

**PIL TRADING EGYPT (L.L.C)  
AUDITOR'S REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AT 31 MARCH 2024**

**Strategy Financial Advisors  
Audit, Tax and Advisory Services**

**PIL Trading Egypt (L.L.C.)**  
**Financial statement and auditor report**  
**For the year ended at 31 March 2024**

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## **Auditor's Report**

**To: The Quota Holders' of PIL Trading EGYPT - (L.L.C)**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PIL TRADING EGYPT - (L.L.C)**, which comprise the financial position as of 31 March 2024, income statement, statement of changes in quota holders' equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

### **Company's management responsibility for the financial statements**

Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and with the requirements of applicable Egyptian laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; 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 financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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 financial statements.

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

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 March 2024, financial performance and of its cash flows for the period then ended in accordance with Egyptian Accounting Standards and with the requirements of applicable Egyptian laws and regulations.

### **Emphasis of matter: Material Uncertainty Related to Going Concern**

Without qualifying our opinion on the financial statements, we draw attention that the company has accumulated net loss of EGP (10 575 171) during the year ended 31 March 2024. This financial statement is prepared on the basis of the shareholders willingness to support the Company's financials in order to continue its planned business. In accordance with Article 69 of the Companies Law No. 159 of 1981, the amendments require the Shareholders Extraordinary General Meeting to decide on the continuation of the Company's operations.

### **Report on Other Legal and Regulatory Requirements**

The Company keeps proper financial records, which includes all that is required by the law and the Company's statute, and the accompanying financial statements are in agreement therewith, the Company applies a proper costing system and the inventory counts were taken in accordance with recognized practices.

The financial information included in the director' report prepared in accordance with law no159 of 1981 and its executive regulations, is in agreement with the company's book of account.



**Amr Arafa Hassan**

Member at Egyptian society of taxation

Registered Accountants and Auditors No. 20137

**Strategy Financial Advisors**

Cairo, 29 April 2024

**PIL TRADING (EGYPT) L.L.C**  
**Financial Position At 31 MARCH 2024**

|   | Note<br>No. | 31 March 2024<br>EGP | 31 March 2023<br>EGP |
|---|-------------|----------------------|----------------------|
| <b><u>Assets</u></b>                                      |             |                      |                      |
| <b><u>Non-current assets</u></b>                          |             |                      |                      |
| Fixed Assets ( Net book value )                           | (3)         | 44 004               | 53 752               |
| Deferred tax  | (13)        | 357 153              | 46 944               |
| <b>Total non-current assets</b>                           |             | <b>401 157</b>       | <b>100 696</b>       |
| <b><u>Current assets</u></b>                              |             |                      |                      |
| Inventory   | (4)         | 6 548 946            | 7 190 358            |
| Trade receivables   | (5)         | 3 751 900            | 2 505 536            |
| Other receivables and prepayments                         | (6)         | 1 567 976            | 2 061 251            |
| Cash and cash equivalents                                 | (7)         | 21 832 695           | 3 766 184            |
| <b>Total current assets</b>                               |             | <b>33 701 517</b>    | <b>15 523 330</b>    |
| <b>Total assets</b>                                       |             | <b>34 102 674</b>    | <b>15 624 026</b>    |
| <b><u>Shareholders' equity</u></b>                        |             |                      |                      |
| Paid up capital   | (8)         | 5 440 000            | 5 440 000            |
| Retained losses   |             | (12 831 635)         | (14 021 198)         |
| Net Profit for the year                                   |             | 2 256 464            | 1 189 563            |
| <b>Total shareholders' equity</b>                         |             | <b>(5 135 171)</b>   | <b>(7 391 635)</b>   |
| <b><u>Current liabilities</u></b>                         |             |                      |                      |
| Income Tax Authority                                      |             | 240 400              | -                    |
| Trade Payables  | (9)         | 34 639 800           | 21 687 162           |
| Other Payables  | (10)        | 4 357 645            | 1 328 499            |
| <b>Total current liabilities</b>                          |             | <b>39 237 845</b>    | <b>23 015 661</b>    |
| <b>Total shareholders' equity and Current liabilities</b> |             | <b>34 102 674</b>    | <b>15 624 026</b>    |

The accompanying policies and the notes from page number (8) to (16) form an integral part of these financial statements

