

B Investments Holding

“S.A.E.”

Condensed Separate Interim Financial Statements

For the Nine months ended September 30, 2020

Together with Limited Review Report

Translation of Review Report
Originally Issued in Arabic

Limited Review Report on the condensed separate interim financial statements

To: The Board of Directors of B Investments Holding "S.A.E."

Introduction

We have reviewed the accompanying condensed separate interim financial statements of B investments Holding– S.A.E which comprise the condensed separate interim statement of financial position as of September 30, 2020 and the related condensed separate interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months' period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of the condensed separate interim financial statements in accordance with Egyptian Accounting Standard No. (30)" Interim financial statements". Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Egyptian Standard on Review Engagements (2410) "Review of Interim Financial Statement Performed by the Independent Auditor of the Entity". Review of condensed separate 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 do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed separate interim financial statements do not present fairly in all material respects the separate financial position of the entity as at September 30, 2020, and of its separate financial performance and its separate cash flows for the nine months' period then ended in accordance with Egyptian Accounting Standard No. (30)" Interim financial statements".

Cairo, November 12, 2020

Samy Habib

Samy Habib Deif, ACCA

F.E.S.A.A (R.A.A. 43485)

FRA Register No. "373"



B Investments Holding S.A.E.**Separate condensed interim Statement of Financial Position as of September 30, 2020**

	<u>Note</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
		<u>EGP</u>	<u>EGP</u>
<u>Assets</u>			
<u>Non-current assets</u>			
Investments in subsidiaries (net)		9 453 732	9 453 732
Investments in joint ventures (net)	(4)	297 948 495	331 652 325
Investments in associates (net)		153 856 436	153 856 436
Available for sale investments		141 262 077	141 262 077
Investment properties (net)		93 728 331	95 046 535
Loans to associates	(5)	109 816 293	103 932 539
Loans to joint ventures	(6)	14 043 263	-
Deferred Tax assets	(19)	2 267 371	-
Total-non current assets		822 375 998	835 203 644
<u>Current assets</u>			
Loans to joint ventures	(6)	19 660 567	-
Notes receivable		1 122 143	1 920 993
Treasury bills (net)	(7)	422 878 868	368 486 593
Due from related parties (net)		2 008 070	2 043 042
Other debit balances (net)	(8)	38 263 128	12 214 329
Cash at banks	(9)	14 239 324	70 388 197
Total current assets		498 172 100	455 053 154
Total assets		1 320 548 098	1 290 256 798
<u>Equity and liabilities</u>			
<u>Equity</u>			
Issued and paid-up capital	(11)	800 122 080	800 122 080
Treasury stock	(12)	(5 471 154)	-
Reserves		258 300 840	254 876 193
Retained earnings		132 865 199	132 739 271
Net profit for the period/year		106 354 832	68 492 934
Total equity		1 292 171 797	1 256 230 478
<u>Non-Current liabilities</u>			
Deferred tax liabilities	(19)	-	4 892 547
Total-non current liabilities		-	4 892 547
<u>Current liabilities</u>			
Due to related parties	(10)	4 699 443	4 691 395
Accounts payable and other credit balances		4 842 261	7 953 630
Current income tax		16 793 946	14 448 097
Provisions		2 040 651	2 040 651
Total current liabilities		28 376 301	29 133 773
Total equity and liabilities		1 320 548 098	1 290 256 798

- The attached notes form an integral part of the separate condensed interim financial statements , and to be read therewith.

Chief Financial Officer

Ahmed Abdel Monem Madbouly

Chief Executive Officer

Dr. Mohamed Abdel Monem Omran

Chairman

Mohamed Hazem Adel Barakat



Auditor's review report attached.

Translation of financial statements

Originally Issued in Arabic

B Investments Holding S.A.E.

