Translated

Egypt Kuwait Holding Company
and its subsidiaries
Consolidated financial statements
For the financial year ended at December 31, 2019
and Auditor's report

Translated

Contents **Page**

Hazem Hassan
Public Accountants & Consultants

B (105) – Avenue (2) – Smart Village
Km 28 Cairo – Alex Desert Road
Giza – Cairo – Egypt
Postal Code : 12577

Telephone : (202) 35 37 5000 – 35 37 5005
E-mail : Egypt@kpmg.com.eg
Fax : (202) 35 37 3537
P.O. Box : (5) Smart Village

Translated

Auditor's Report

To the Shareholders of Egypt Kuwait Holding Company

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Egypt Kuwait Holding Company S.A.E, which comprise the consolidated financial position as at December 31, 2019, the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in the light of the prevailing Egyptian laws. Those standards require that we comply with relevant 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 consolidated financial statements.

KPMG

Hazem Hassan

Translated

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Egypt Kuwait Holding Company as at December 31, 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the Egyptian laws and regulations relating to the preparation of these consolidated financial statements.

Report on Other Legal and Regulatory Requirements

The Company keeps proper accounting records, which include all that is required by law and the statutes of the Company, the financial statements, are in agreement thereto.

The financial information included in the board of directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulations, is in agreement with the Company's books of account.

KPMG Hazem Hassan

KPMG Hazem Hassan

Public Accountants & Consultants

KPMG Hazem Hassan
Public Accountants and Consultants
25

Cairo, February 26, 2020

Translated

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Consolidated statement of financial position as at December 31, 2019

All numbers are in US Dollars	Note No.	31/12/2019	31/12/2018 (Restated)	01/01/2018 (Restated)
Assets				
Non-current assets				
Equity - accounted investees (associates Companies)	(8)	7 115 188	16 275 216	29 201 428
Available -for- sale Investments	(9)	13 562 361	32 476 669	28 860 567
Financial assets at amortized cost	(10)	130 667 336	99 769 120	108 551 255
Property, plant and equipment and projects under construction	(11)	247 240 804	253 824 725	232 895 979
Exploration & development assets	(12)	87 764 078	27 799 143	24 591 508
Goodwill	(13)	63 044 332	60 591 626	52 413 767
Intangible assets	(14)	3 135 663	8 804 525	14 595 297
Biological assets	(15)	765 449	-	-
Notes receivables		1 089 685	283 156	11 727 932
Total non-current assets		**554 384 896**	**499 824 180**	**502 837 733**
Current assets				
Cash and cash equivalents	(16)	120 025 608	203 332 717	220 090 486
Financial assets at amortized cost	(10)	375 206 499	170 080 844	137 185 652
Financial assets at fair value through profit or loss	(17)	48 126 690	11 990 883	15 024 540
Trade & notes receivables	(18)	81 558 020	70 015 294	57 949 549
Other current assets	(19)	67 539 515	50 798 584	41 788 673
Inventory	(20)	71 136 984	77 047 727	60 225 430
Work in process	(21)	39 514 422	30 307 435	6 718 212
Non current assets held for sale	(22)	13 255 557	-	4 552 500
Total current assets		**816 363 295**	**613 573 484**	**543 535 042**
Total assets		**1 370 748 191**	**1 113 397 664**	**1 046 372 775**
Equity and Liabilities				
Equity of the parent Company				
Issued & paid up capital	(23)	256 110 292	256 110 292	256 110 292
Legal reserve	(24)	127 240 575	126 248 763	125 178 004
Other reserves	(24)	(121 605 778)	(141 526 773)	(139 803 466)
Share-based payments	(25)	9 549 602	17 561 848	17 561 848
Retained earnings	(26)	303 457 398	244 884 678	214 517 285
Treasury shares	(27)	-	(221 050)	-
Total equity of the owners of the parent Company		**574 752 089**	**503 057 758**	**473 563 963**
Non-controlling interests	(28)	218 525 369	205 417 102	212 842 786
Total equity		**793 277 458**	**708 474 860**	**686 406 749**
Non-current liabilities				
Long-term loans	(29)	72 139 732	18 003 469	36 441 090
Other long-term liabilities	(30)	1 490 124	2 011 494	7 871 026
Deferred tax liabilities	(31)	21 079 258	23 254 655	24 367 095
Total non-current liabilities		**94 709 114**	**43 269 618**	**68 679 211**
Current liabilities				
Provisions	(32)	24 989 085	19 374 686	33 206 603
Banks overdraft		1 052 868	94 994	577 005
Portion due during a year of long-term loans	(29)	46 400 400	26 998 321	25 924 898
Bank facilities	(33)	109 313 199	54 574 219	67 537 852
Suppliers, contractors, notes payable & other credit balances	(34)	179 369 647	164 152 671	145 103 664
Insurance policyholders rights	(35)	90 624 355	69 081 331	-
Accrued income tax		31 012 065	27 376 964	18 936 793
Total current liabilities		**482 761 619**	**361 653 186**	**291 286 815**
Total liabilities		**577 470 733**	**404 922 804**	**359 966 026**
Total equity and liabilities		**1 370 748 191**	**1 113 397 664**	**1 046 372 775**