**Mohamed Mowafi**  
**General Manager**

**Abdellatif Mohamed**  
**Financial Controller**

**Auditor's Report issued on 29 April ,2024**

*Amr Anaba*



**PIL TRADING (EGYPT) L.L.C**  
**INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2023**

|   | Note<br>No. | From<br>1 April 2023<br>To<br>31 March 2024<br><br>EGP | From<br>1 April 2022<br>To<br>31 March 2023<br><br>EGP |
|---|-------------|--|--|
| Sales   |             | 39,244,139   | 22,534,668   |
| Cost of sales   |             | (30,077,816)   | (14,974,705)   |
| <b><u>Gross Profit</u></b>                              |             | <b>9,166,323</b>                                       | <b>7,559,963</b>                                       |
| Selling & Marketing Expenses                            | (11)        | (7,420,827)  | (5,732,786)  |
| General & Administrative Expenses                       | (12)        | (1,718,353)  | (1,046,014)  |
| Bad Debt Allowance                                      |             | (128,288)  | (23,175)   |
| Bad Debt write off                                      |             | (63,319)   | -  |
| Profit on Foreign Exchange                              |             | 1,070,563  | 392,505  |
| Other Expensess   |             | -  | (2,591)  |
| Other income  |             | 1,280,557  | -  |
| Gross Expenses  |             | <b>(6,979,668)</b>                                     | <b>(6,412,061)</b>                                     |
| <b>Net profit (loss) for the year before income tax</b> |             | <b>2,186,655</b>                                       | <b>1,147,902</b>                                       |
| Deferred tax  |             | 310,209  | 41,661   |
| Income Tax  |             | (240,400)  | -  |
| <b><u>Net profit for the year</u></b>                   |             | <b>2,256,464</b>                                       | <b>1,189,563</b>                                       |

The accompanying policies and the notes from page number (8) to (16) form an integral part of these financial statements

**PIL TRADING (EGYPT) L.L.C****Other comprehensive income statement for the year ended at 31 March 2024**

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|  | <b>From<br/>1 April 2023<br/>To<br/>31 March 2024<br/>EGP</b> | <b>From<br/>1 April 2022<br/>To<br/>31 March 2023<br/>EGP</b> |
|--|---|---|
| Net loss after income tax                      | 2 256 464   | 1 189 563   |
| Other comprehensive income                     | -   | -   |
| <b>Total comprehensive income for the year</b> | <b><u>2 256 464</u></b>                                       | <b><u>1 189 563</u></b>                                       |

**PIL TRADING (EGYPT) L.L.C****STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2024**

|  | <b>Paid up<br/>Capital<br/>EGP</b> | <b>Accumulated<br/>Losses<br/>EGP</b> | <b>Net Profit/<br/>(Loss)<br/>EGP</b> | <b>Total<br/>EGP</b> |
|--|------------------------------------|---------------------------------------|---------------------------------------|----------------------|
| <b>Balance at 31 March 2022</b>              | <b>5,440,000</b>                   | <b>(14,101,870)</b>                   | <b>(69,370)</b>                       | <b>(8,731,240)</b>   |
| Transfer to Retained Earnings (Losses)       | -                                  | (69,370)                              | 69,370                                | -                    |
| Correction and adjustments for previous year | -                                  | 150,042                               | -                                     | <b>150,042</b>       |
| Net profit for the year                      | -                                  | -                                     | 1,189,563                             | <b>1,189,563</b>     |
| <b>Balance at 31 March 2023</b>              | <b>5,440,000</b>                   | <b>(14,021,198)</b>                   | <b>1,189,563</b>                      | <b>(7,391,635)</b>   |
| Transfer to Retained Earnings (Losses)       | -                                  | 1,189,563                             | (1,189,563)                           | -                    |
| Net profit for the year                      | -                                  | -                                     | 2,256,464                             | <b>2,256,464</b>     |
| <b>Balance at 31 March 2024</b>              | <b>5,440,000</b>                   | <b>(12,831,635)</b>                   | <b>2,256,464</b>                      | <b>(5,135,170)</b>   |

The accompanying policies and the notes from page number (8) to (16) form an integral part of these financial statements