Separate condensed interim Statement of profits or losses for the nine months ended on September 30, 2020

		For the nine months ended		For the three months ended	
	Note	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
		EGP	EGP	EGP	EGP
Income and profits					
Dividends income from available for sale investments	(15)	38 075 645	27 692 942	-	-
Dividends income from investment in associates and joint venture entities	(16)	43 771 353	16 816 724	-	16 816 724
Rental income of investment properties		2 925 000	-	975 000	-
Finance income	(17)	52 695 777	60 682 041	16 957 572	17 674 513
Reversal of impairment loss on other debit balances		130 000	-	40 000	-
Gain from selling investment properties		-	1 613 372	-	1 613 372
		137 597 775	106 805 079	17 972 572	36 104 609
Expenses and losses					
Depreciation of investment properties		(1 297 671)	(275 154)	(432 557)	(91 718)
Management fees	(18)	(13 972 199)	(13 921 205)	(4 691 395)	(4 691 395)
Consulting fees and other expenses		(3 368 836)	(4 456 600)	(985 784)	(1 511 658)
Board of directors allowances		(159 600)	(104 244)	(158 700)	(20 700)
Foreign currencies exchange differences		(2 896 284)	(16,733,238.00)	(2 693 890)	(4 478 975)
Net profit for the period before income tax		115 903 185	71 314 638	9 010 246	25 310 163
Income tax		(16 708 271)	(12 304 160)	(3 184 536)	(3 732 598)
Deferred tax	(19)	7 159 918	4 508 393	544 457	1 313 610
Net profit for the period		106 354 832	63 518 871	6 370 167	22 891 175
Basic and diluted earnings per share	(13)	0.66	0.40	0.04	0.14
Diluted earnings per share	(13)	0.67	0.40	0.04	0.14

- The attached notes form an integral part of the separate condensed interim financial statements , and to be read therewith.

B Investments Holding S.A.E.

Separate condensed interim statement of comprehensive income for the nine months ended on September 30, 2020

	<u>For the nine months ended</u>		<u>For the three months ended</u>	
	<u>September 30, 2020</u>	<u>September 30, 2019</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period	106 354 832	63 518 871	6 370 167	22 891 175
Other comprehensive income	-	-	-	-
Total other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	106 354 832	63 518 871	6 370 167	22 891 175

- The attached notes form an integral part of the separate condensed interim financial statements , and to be read therewith.

Translation of financial statements

Originally Issued in Arabic

B Investments Holding S.A.E.

Separate condensed interim statement of changes in equity for the nine months ended on September 30, 2020

<u>Note</u>	<u>Issued and paid-up capital</u> <u>EGP</u>	<u>Treasury stocks</u> <u>EGP</u>	<u>Legal reserve</u> <u>EGP</u>	<u>Capital issuance costs</u> <u>EGP</u>	<u>Retained earnings</u> <u>EGP</u>	<u>Net profit for the period</u> <u>EGP</u>	<u>Total equity</u> <u>EGP</u>
Balance as of January 1, 2019	800 122 080	-	255 456 922	(4 111 018)	147 029 450	70 605 783	1269 103 217
<u>Items of other comprehensive income</u>							
Net profit for the period	-	-	-	-	-	63 518 871	63 518 871
Other comprehensive income	-	-	-	-	-	-	-
Total Other Comprehensive income	-	-	-	-	-	63 518 871	63 518 871
<u>The company's shareholders transactions</u>							
Transferred to legal reserve	-	-	3 530 289	-	(3 530 289)	-	-
Transferred to retained earnings	-	-	-	-	70 605 783	(70 605 783)	-
Dividends Distribution	-	-	-	-	(81 365 673)	-	(81 365 673)
Total company's shareholders transactions	-	-	3 530 289	-	(14 290 179)	(70 605 783)	(81 365 673)
Balance as of September 30, 2019	800 122 080		258 987 211	(4 111 018)	132 739 271	63 518 871	1251 256 415
Balance as of January 1, 2020	800 122 080	-	258 987 211	(4 111 018)	132 739 271	68 492 934	1256 230 478
<u>Items of other comprehensive income</u>							
Net profit for the period	-	-	-	-	-	106 354 832	106 354 832
Other comprehensive income	-	-	-	-	-	-	-
Total Other Comprehensive income	-	-	-	-	-	106 354 832	106 354 832
<u>The company's shareholders transactions</u>							
Transferred to legal reserve	-	-	3 424 647	-	(3 424 647)	-	-
Treasury stock (12)	-	(5 471 154)	-	-	-	-	(5 471 154)
Transferred to retained earnings	-	-	-	-	68 492 934	(68 492 934)	-
Dividends distributions (21)	-	-	-	-	(64 942 359)	-	(64 942 359)
Total company's shareholders transactions	-	(5 471 154)	3 424 647	-	125 928	(68 492 934)	(70 413 513)
Balance as of September 30, 2020	800 122 080	(5 471 154)	262 411 858	(4 111 018)	132 865 199	106 354 832	1 292 171 797