*** The accompanying notes on pages from (6) to (65) are an integral part of these consolidated financial statements and to be read therewith.**

Group Chief Financial Officer	Managing Director	Chairman & Managing Director
Medhat Hamed Bonna	Sherif Al Zayat	Al-Moataz Adel Al-Alfi

*Auditor's Report " attached "

EGYPT KUWAIT HOLDING CO.
S.A.E
C . R. # 114648

Translated

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated statement of income for the financial year ended at December 31 , 2019

All numbers are in US Dollars	Note No.	2019	2018
Continuing Operations			
Revenues	(36)	523 941 754	461 984 536
Cost of revenue recognition	(37)	(353 127 573)	(316 627 970)
Gross profit		**170 814 181**	**145 356 566**
Income from investments	(38)	36 415 269	23 062 499
Other income	(39)	6 807 744	22 209 806
Selling & distribution expenses	(40)	(4 187 680)	(4 107 229)
General & administrative expenses		(33 962 098)	(29 517 358)
Other expenses	(41)	(6 063 329)	(14 700 430)
Net operating profit		**169 824 087**	**142 303 854**
Interest income		20 249 549	26 754 355
Financing expenses		(13 716 609)	(12 061 904)
Net profit from foreign currency translation differences		2 687 652	(5 864 340)
Net financing cost		**9 220 592**	**8 828 111**
Company's share of profit of Equity - accounted investees (associates Companies)		3 217 633	3 827 250
Net profit for the year before income tax		**182 262 312**	**154 959 215**
Income tax	(42)	(31 112 474)	(27 204 163)
Net profit for the year from continuing operations		**151 149 838**	**127 755 052**
Discontinuing Operations			
Losses from discontinuing operations	(43)	-	(2 540 164)
Non-Controlling intrests in profit from discontining operation	(43)	-	-
Net profit for the year		**151 149 838**	**125 214 888**
Net profit attributable to:			
Owners of the Parent Company		115 601 288	95 112 870
Non-controlling interests	(28)	35 548 550	30 102 018
Net profit for the year		**151 149 838**	**125 214 888**
Net profit from continuing operations attributable to:			
Owners of the Parent Company		115 601 288	97 653 034
Non-controlling interests	(28)	35 548 550	30 102 018
Net profit from continuing operations		**151 149 838**	**127 755 052**
Earning per share (US cent / Share)	(44)	**9.69**	**8.08**
Earning per share from continuing operation (US cent / Share)	(44)	**9.69**	**8.33**

*** The accompanying notes on pages from (6) to (65) are an integral part of these consolidated financial statements and to be read therewith.**

Translated

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated statement of comprehensive income for the financial year ended at December 31 , 2019