**PIL TRADING (EGYPT) L.L.C**

**STATEMENT OF CASH FLOWS 'FOR THE YEAR ENDED 31 MARCH 2024**

|   | From<br>1 April 2023<br>To<br>31 March 2024 | From<br>1 April 2022<br>To<br>31 March 2023 |
|---|---|---|
|   | EGP   | EGP   |
| <b><u>Cash flows from operating activities</u></b>                |   |   |
| Net profit for the year before tax                                | 2 186 655                                   | 1 147 902                                   |
| Depreciation  | 19 448                                      | 16 966                                      |
| Correction and adjustments for Accumulated Losses                 | -   | 150 042                                     |
| <b>Operating loss before changes in working capital</b>           | <b>2 206 104</b>                            | <b>1 314 910</b>                            |
| <b><u>Change in working capital</u></b>                           |   |   |
| Change in inventory   | 641 412                                     | (4 449 852)                                 |
| Change in trade receivables and prepayments                       | ( 753 089)                                  | 1 285 534                                   |
| Change in creditors and other payable                             | 15 981 784                                  | 3 552 035                                   |
| <b>Cash flow generating from operating activities</b>             | <b>15 870 108</b>                           | <b>387 717</b>                              |
| <b>Cash flows from financing activities</b>                       |   |   |
| <b>Cash flows (used in) / generated from financing activities</b> | <b>-</b>                                    | <b>-</b>                                    |
| <b><u>Cash flows from investing activities</u></b>                |   |   |
| Payment in respect of purchasing fixed assets                     | ( 9 700)                                    | ( 13 310)                                   |
| <b>Net cash flows used in investing activities</b>                | <b>( 9 700)</b>                             | <b>( 13 310)</b>                            |
| Change in cash and cash equivalents during the year               | 18 066 512                                  | 1 689 317                                   |
| Cash and cash equivalents at the beginning of the year            | 3 766 184                                   | 2 076 867                                   |
| <b>Cash and cash equivalents at the end of the year</b>           | <b>21 832 695</b>                           | <b>3 766 184</b>                            |

# **PIL TRADING EGYPT (L.L.C)**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

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### **1. GENERAL**

**1-1** The Company was established as a Limited liability company, The Company was registered In the Investment Commercial Registry under no. 40376 on July 30, 2009.

**1-2 The objectives of the company are:**

Trading in all types of building chemicals, paints and adhesive materials.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

**2-1 Basis of preparation**

The financial statements have been prepared under the going concern assumption on a historical cost basis, except for available for sale financial assets that have been measured at fair value.

**2-2 Statement of compliance**

The financial statements of the company have been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.  
The Financial Statements are authorized for issue by The Board of Directors.

**2-3 Changes in accounting policies**

The accounting policies adopted this year are consistent with those of the previous year.

**2-4 Foreign currency translation**

The financial statements are prepared and presented in Egyptian pound, which is the company's functional currency.

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

Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rate prevailing at the balance sheet date.

## **PIL TRADING EGYPT (L.L.C)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

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#### **2-5 Fixed assets and depreciation**

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred, and this cost depreciated with similar annual premium during the producing life of each asset according to the following rates:

|                      |      |
|----------------------|------|
| Furniture & Fixtures | 20 % |
| Tools                | 20 % |
| Office Equipment     | 10 % |
| Computer             | 33 % |
| Automobiles          | 25%  |

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset.

#### **2-6 The inventory elements are valued as follows:**

Finished products: at the lower of the cost of production (based on the costing sheets) or net realizable value.

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

The amount of any write down of inventories to net realizable value and all losses of inventories shall be recognized in the statement of income in the year the write down or loss occurs according to an authorized study takes into consideration all technical and market bases to estimate any write down. The amount of any reversal of any write down of inventories, arising from an increase in net realizable value, shall be recognized in the statement of income in the year in which the reversal occurs.

#### **2-7 Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

## **PIL TRADING EGYPT (L.L.C)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

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#### **2-8 Revenue recognition**

Revenue from sales is recognized when all the following conditions have been satisfied:

- (a) The company has transferred to the buyer the significant risks and rewards of ownership of the sales;
- (b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) The amount of revenue can be measured reliably;
- (d) It is probable that the economic benefits associated with the transaction will flow to the company; and
- (e) The costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### **2-9 Expenses**

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

#### **2-10 Accounting estimates**

The preparation of financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the financial years. Actual results could differ from these estimates.