- The attached notes form an integral part of the separate condensed interim financial statements , and to be read therewith.

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B Investments Holding S.A.E.**Separate condensed interim statement of cash flows for the nine ended on September 30, 2020**

	<u>Note</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>
		<u>EGP</u>	<u>EGP</u>
<u>Cash flows from operating activities</u>			
Net Cash flows generated by (used in) operation		26 289 852	(28 349 605)
<u>Cash flows from investment activities</u>			
Proceeds from credit interest		42 705 406	50 635 720
Payments to acquire investments in joint ventures		-	(63 823 464)
Proceeds from disposal investment properties		20 536	-
Net proceeds from sale investment properties		-	28 512 000
Payments for project under construction		-	(16 351 515)
Change in long term deposits		60 771 262	5 615 878
Net proceeds from redemption and sales (Payments) of treasury bills		232 031 220	(286 967 367)
Net cash flows generated by (used in) investment activities		335 528 424	(282 378 748)
<u>Cash flows from financing activities</u>			
Purchase treasury stock		(5 471 154)	-
Paid dividends distributions		(64 785 721)	(81,365,673.00)
Net cash flows used in financing activities		(70 256 875)	(81 365 673)
Net change in cash and cash equivalents during the period		291 561 401	(392 094 026)
Cash and cash equivalents at the beginning of the period	(9)	57 093 742	431 286 479
Effects of exchange rate changes on balances of cash held in foreign currencies		162 408	298 002
Cash and cash equivalents at the end of the period	(9)	348 817 551	39 490 455

Non-cash transaction:

The effect of the following non-cash transactions are eliminated .

- 1- Elimination of Accrued dividends income from investments in associates by an amount of EGP 29 180 902 resulted from the changes in other debit balances.
- 2- Transferring the Payments under capital increase in Gourmet Egypt.Com Foods S.A.E. amounted to EGP 33 703 830 into loans to joint ventures which was eliminated from the changes in investments in joint ventures.

- The attached notes form an integral part of the separate condensed interim financial statements , and to be read therewith.

1. General information

B Investments Holding "S.A.E." (BPE Holding for Financial investments -formerly) "The Company" was established under the provisions of Law No 95 for 1992 and its executive regulations. The Company was registered on December 31, 2005 under No 52455 at South Cairo Commercial Register pursuant to the Capital Market Authority License No. 348 dated April 11, 2006. Then The Company registered on October 24, 2012 under No 63264 at South Cairo Commercial Register.

The Company's new Location is 24 Talaat Harb Street, Cinema Radio Building – 1st Floor – Cairo and the company registered it's new location in the commercial register on July 15, 2020.

The Company's purpose is to participate in incorporation of other entities, which issue securities, or increase their capital. The Company may have interest or participate in any form with corporate companies pursuing similar activities, or which may assist it in realizing its purpose in Egypt or abroad. The Company may also merge, purchase or become a subsidiary to companies according to the provisions of law and its executive regulation. The Company's duration is 20 years commencing from the Commercial Register date.

The Company's primary business activity is investing in other entities, in accordance with its established investment policy. The Company aims to identify, research, negotiate, make and monitor the progress of and sell, realize and exchange investments and distribute proceeds of such investments with the principle objective of providing shareholders with a high relative overall rate of return by means of both income, capital growth and exit.

On January 11, 2016 the Company's extraordinary general assembly decided to change the Company name to be BPE Holding for Financial Investments, the change was registered in the Company's commercial register on February 24, 2016.

On May 8, 2018 the Company's extraordinary general assembly decided to change the Company name to be B investments Holding, the change was registered in the Company's commercial register on July 8, 2018.