All numbers are in US Dollars	**2019**	**2018**
Net profit for the year	**151 149 838**	**125 214 888**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Available -for- sale Investments	(9 400 341)	2 783 634
	(9 400 341)	**2 783 634**
Items may be reclassified subsequently to profit or loss		
Net financing cost	28 332 061	2 007 541
Deduct: Adjustments for reclassed losses in the profit or loss	-	(6 183 113)
	28 332 061	**(4 175 572)**
Total other comprehensive income for the period after deducting tax	**18 931 720**	**(1 391 938)**
Total comprehensive income	**170 081 558**	**123 822 950**
Total comprehensive income attributable to:		
Owners of the Parent Company	135 522 283	93 389 563
Non-controlling interests	34 559 275	30 433 387
Total comprehensive income	**170 081 558**	**123 822 950**

*** The accompanying notes on pages from (6) to (65) are an integral part of these consolidated financial statements and to be read**

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Translated

Consolidated statement of changes in equity for the financial year ended at December 31, 2019

All numbers are in US Dollars

	Notes No.	Issued & paid up capital	Legal reserve	Reserves: Special reserve - Share premium	Reserves: General reserve	Reserves: Fair value reserve	Reserves: Translation reserve	Reserves: Total other reserves	Share-based payment	Retained earnings	Treasury shares	Total equity of the owners of the parent Company	Non-controlling interests	(Restated) Total equity
Balance as at January 1, 2018 (before adjustment)		256 110 292	125 178 004	57 954 547	8 380 462	5 081 987	(211 220 462)	(139 803 466)	17 561 848	218 489 193	-	477 535 871	212 842 905	690 378 776
Prior year adjustments	(26)	-	-	-	-	-	-	-	-	(3 971 908)	-	(3 971 908)	(119)	(3 972 027)
Balance as at January 1, 2018 (after adjustment)		256 110 292	125 178 004	57 954 547	8 380 462	5 081 987	(211 220 462)	(139 803 466)	17 561 848	214 517 285	-	473 563 963	212 842 786	686 406 749
Total comprehensive income														
Net profit for the year		-	-	-	-	-	-	-	-	95 112 870	-	95 112 870	30 102 018	125 214 888
Other comprehensive income		-		-	-	1 061 563	(2 784 870)	(1 723 307)	-	-	-	(1 723 307)	331 369	(1 391 938)
Total comprehensive income		-	-	-	-	1 061 563	(2 784 870)	(1 723 307)	-	95 112 870	-	93 389 563	30 433 387	123 822 950
Transactions with owners of the Company														
Transferred to legal reserve		-	1 070 759	-	-	-	-	-	-	(1 070 759)	-	-	-	-
Dividends distribution for shareholders		-	-	-	-	-	-	-	-	(50 303 242)	-	(50 303 242)	-	(50 303 242)
Dividends distribution for employees and board members		-	-	-	-	-	-	-	-	(12 603 305)	-	(12 603 305)	(3 397 139)	(16 000 444)
Dividends distribution for non-controlling interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(12 961 732)	(12 961 732)
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	(768 171)	-	(768 171)	(6 945 296)	(7 713 467)
Treasury shares		-	-	-	-	-	-	-	-	-	(221 050)	(221 050)	-	(221 050)
Total transactions with owners of the Company		-	1 070 759	-	-	-	-	-	-	(64 745 477)	(221 050)	(63 895 768)	(23 304 167)	(87 199 935)
Other changes														
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(14 554 904)	(14 554 904)
Total other changes		-	-	-	-	-	-	-	-	-	-	-	(14 554 904)	(14 554 904)
Balance as at December 31, 2018		256 110 292	126 248 763	57 954 547	8 380 462	6 143 550	(214 005 332)	(141 526 773)	17 561 848	244 884 678	(221 050)	503 057 758	205 417 102	708 474 860
Balance as at January 1, 2019 (before adjustment)		256 110 292	126 248 763	57 954 547	8 380 462	6 143 550	(214 005 332)	(141 526 773)	17 561 848	248 856 586	(221 050)	507 029 666	205 417 221	712 446 887
Prior year adjustments	(26)	-	-	-	-	-	-	-	-	(3 971 908)	-	(3 971 908)	(119)	(3 972 027)
Balance as at January 1, 2019 (after adjustment)		256 110 292	126 248 763	57 954 547	8 380 462	6 143 550	(214 005 332)	(141 526 773)	17 561 848	244 884 678	(221 050)	503 057 758	205 417 102	708 474 860
Comprehensive income														
Net profit for the year		-	-	-	-	-	-	-	-	115 601 288	-	115 601 288	35 548 550	151 149 838
Other comprehensive income		-	-	-	-	(6 036 528)	25 957 523	19 920 995	-	-	-	19 920 995	(989 275)	18 931 720
Total comprehensive income		-	-	-	-	(6 036 528)	25 957 523	19 920 995	-	115 601 288	-	135 522 283	34 559 275	170 081 558
Transactions with owners of the Company														
Transferred to legal reserve		-	991 812	-	-	-	-	-	-	(991 812)	-	-	-	-
Dividends distribution for shareholders		-	-	-	-	-	-	-	-	(50 860 331)	-	(50 860 331)	-	(50 860 331)
Dividends distribution for employees and board members		-	-	-	-	-	-	-	-	(13 858 048)	-	(13 858 048)	(3 924 430)	(17 782 478)
Dividends distribution for non-controlling interests in subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(16 919 492)	(16 919 492)
Net changes in share based payments	(46)	-	-	-	-	-	-	-	(8 012 246)	8 012 246	-	-	-	-
Acquisition of non-controlling interests		-	-	-	-	-	-	-	-	181 629	-	181 629	(334 413)	(152 784)
Sale of treasury shares	(27)	-	-	-	-	-	-	-	-	487 748	221 050	708 798	375 828	1 084 626
Total transactions with owners of the Company		-	991 812	-	-	-	-	-	(8 012 246)	(57 028 568)	221 050	(63 827 952)	(20 802 507)	(84 630 459)
Other changes														
Changes in non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(648 501)	(648 501)
Total other changes		-	-	-	-	-	-	-	-	-	-	-	(648 501)	(648 501)
Balance as at December 31, 2019		256 110 292	127 240 575	57 954 547	8 380 462	107 022	(188 047 809)	(121 605 778)	9 549 602	303 457 398	-	574 752 089	218 525 369	793 277 458

