB	15 171 343	5 900 000	21 071 343
Swiss Garments Company			
MIDB	3 000 000	3 107 197	6 107 197
Egypt Tailoring Garments Company			
MIDB	1 000 000	1 000 000	2 000 000
Goldentex Wool Company			
Housing & Development Bank	22 006	10 542	32 548
QNB	171 715	171 715	343 430
Port-said Garments Company			
AWB	-	5 584 444	5 584 444
Swiss Cotton Garments Company			
HSBC	1 500 000	750 000	2 250 000
NBD	-	2 556 065	2 556 065
Balance as at 31/10/2016	29 730 036	19 079 963	48 809 999
Balance as at 31/1/2016	51 688 068	19 133 762	70 821 830

27-1 Terms of loans agreements

Bank	Loan Currency	End of Payment	31 October 2016		31 January 2016	
			Value (Original Currency)	Value (in U.S \$)	Value (Original Currency)	Value (in U.S \$)
Al Arafa for investment & consultancies						
CIB	U.S \$	2018	8 864 972	8 864 972	18 864 972	18 864 972
Al Arafa for investments in Garments Marketing & Retail						
AAIB	U.S \$	2019	21 071 343	21 071 343	25 971 343	25 971 343
Swiss Garments Company						
MIDB	U.S \$	2018	6 107 197	6 107 197	9 000 000	9 000 000
Egypt Tailoring Garments						
MIDB	U.S \$	2018	2 000 000	2 000 000	3 000 000	3 000 000
Goldentex for wool company						
Housing & Development bank	L.E		289 049	32 547	358 993	45 843
QNB	L.E	2018	3 050 000	343 430	4 193 750	535 542
Port-said Garments Company						
AWB	U.S \$	2017	5 584 444	5 584 444	7 446 044	7 446 044
Swiss Cotton Garments Company						
HSBC Bank	U.S \$	2020	2 250 000	2 250 000	2 550 000	2 550 000
NBD	U.S \$	2017	2 556 065	2 556 065	3 408 086	3 408 086

28 - Other long-term liabilities

	31/10/2016	31/1/2016
	U.S \$	U.S \$
Long term notes payable	245 918	160 258
Due to Corplease company	3 257 470	4 021 512
Other liabilities	26 576	22 855
	3 529 964	4 204 625

29 - Provisions

	Balance as at 31/1/2016 U.S \$	Recognized during the period U.S \$	Reversed provisions U.S \$	Utilized during the period U.S \$	Balance as at 31/10/2016 U.S \$
Provisions	1 022 077	143 419	-	-	1 165 496
Exchange rates differences	-	-	-	-	(102 710)
	1 022 077	143 419	-	-	1 062 786

30 - Creditors and other Credit balances

	31/10/2016	31/1/2016
	U.S \$	U.S \$
Suppliers and contractors	20 234 326	20 370 716
Notes payable	4 035 807	4 103 898
Accounts receivables – advance payments	91 940	203 608
Deposits from others	2 161 826	1 425 046
Tax authority	3 368 977	6 684 138
Un-earned revenue	-	7 092
Accrued expenses	6 553 249	6 637 270
Deferred capital gains	7 724 697	7 931 636
Other credit balances	3 587 820	5 285 739
	47 758 642	52 649 143

31 - Short-term loans

Short-term loans equivalent to U.S.\$ 44 902 992 (US \$ 44 831 089 as at 31/1/2016) were granted to the group's companies from local banks in different currencies against various guarantees.

Al Arafa for Investment and Consultancies (S.A.E) – Free Zone*Notes to the consolidated financial statements for the period ended 31 October 2016***32 - Cost of revenue**

	31/10/2016	31/10/2015
	U.S \$	U.S \$
Cost of sales	119 532 912	132 795 856
Cost of investment activity *	3 049 845	-
	122 582 757	132 795 856

(*) Cost of investment activity includes an amount of 3 046 048 U.S \$ represents the losses of sold group investment in Forall Italian group to foreigner investor on 28 July 2016 .

33 - Other revenue

	31/10/2016	31/10/2015
	U.S \$	U.S \$
Capital gains	1 851 436	1 311 905
Rent	1 444 428	1 514 534
Earned discounts	101 494	366 159
Revenue from service rendered to other	180 634	301 823
Others	307 858	362 582
	3 885 850	3 857 003

34 - Other expense

	31/10/2016	31/10/2015
	U.S \$	U.S \$
Technical support expenses	-	553 523
General Authority for Investment fees	108 376	105 315
Recognized the claims provision	143 419	86 400
Others	15 625	17 580
	267 420	762 818

35 – Net finance expenses (cost)

	31/10/2016	31/10/2015
	U.S \$	U.S \$
Interest and finance expense	(7 158 310)	(7 265 189)
Interest income	429 145	730 274
Changes in Present value	181 390	192 833
Foreign exchange gain	5 331 186	1 793 932
	(1 216 589)	(4 548 150)

36 - Operating segments

Operating reports were prepared on the basis of the sector's activities in accordance with the organizational and administrative structure of the company and its subsidiaries.