#### **2-11 Statement of cash flows**

The statement of cash flows is prepared using the indirect method.

#### **2-13 Cash and cash equivalent**

For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months less bank credit balance.

PIL TRADING (EGYPT) L.L.C

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3. Fixed Assets

|  | Tools         | Automobiles    | Furniture & Fixtures | Computer      | Office<br>Equipment | Total          |
|--|---------------|----------------|----------------------|---------------|---------------------|----------------|
|  | EGP           | EGP            | EGP                  | EGP           | EGP                 | EGP            |
| Cost at 1 April 2023                   | 11 400        | 128 000        | 27 174               | 59 065        | 13 685              | 239 324        |
| Additions                              | -             | -              | -                    | 9 700         | -                   | 9 700          |
| <b>Balance at 31 March 2024</b>        | <b>11 400</b> | <b>128 000</b> | <b>27 174</b>        | <b>68 765</b> | <b>13 685</b>       | <b>249 024</b> |
| <b><u>Accumulated Depreciation</u></b> |               |                |                      |               |                     |                |
| Depreciation at 1 April 2023           | 8 740         | 128 000        | 17 627               | 30 354        | 851                 | 185 572        |
| Depreciation for the year              | 2 280         | -              | 3 059                | 12 778        | 1 331               | 19 448         |
| <b>Balance at 31 March 2024</b>        | <b>11 020</b> | <b>128 000</b> | <b>20 686</b>        | <b>43 132</b> | <b>2 182</b>        | <b>205 020</b> |
| <b>Net Book Value at 31 March 2024</b> | <b>380</b>    | <b>-</b>       | <b>6 488</b>         | <b>25 633</b> | <b>11 503</b>       | <b>44 004</b>  |
| <b>Net Book Value at 31 March 2023</b> | <b>2 660</b>  | <b>-</b>       | <b>9 547</b>         | <b>28 711</b> | <b>12 834</b>       | <b>53 752</b>  |

**PIL TRADING (EGYPT) L.L.C**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

| <b>Note 4 : Inventory</b> | <b>31 March 2024</b><br><b>EGP</b> | <b>31 March 2023</b><br><b>EGP</b> |
|---------------------------|------------------------------------|------------------------------------|
| Inventory                 | 8 371 121                          | 5 010 688                          |
| Provision for Inventories | (1 822 175)                        | ( 360 863)                         |
| Net Inventory             | 6 548 946                          | 4 649 825                          |
| Finished Good In transit  | -                                  | 2 540 533                          |
|                           | <b>6 548 946</b>                   | <b>7 190 358</b>                   |

| <b>Note 5 : Trade receivables</b>          | <b>31 March 2024</b><br><b>EGP</b> | <b>31 March 2023</b><br><b>EGP</b> |
|--|------------------------------------|------------------------------------|
| <b>Account Receivables</b>                 |                                    |                                    |
| Unsecured                                  | 4 061 213                          | 2 686 562                          |
| Provision for doubtful account receivables | ( 309 313)                         | ( 181 026)                         |
| <b>Total Receivables</b>                   | <b>3 751 900</b>                   | <b>2 505 536</b>                   |
| <b>Trade receivables from:</b>             |                                    |                                    |
| Others                                     | 4 061 213                          | 2 686 562                          |
| Related Parties                            | -                                  | -                                  |
| <b>Total</b>                               | <b>4 061 213</b>                   | <b>2 686 562</b>                   |
| <b>Current</b>                             | <b>4 061 213</b>                   | <b>2 686 562</b>                   |

| <b>Note 1/5: Movement in the allowance for doubtful debts</b> |                |                |
|---|----------------|----------------|
| <b>Balance at beginning of the year</b>                       | <b>181 027</b> | <b>157 852</b> |
| a) Impairment losses recognised in the year                   | 128 286        | 23 175         |
| On receivables originated in the year                         | -              | -              |
| Other receivables   | -              | -              |
| Allowance for instruments modified in the year                | -              | -              |
| Amounts written off during the year as uncollectible          | -              | -              |
| Amounts recovered during the year                             | -              | -              |
| Impairment losses reversed                                    | -              | -              |
| <b>Balance at end of the year</b>                             | <b>309 313</b> | <b>181 027</b> |