The Board of Directors authorized these separate condensed interim financial statements for the Nine months ended September 30, 2020 issue on November 12, 2020.

2. Statement of compliance for the separate condensed interim financial statements

The separate condensed interim financial statements have been prepared in accordance to the Egyptian Accounting Standard No. (30)" Interim financial statements".

3. Basis for preparation of the separate condensed interim financial statements

The separate condensed interim financial statements have been prepared using the same accounting policies applied in the last year. The interim financial statements are to be read in conjunction with separate financial statements issued for the year ended December 31, 2019.

Initial application of the new issued and amendments made to the Egyptians accounting standards "EAS"

During April, 2020; The supreme committee hold a meeting to review the Egyptian accounting standards, and limited review in addition to other assurance according to the prime minister's decision No 909 of 2011 in order to study the effects of the ministerial decision no 69 of 2019 that was issued for the purpose of issuing and amending some of Egyptians accounting standards "EAS" which will be applied from the beginning of the current year 2020.

According to current circumstances that the country is going through as result of the new COVID-19 outbreak and related economic and financial implications associated with it in addition to the implementation of Precautions measures and facing virus spreading through imposing restrictions on the presence of the human resources in the companies at full capacity on a regular basis.

The committee decided to postpone the application of the new Egyptians accounting standards "EAS" and the accompanying amendments issued by decision no 69 which is mentioned above to the interim financial statements that will be issued during 2020, that companies has to apply these standards and amendments to the annual financial statements at the end of 2020 and include all accumulated effects for the year by the end of 2020.

The committee preferred to record the accumulated effects for the whole year to the annual financial statements, with companies committing to disclose in their interim financial statements during 2020 about this facts and its accounting impact, if any.

On September 20, 2020, the Prime Minister issued a decree no. 1871 for 2020 to postpone the application of the following Egyptian accounting standards:

1. Standard (47) - Financial Instruments
2. Standard (48) - Revenue from contracts with customers
3. Standard (49) - Leases

To be implemented on the financial statements for the periods begin or after January 1, 2021.

4. Investments in joint ventures (net)

	<u>No. of</u>	<u>Ownership</u>	<u>September 30,</u>	<u>December 31,</u>
	<u>Shares</u>	<u>%</u>	<u>2020</u>	<u>2019</u>
			<u>EGP</u>	<u>EGP</u>
Inergia Technologies for Systems S.A.E" Inergia	5 532 124	68.04%	55 321 240	55 321 240
Ebtikar Holding for Financial Investment	1 180 593	20.25%	150 000 000	150 000 000
Gourmet Egypt.Com Foods S.A.E.	3 127 950	52.9%	92 627 255	92 627 255
Payments under capital increase in Gourmet Egypt.Com Foods S.A.E.			--	33 703 830
Red Sea Venture for Solar Energy	7 425	49.5%	5 727 150	5 727 150
<u>Less:</u> Impairment in investments (Red Sea Venture for Solar Energy)			(5 727 150)	(5 727 150)
			<u>297 948 495</u>	<u>331 652 325</u>

The decrease in the account balance is mainly due to transferring the Payments under capital increase in Gourmet Egypt.Com Foods S.A.E. into a loan (Refer to Note No. 6).

5. **Loans to associates**

	<u>September 30,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Infinity Solar 1 B.V	32 766 763	31 011 182
Infinity Solar 2 B.V	54 973 470	52 028 095
Infinity Solar 3 B.V	22 076 060	20 893 262
	<u>109 816 293</u>	<u>103 932 539</u>

The increase in the account balance is due to the recognition of the accrued interest income by an amount of EGP 7 704 690, taking into consideration the foreign currency revaluation loss by an amount of EGP 1 820 936.