Al Arafa for Investment and Consultancies (S.A.E) – Free Zone
Notes to the consolidated financial statements for the period ended 31 October 2016

36 - Segment analysis

36-1 Operating results divided to group company's business activities for the financial period ended 31/10/2016

	Business activities						Eliminations U.S\$	Total after eliminations U.S\$
	Formal U.S\$	Causal U.S\$	Luxury U.S\$	Real estate Investment U.S\$	Investment U.S\$			
Total Revenues	198 358 935	9 904 662	59 540 606	-	-	-	267 804 203	
Sales between companies for the same segment	26 209 705	-	4 326 372	-	-	(30 536 077)	-	
Net Revenues	172 149 230	9 904 662	55 214 234	-	-	(50 423 514)	186 844 612	
Revenue from external customers	150 118 272	9 849 106	26 717 613	-	-	-	186 684 991	
Intercompany group sales	22 030 958	55 556	28 496 621	-	-	(50 423 514)	159 621	
Total	172 149 230	9 904 662	55 214 234	-	-	(50 423 514)	186 844 612	
Cost of Revenue	(121 636 310)	(9 069 861)	(40 224 866)	-	-	48 348 280	(122 582 757)	
Gross profit (loss)	50 512 920	834 801	14 989 368	-	-	(2 075 234)	64 261 855	
Other income	1 161 769	525 108	950 412	604 482	1 415 989	(771 910)	3 885 850	
Distribution expenses	(33 707 902)	(706 735)	(6 638 964)	-	-	32 018	(41 021 583)	
General and administrative expenses	(10 874 129)	(864 627)	(6 662 148)	(1 681 501)	(2 027 400)	829 201	(21 280 604)	
Other expenses	(83 684)	(88 650)	(49 034)	-	(46 052)	-	(267 420)	
Operating profit (loss)	7 008 974	(300 103)	2 589 634	(1 077 019)	(657 463)	(1 985 925)	5 578 098	
Group's share of results of joint ventures	-	-	32 429	-	-	-	32 429	
Finance expenses (net)	(1 692 480)	(659 872)	(2 549 398)	686 839	2 907 957	90 365	(1 216 589)	
Net profit (loss) for the period - before tax	5 316 494	(959 975)	72 665	(390 180)	2 250 494	(1 895 560)	4 393 938	
Income tax for the period	(572 931)	-	(831 864)	-	-	-	(1 404 795)	
Deferred tax	(1 941)	-	48 307	556	-	-	46 922	
Net profit (loss) for the period - after tax	4 741 622	(959 975)	(710 892)	(389 624)	2 250 494	(1 895 560)	3 036 065	
Attributable to:								
Holding company owners share	4 112 123	(952 295)	(909 150)	(387 221)	2 250 494	(1 895 560)	2 218 391	
Non-controlling interests share	629 499	(7 680)	198 258	(2 403)	-	-	817 674	
Net profit (loss) for the period	4 741 622	(959 975)	(710 892)	(389 624)	2 250 494	(1 895 560)	3 036 065	

* For the purpose of presentation the following figures were excluded :

The dividends from the formal and luxury sector which amount U.S \$ 6 006 656

The rents from the real estate investment sector which amount U.S \$ 94 674 and its cost amount U.S \$ 5 365



Al Arafa for Investment and Consultancies (S.A.E) – Free Zone

Notes to the consolidated financial statements for the period ended 31 October 2016

36 - Segment analysis

36-2 Operating results divided to group company's business activities for the financial period ended 31/10/2015

	Business activities							Total after eliminations U.S \$
	Formal	Causal	Luxury	Real estate Investment	Investment	Eliminations		
	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$	U.S \$		
Total Revenues	203 104 173	17 983 648	66 445 696	-	-	-	287 533 517	
Sales between companies for the same segment	28 965 255	-	4 458 467	-	-	(33 423 722)	-	
Net Revenues	174 138 918	17 983 648	61 987 229	-	-	(54 362 054)	199 747 741	
Revenue from external customers	152 267 525	17 854 565	29 548 438	-	-	-	199 670 528	
Intercompany group sales	21 871 393	129 083	32 438 791	-	-	(54 362 054)	77 213	
Total	174 138 918	17 983 648	61 987 229	-	-	(54 362 054)	199 747 741	
Cost of Revenue	(126 097 442)	(15 969 998)	(45 167 683)	-	-	54 439 267	(132 795 856)	
Gross profit (loss)	48 041 476	2 013 650	16 819 546	-	-	77 213	66 951 885	
Other income	1 602 243	309 905	423 881	680 330	1 513 847	(673 203)	3 857 003	
Distribution expenses	(30 794 650)	(1 125 028)	(6 847 286)	-	-	28 361	(38 738 603)	
General and administrative expenses	(10 380 668)	(668 995)	(4 567 572)	(1 516 740)	(1 560 994)	749 973	(17 944 996)	
Other expenses	(19 842)	(86 400)	(57 177)	-	(599 399)	-	(762 818)	
Operating profit (loss)	8 448 559	443 132	5 771 392	(836 410)	(646 546)	182 344	13 362 471	
Group's share of results of joint ventures	-	-	1 068	-	(354 316)	-	(353 248)	
Finance expenses (net)	(3 085 885)	(585 623)	(1 953 881)	628 673	378 156	70 410	(4 548 150)	
Net profit (loss) for the period - before tax	5 362 674	(142 491)	3 818 579	(207 737)	(622 706)	252 754	8 461 073	
Income tax for the period	(755 250)	-	(1 253 842)	-	-	-	(2 009 092)	
Deferred tax	15 546	-	40 570	42	-	-	56 158	
Net profit (loss) for the period - after tax	4 622 970	(142 491)	2 605 307	(207 695)	(622 706)	252 754	6 508 139	
Attributable to:								
Holding company owners share	3 562 371	(141 352)	2 236 932	(206 874)	(622 706)	252 754	5 081 125	
Non-controlling interests share	1 060 599	(1 139)	368 375	(821)	-	-	1 427 014	
Net profit (loss) for the period	4 622 970	(142 491)	2 605 307	(207 695)	(622 706)	252 754	6 508 139	