| <b>Note 6 : Other receivables and prepayments</b> | <b>31 March 2024</b><br><b>EGP</b> | <b>31 March 2023</b><br><b>EGP</b> |
|---|------------------------------------|------------------------------------|
| Advance for suppliers                             | 39,372                             | 605,079                            |
| Value Added-Tax Authority                         | 143,069                            | 360,394                            |
| Withholding Tax - Clients                         | 548,520                            | 376,248                            |
| Letters of Gurantees                              | 200,000                            | 200,000                            |
| Loans / Advances and security deposits            | 132,036                            | 176,925                            |
| Prepaid Expense                                   | 464,528                            | 302,154                            |
| Refundable deposits                               | 34,000                             | 34,000                             |
| Additional Tax                                    | 6,451                              | 6,451                              |
|   | <b>1 567 976</b>                   | <b>2 061 251</b>                   |

**PIL TRADING (EGYPT) L.L.C**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

| <b>Note 7 : Cash and cash equivalents</b> | <b>31 March 2024</b> | <b>31 March 2023</b> |
|---|----------------------|----------------------|
|   | <b>EGP</b>           | <b>EGP</b>           |
| Bank EGP                                  | 15 169 747           | 3 344 669            |
| Cash EGP                                  | 65 818               | 49 305               |
| Cash USD                                  | 21 736               | 13 459               |
| Bank USD                                  | 6 575 394            | 358 751              |
|   | <b>21 832 695</b>    | <b>3 766 184</b>     |

**Note 8 : Capital**

| <b>Name of the Shareholder</b> | <b>No. of Shares</b> | <b>Value of Shares</b> | <b>% Shares</b> |
|--------------------------------|----------------------|------------------------|-----------------|
|                                | <b>EGP</b>           | <b>EGP</b>             | <b>EGP</b>      |
| Pidilite Industries Egypt SAE  | 54 399               | 5 439 900              | 99.998%         |
| Khaild EL Khatib               | 1                    | 100                    | 0.002%          |
|                                | <b>54 400</b>        | <b>5 440 000</b>       | <b>100%</b>     |

**Capital after amendment :**

| <b>Name of the Shareholder</b>       | <b>No. of Shares</b> | <b>Value of Shares</b> | <b>% Shares</b> |
|--------------------------------------|----------------------|------------------------|-----------------|
|                                      | <b>EGP</b>           | <b>EGP</b>             | <b>EGP</b>      |
| Pidilite Industries Egypt SAE        | 54 399               | 5 439 900              | 99.998%         |
| Pidilite Middel East Limited - U.A.E | 1                    | 100                    | 0.002%          |
|                                      | <b>54 400</b>        | <b>5 440 000</b>       | <b>100%</b>     |

**8/2: Going Concern Assumption**

The entity has generated profit EGP 2,186,654 during the financial year 2024. However, it has accumulated losses of EGP (10,644,980) as at reporting date. Shareholders will continue to support the entity for carrying on its operations".

| <b>Note 9 : Trade payables</b>     | <b>31 March 2024</b> | <b>31 March 2023</b> |
|------------------------------------|----------------------|----------------------|
|                                    | <b>EGP</b>           | <b>EGP</b>           |
| Account payables                   | 102 331              | 1 165 737            |
| Account Payables - Related Parties | 34 537 469           | 20 521 425           |
|                                    | <b>34 639 800</b>    | <b>21 687 162</b>    |

| <b>Note 10 :Other Payables</b> | <b>31 March 2024</b> | <b>31 March 2023</b> |
|--------------------------------|----------------------|----------------------|
|                                | <b>EGP</b>           | <b>EGP</b>           |
| Notes payable                  | 657 912              | 194 140              |
| Advance payments               | 1 730 160            | 211 918              |
| Accrued Expense                | 1 625 557            | 727 926              |
| Social Insurance Authority     | 287 113              | 137 328              |
| Withholding Tax - Suppliers    | 31 271               | 34 519               |
| Payroll Tax Authority          | 23 939               | 21 571               |
| Martyres Tax                   | 596                  | -                    |
| Additional Tax                 | 1 097                | 1 097                |
|                                | <b>4 357 645</b>     | <b>1 328 499</b>     |