6. **Loans to joint ventures**

	<u>September 30,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Current portion from loan to joint venture	19 660 567	--
Non-current portion from loan to joint venture	14 043 263	--
	<u>33 703 830</u>	<u>--</u>

On July 10, 2020, the company and the shareholders of Gourmet Egypt.com S.A.E. "Gourmet" Company signed an appendix to the shareholders agreement signed on September 18, 2018, which amend certain terms of that agreement regarding the acquisition of B Investments Holding Company (Egyptian Joint Stock Company) a stake in the capital of Gourmet Egypt.com S.A.E. "Gourmet", as well as adding other terms related to the classification of the company's credit balance in the records of Gourmet Egypt.com S.A.E. "Gourmet" in light of the targeted business results achieved by Gourmet Egypt.com S.A.E. "Gourmet".

7. **Treasury Bills (Net)**

	<u>September 30,</u>	<u>December</u>
	<u>2020</u>	<u>31,2019</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Treasury bills –with maturities of more than three months	91 575 000	352 875 000
Treasury bills –with maturities of less than three months	344 175 000	50 075 000
Less: unrealized interest	(12 871 132)	(34 463 407)
	<u>422 878 868</u>	<u>368 486 593</u>

8. Other debit balances (Net)

	<u>September 30,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Deposits held with others	46 795	46 795
Accrued interest	4 251	1 096 786
Accrued rental income	2 824 500	2 954 500
Accrued dividends income	29 180 902	--
Prepaid expenses	350 509	118 717
Withholding tax receivable	--	547 500
Withholding tax on treasury bills	8 253 527	10 135 329
Advance payment to suppliers	243 243	221 350
Other debit balances	183 901	47 852
<u>Less:</u> Impairment in other debit balances	<u>(2 824 500)</u>	<u>(2 954 500)</u>
	<u>38 263 128</u>	<u>12 214 329</u>

The increase in the balance is mainly due to accrued portion of dividends income from investments in associates by an amount of EGP 29 180 902 taking into consideration the decrease in the withholding tax of treasury bills as a result of using the opening balance during the period to pay part of the accrual tax liability for the prior year.

9. Cash at banks

	<u>September 30,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>
<u>Description</u>	<u>EGP</u>	<u>EGP</u>
Current accounts - local currency	9 356 248	8 356 545
Current accounts - foreign currencies	3 312 806	82 961
Time deposits - foreign currencies	1 570 270	61 948 691
	<u>14 239 324</u>	<u>70 388 197</u>

For purpose of preparing separate condensed cash flow statement, the cash and cash equivalents are comprised of the following:

	<u>September 30,</u>	<u>September 30,</u>
	<u>2020</u>	<u>2019</u>
	<u>EGP</u>	<u>EGP</u>
Cash at banks	14 239 324	71 821 545
Treasury Bills – less than three months	336 148 497	28 548 173
<u>Less:</u> Time Deposits – more than three months	<u>(1 570 270)</u>	<u>(60 879 263)</u>
	<u>348 817 551</u>	<u>39 490 455</u>

10. Due to related parties

	<u>Type of relationship</u>	<u>Account nature</u>	<u>September 30, 2020</u> <u>EGP</u>	<u>December 31, 2019</u> <u>EGP</u>
BPE Partners S.A.E	Management Company	Management fees / Other expenses	4 699 443	4 691 395
			<u>4 699 443</u>	<u>4 691 395</u>

11. Capital

The Company's authorized capital amounted to EGP 2.4 billion, and the issued and paid-up capital amounted to EGP 800 122 080 divided into 160 024 416 shares of EGP 5 par value each.

12. Treasury stocks

On March 26, 2020 the Board of Directors approved purchase treasury stocks with a maximum number of 1 600 244 shares, which represents 1% of the total shares of the company through the open market, for the period of three months with a maximum amount EGP 12 Million The number of treasury shares acquired amounted to 801,289 shares in total value EGP 5 471 154 as of September 30, 2020.

13. Basic and diluted profits per share

Basic: Basic earnings per share is calculated by dividing the net profit attributable to shareholders' of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding assuming conversion of all convertible financial instruments and share options. The net profit is adjusted by omission of the cost of convertible debt instruments taking tax effect into consideration.