* For the purpose of presentation the following figures were excluded :

The dividends from the formal sector which amount U.S \$ 5 935 982

The rents from the real estate investment sector which amount U.S \$ 106 518 and its cost amount U.S \$ 1 387

Al Arafa for Investment and Consultancies (S.A.E) – Free Zone

Notes to the consolidated financial statements for the period ended 31 October 2016

37 - Capital commitments

The capital commitments of the Group as at 31/10/2016 amounted to U.S \$ 408 984

38 - Contingent liabilities

Letters of guarantee issued by banks to the favor of the company and its subsidiaries in at 31/10/2016 amount to U.S \$ 33 314 874.

39 - Leases

Some of the group companies have entered into finance lease contracts under sale & lease back conditions for some of its properties and a summary of these contracts are as follows :

<u>Statement</u>	<u>Al Arafa for Investments and Consultancies</u> U.S \$	<u>Al Arafa for real estate investment</u> U.S \$	<u>Egypt Tailoring Garments</u> U.S \$
Total sales value	7 696 967	10 715 803	5 959 003
Total contractual value	9 751 990	13 634 602	7 578 903
Advance payment	1 158 110	1 607 370	1 225 171
Total Capital gain	5 990 579	6 960 674	4 800 483
Modifying lease value	-	113 120	83 018
Lease expense during the period	1 096 730	1 477 818	739 707
Capital gain during the period	679 489	600 723	514 338
Accrued installments until the end of the contract	6 217 259	7 398 400	5 219 137
The end of contract	June 2021	December 2020	June 2022

40 - Taxation

Al Arafa for Investments and Consultancies Company

As mentioned in the Company's tax card , the Company and the company's profits are not subject to tax laws and duties applied in Egypt (article No. 35 of law No.8 of 1997), Also the company's loan and mortgage contracts related to its activities are exempted from stamp duty tax, license & announcement fees for a period of 10 years from the date of registration in the Commercial Registry form 21/12/2005 to 20/12/2015 (article no.35 of law no.8 of law 1997).

Subsidiaries in Egypt

Subsidiaries in Egypt subject to tax

Subsidiary	Tax status
Concrete Garments Company	Inspected until 31/12/2012.
Port Said Garments Company	Inspected and settled until 31/12/2002
Golden tex wool Company	Inspected and settled until 31/12/2010
Euromed for trading & Marketing Company	Inspected and settled until 31/12/2010
Al Arafa for real estate investment	Not inspected yet
Egypt tailoring company	Inspected until 31/12/2009.
White Head Spinning Company	Inspected until 31/12/2011.

Subsidiaries in Egypt not subject to tax

Subsidiary

Swiss Garments Company
 Swiss Cotton garments Company
 Al Arafa for investments in Garments industry
 Al Arafa for investments in Spinning & Textile industry
 Al Arafa for investments in Garments Marketing & Retail
 Fashion Industry
 Apparel International Ltd. For Marketing & Promotion
 Egypt Portugal Marketing Company
 Sbaghy golden tax
 Saveni (Kitan Company previously)

The Companies are established according to the Investment Incentives and Guarantee Law No. (8) Of 1997 under the Free Zone System. According to this system the Company pays a duty, 1% of revenues, to the General Authority for Investment and Free Zone,

Subsidiaries outside Egypt

Baird Group is subject to UK Corporate tax.
 EP Garments Company is subject to Portugal Corporate tax.

41 - Financial instruments and related risks management

Credit risk

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was;

	Note	Carrying amount	
		31/10/2016 U.S \$	31/1/2016 U.S \$
Treasury bills (maturing more than three months)		-	3 832 870
Cash and cash equivalents	(19)	36 066 202	29 193 880
Credit facilities	(26)	88 474 417	75 450 620
Loans	(27,31)	93 712 991	115 652 919

The maximum exposure to credit risk for trade receivable at the financial position date as follows:

		Carrying amount	
		31/10/2016 U.S \$	31/1/2016 U.S \$
Trade receivable	(18)	57 160 190	53 943 143