**PIL TRADING (EGYPT) L.L.C**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

| <b>Note 11 : Selling &amp; Marketing Expenses</b> | <b>From<br/>1 April 2023<br/>To<br/>31 March 2024<br/>EGP</b> | <b>From<br/>1 April 2022<br/>To<br/>31 March 2023<br/>EGP</b> |
|---|---|---|
| Staff Salary Expenses                             | 2 354 586   | 2 205 863   |
| Freight out charges                               | 1 980 488   | 1 549 268   |
| Rent  | 855 720   | 469 661   |
| Sales Promotion                                   | 819 739   | 368 721   |
| Repairs and Maintenance                           | 274 988   | 161 685   |
| Social Insurance                                  | 258 386   | 250 389   |
| Travel and Entertainment                          | 226 953   | 202 517   |
| Employee Welfare                                  | 226 354   | 142 790   |
| Miscellaneous expenses                            | 186 781   | 148 920   |
| Logistics Expenses                                | 93 005  | 76 525  |
| Internet, Telephone & Fax                         | 48 545  | 46 841  |
| Heat Light and Power                              | 28 770  | 19 161  |
| Printing & Stationary                             | 28 240  | 11 143  |
| Dues and Membership                               | 22 916  | 15 792  |
| Depreciation                                      | 14 040  | 14 040  |
| Over Time   | 682   |   |
| Postage   | 634   | 550   |
| Insurance   |   | 3 998   |
| Commissions                                       | -   | 44 923  |
|   | <b>7 420 827</b>  | <b>5 732 786</b>  |

| <b>Note 12 : General &amp; Administrative expenses</b> | <b>From<br/>1 April 2023<br/>To<br/>31 March 2024<br/>EGP</b> | <b>From<br/>1 April 2022<br/>To<br/>31 March 2023<br/>EGP</b> |
|--|---|---|
| Staff Salary Expenses                                  | 461 871   | 213 291   |
| Bank Charges   | 230 958   | 82 970  |
| Petrol & Oil   | 216 893   | 165 987   |
| Rent   | 214 850   | 195 400   |
| Professional Fees legal and others                     | 115 699   | 112 495   |
| Employee Welfare                                       | 113 659   | 58 655  |
| Governmental medical charges                           | 104 239   | 56 337  |
| Social Insurance                                       | 60 349  | 20 391  |
| Insurance  | 54 306  | 19 092  |
| Other admin expenses                                   | 47 554  | 37 935  |
| Audit Fees   | 30 000  | 26 000  |
| Security Service                                       | 30 000  | 30 000  |
| Internet, Telephone & Fax                              | 16 796  | 14 902  |
| Travel   | 10 668  | 1 764   |
| Depreciation   | 5 408   | 2 926   |
| Repairs and Maintenance                                | 3,410   | 1 100   |
| Certification & Documentation expenses                 | 1 360   | -   |
| Postage  | 178   | -   |
| Parking Fees   | 155   | -   |
| Printing & Stationary                                  | -   | 6 770   |
|  | <b>1 718 353</b>  | <b>1 046 014</b>  |



**PIL TRADING (EGYPT) L.L.C**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024**

| <b>Note 13 : Deferred Tax</b>                                    | <b>31 March 2024</b><br><b>EGP</b> | <b>31 March 2023</b><br><b>EGP</b> |
|--|------------------------------------|------------------------------------|
| <b>Tax effect of items constituting Deferred Tax Liabilities</b> |                                    |                                    |
| On difference between book and tax depreciation                  | ( 2 252)                           | 315                                |
| Tax effect of items constituting Deferred Tax Liabilities        | <u>( 2 252)</u>                    | <u>315</u>                         |
| <b>Tax effect of items constituting Deferred Tax Assets</b>      |                                    |                                    |
| Provision for inventory  | 1 461 312                          | 185 151                            |
| Provision for Doubtful Debts                                     | 128 288                            | 23 175                             |
| Tax effect of items constituting Deferred Tax Assets             | <u>1 589 600</u>                   | <u>208 326</u>                     |
| <b>Tax rate of the year</b>                                      | <u>22.5%</u>                       | <u>22.5%</u>                       |
| <b>TOTAL NET Deferred Tax Assets/(Liability)</b>                 | <u><b>357 153</b></u>              | <u><b>46 944</b></u>               |