	<u>September 30, 2020</u> <u>EGP</u>	<u>September 30, 2019</u> <u>EGP</u>
Net profit for the period	106 354 832	63 518 871
Weighted average number of shares	160 024 416	160 024 416
Basic earnings per share	<u>0.66</u>	<u>0.40</u>
And with deduction the treasury stocks the earning per share become as follows:		
Weighted average number of shares after deducting the treasury stocks	159 591 499	160 024 416
Diluted earnings per share	<u>0.67</u>	<u>0.40</u>

14. Significant related parties' transactions

Related parties transactions occurred during the period on current accounts nature represented mainly in management fees and the expenses related to the Company or expenses the paid by the Company on behalf of related parties.

<u>Company's Name</u>	<u>Type of relationship</u>	<u>Type of transactions</u>	<u>Value of transactions in EGP</u>
BPE Partners S.A.E.	Management company	Management fees	(13 972 199)
Infinity Solar 1 B.V	Associate	Credit interest	2 298 910
Infinity Solar 2 B.V	Associate	Credit interest	3 856 928
Infinity Solar 3 B.V	Associate	Credit interest	1 548 852

15. Dividends income from investment available for sale

	<u>September 30,</u> <u>2020</u> <u>EGP</u>	<u>September 30,</u> <u>2019</u> <u>EGP</u>
Total Egypt Co LLC "Total"	38 075 645	27 692 942
	<u>38 075 645</u>	<u>27 692 942</u>

16. Dividends income from investment in associate and joint venture entities

	<u>September 30,</u> <u>2020</u> <u>EGP</u>	<u>September 30,</u> <u>2019</u> <u>EGP</u>
Madinet Nasr for Housing and Development "MNHD"	43 771 353	--
Inergia Technologies for Information System S.A.E.	--	16 816 724
	<u>43 771 353</u>	<u>16 816 72</u>

17. Finance income

	<u>September 30,</u> <u>2020</u> <u>EGP</u>	<u>September 30,</u> <u>2019</u> <u>EGP</u>
Credit interest on time deposits and bank current accounts	588 941	2 704 398
Credit interest from loans to associates	7 704 690	7 467 728
Return on treasury bills	44 402 146	50 509 915
	<u>52 695 777</u>	<u>60 682 041</u>

The decrease in finance income during the period is mainly due to the decrease of return on treasury bills by an amount of EGP 6M and decrease Credit interest on time deposits and bank current accounts by an amount of EGP 2M.

18. Management agreement

On 19 July 2017, The Company signed a new management agreement with BPE Partners SAE, the new management agreement became effective on the date of completion of listing the Company's shares on the EGX. The trading transactions on the Company's shares started on March 29, 2018.

Pursuant to the terms of the new management agreement, the management Company is entitled to a management fees of 2% of the Company's paid up capital up to EGP 600 million and 1.5% of any capital increase (Included share premium) of more than EGP 600 million Up to EGP 1.2 billion and 1% on any capital increase of more than EGP 1.2 billion.

Additionally, the management Company is entitled to a good performance fees, the good performance fees will be due to the management Company only on the exit of investments entered into by the Company. The Good performance fees is calculated based on the difference between cash proceeds, distributions (dividends, interest, or rent) after taxes and fees which the Company's incurred for investment disposal, and the adjusted accumulated cost of existing investments. The adjusted cost is the historical accumulated cost of the investment using a rate of return on investment (10% annually) for each year following the acquisition date of the investment until the date on which the new management agreement takes effect.

Good performance fees is calculated for the new investments entered into by the Company using 15% of investment gain that calculated as the difference between the cash proceeds and distribution (dividend, interest, or rent) of the investment and the Company's costs that that incurred regarding the investment disposal, and the adjusted accumulated cost of investment.

19. Deferred tax Assets

	<u>December 31,</u> <u>2019</u> <u>Asset</u> <u>/(liability)</u> <u>EGP</u>	<u>Movement during</u> <u>the period</u> <u>Asset /(Liability)</u> <u>EGP</u>	<u>September 30,</u> <u>2020</u> <u>Asset</u> <u>/(Liability)</u> <u>EGP</u>
Deferred tax liability arising from the difference between the accounting and tax basis for depreciation of investment properties	(431 709)	(81 743)	(513 452)
Deferred tax asset/ liability arising from un realized foreign currency exchange differences	(4 460 838)	7 241 661	2 780 823
	<u>(4 892 547)</u>	<u>7 159 918</u>	<u>2 267 371</u>

The deferred tax assets were not recognized on the following items due to insufficient assurance to realize them in the future.