| <b>Reconciliation between accounting and Tax Profit</b>                                  | <b>31 March 2024</b><br><b>EGP</b> | <b>31 March 2023</b><br><b>EGP</b> |
|--|------------------------------------|------------------------------------|
| <b>Book Profit (loss) before tax</b>   | 2 186 655                          | 1 147 905                          |
| <b>Add back</b>  |                                    |                                    |
| <b>Illustrative items :</b>  |                                    |                                    |
| Book depreciation  | 19 448                             | 16 966                             |
| Inventory provision  | 1 461 312                          | 185 151                            |
| Bad debts provision  | 128 288                            | 23 175                             |
| Governmental Medical Charges   | 104 239                            | 56 337                             |
| Bad debts write off  | 63 319                             |                                    |
| <b>Deduct</b>  |                                    |                                    |
| <b>Illustrative items :</b>  |                                    |                                    |
| Tax depreciation   | ( 17 196)                          | ( 19 742)                          |
|  | <u>3 946 065</u>                   | <u>1 409 792</u>                   |
| Adjustments recognised in the current year in relation to the current tax of prior years | -                                  |                                    |
| <b>Tax Profit (loss) before tax</b>  | <u><b>3 946 065</b></u>            | <u><b>1 409 792</b></u>            |
| <b>Retained losses</b>   | <u><b>(2 877 622)</b></u>          | <u><b>(5 179 499)</b></u>          |
| <b>Net effect loss - no income tax</b>   | <u><b>1 068 443</b></u>            | <u><b>(3 769 707)</b></u>          |
| <b>Income tax provision</b>  | <u><b>240,400</b></u>              | <u><b>-</b></u>                    |

| <b>Note 15 : Transactions in Foreign Currencies</b> | <b>31 March 2024</b> |              | <b>31 March 2023</b> |              |
|---|----------------------|--------------|----------------------|--------------|
|   | <b>EGP</b>           | <b>- USD</b> | <b>EGP</b>           | <b>- USD</b> |
| Export Debtors                                      | 3 262 296            | 105 654      | 2 130 569            | 96 766       |
| Import Creditors                                    | (11 367 450)         | (355 417)    | (4 834 946)          | (212 475)    |

**Note 16 : Contingent Liabilities & Commitments**

**Tax position**

Due to the nature of the tax assessment process in Egypt, the final outcome of the assessment by the Egyptian Tax Authority (ETA) might not be realistically estimated. Therefore, additional liabilities are contingent upon the tax inspection and assessment of the Tax Authority. Below is a summary of the tax status of the Company as of the date of the financial statements preparation

▪ **Corporate tax position:**

**Years 2009/2023**

The company has submitted tax returns on the legal due date.

The Company was not requested for corporate tax inspection purposes for this years.

▪ **Payroll tax position:**

**Years 2009/2023**

The Company was not requested for payroll tax inspection purposes, noting that the Company deducts the payroll tax due from its employees according to the Egyptian tax laws, and paid the tax due accordingly.

▪ **Stamp tax position:**

**Years 2009/2019**

The Tax Authority sent a form No.19 taxes for the period from 7/2009 till 12/2019 with an issuing number of 2373 on December 17, 2020, and it was appealed against in the legal date on January 13, 2021, and the file is being resolved in the internal committees.

**Years 2020/2023**

The Company has not been requested for Stamp tax inspection.

▪ **VAT position:**

**Years 2009/2015**

The Company submitted The monthly returns on The legal due date and paid The tax due accordingly.

The Company was inspected for VAT tax purpose for the period from March 2011 to 31 March 2015, the tax authority sent a form No.15 taxes with an issuing number of 8738 on 16 Decamber 2015 and it was appealed against on 20 Decamber 2015 and the file is being resolved in the internal committees.

**Years 2016/2023**

The Company has not been requested for VAT tax inspection.

▪ **Withholding tax position:**

**Years 2009/2023**

The Company submitted The returns (Form No.41) on The legal due date and paid The tax due accordingly.

The Company has not been requested for withholding tax inspection.

▪ **Social insurance position:**

the Company paid the social insurance on the legal due date.