	<u>September 30,</u>	<u>December 31,</u>
	<u>2020</u>	<u>2019</u>
	<u>EGP</u>	<u>EGP</u>
Impairment in joint venture investment	5 727 150	5 727 150
Impairment in Investment in associate	7 273 507	7 273 507
Impairment in Investment in subsidiaries	27 412 102	27 412 102
Provisions	2 040 651	2 040 651
Impairment in due from related parties	1 143 958	1 143 958
Impairment in other debit balance	2 824 500	2 954 500
	<u>46 421 868</u>	<u>46 551 868</u>

20. Significant Events During the period

During the first quarter of 2020, the world has been exposed to the spreading of the COVID-19, which was characterized by its rapid spreading all over the world, till it was declared an emergency state health by the World Health Organization on January 30, 2020 and then declaring this virus a global pandemic on March 11th, 2020, the spread of the virus has had a negative impact on many countries' economies which was reflected on the performance of financial markets and the world trade volume.

On March 19, 2020, the international airlines has been suspended and on March 25, 2020, the Egyptian Government has declared a curfew for two weeks and it was renewed for several weeks which has affected negatively on the Egyptian economy in general.

On June 23, 2020 the Government of Egypt has announced the end of the curfew and implementing precautious measurements, Additionally starting from Saturday June 27 restaurants and cafes will be allowed to open at 25 percent capacity also shopping malls and shops will be required to close by nine afternoon while restaurants and cafes will be required to close by teen afternoon also Public gardens, parks and beaches will remain closed and means of transportations will be remain working till twelve midnight however cinemas and theaters will be allowed to open at 25 percent capacity.

On July 22, 2020 the Government of Egypt has announced an amendment to the working hours of restaurants and cafes starting from Saturday July 26 to close by twelve midnight instead of ten afternoon with 50 percent capacity instead of 25 percent capacity also shopping malls and shops to close by ten afternoon instead of nine afternoon while Public gardens, parks and beaches will remain closed and cinemas and theaters will remain at 25 percent capacity. Also the decisions included allowing the possibility of holding official conferences and meetings with a maximum number for the participants of 50 individual only, provided that the capacity of the hall in which the conference or meeting is held is not less than

100 individual and preparing to start organizing major exhibitions, starting from the beginning of next October, with emphasizing the importance of reviewing the preventive and precautionary measures that are being applied, and keeping updated with the latest developments in the medical situation.

And as a result, it is expected that this pandemic will affect the operations and commercial transactions of different economic sectors, and with respect to the economic sectors that the company invest in, there are slow down indicators in the real estate sector while observing a positive impact on the technological, electronic payments and consumable goods and food sectors. The company performed an assessment to evaluate potential business risks and their impact on the company's investments in different sectors; and concluded that there are no indications for a permanent decrease in the value of its investments portfolio. The ongoing and rapid changes in relation to the pandemic still impose an uncertainty condition and an inability of accurate prediction due to the continuing economic repercussions of the Coronavirus crisis.

The management is closely monitoring the situation and modify its plans whenever necessary in response to ongoing repercussions respectively and if the situation continued to evolve for a longer period.

21. Dividends distributions

On March 26, 2019 The Company's board of directors proposed dividends distribution for the year ended December 31, 2019 to the shareholders of 40 piasters per share and total amount of EGP 1 253 109 to the board of directors' members, on May 20, 2020 the general assembly of the Company approved this proposed distributions.

22. Subsequent Events after the Financial Statements Date

The Company's has initiated preliminary discussions to exercise its right to sell 20% of its stake in Total Egypt according to The shareholders' agreement signed in 2013 between the Company and Total O M "parent company of Total Egypt" stipulates that the Company has a put option to sell part of the shares owned to Total O M, the put option is exercisable starting from the sixth year until the thirteenth year from the date of signing the shareholders' agreement, So far, the parties haven't reached to final agreement.