* The accompanying notes on pages from (6) to (65) are an integral part of these consolidated financial statements and to be read therewith.

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Consolidated statement of cash flows for the financial year ended at December 31 , 2019

All numbers are in US Dollars	Note No.	2019	2018 (Restated)
Cash flows from operating activities			
Net profit for the year before income tax		**182 262 312**	**152 419 051**
Adjustments for:			
Depreciation & amortization		43 840 709	42 131 833
Gain on sale of available-for-sale investments		(6 085 710)	-
Company's share of profit of Equity - accounted investees (associates Companies)		(3 217 633)	(3 827 250)
Changes in fair value of financial assets at fair value through profit and loss		(1 511 274)	(107 791)
Financing expenses		13 716 609	12 061 904
Interest income		(20 249 549)	(26 754 355)
Capital gain		(32 115)	(114 068)
Provisions no longer required		(184 277)	(16 207 330)
Provisions formed		5 689 627	2 065 002
Reversal of impairment loss on other current assets		(3 018 923)	(3 808 530)
Impairment loss on other current assets		373 702	833 677
Reversal of impairment loss on inventory		-	(13 207)
Impairment loss on investments value		-	11 801 751
Foreign currency translation differences reclassed to profit or loss		-	(6 183 113)
Income from investments in treasury bills and governmental bonds		(27 921 639)	(15 129 830)
Losses from discontinuing operations		-	2 540 164
		183 661 839	**151 707 908**
Change in:			
Financial assets at fair value through profit or loss		(34 624 533)	3 141 448
Trade & notes receivables		(12 349 255)	(8 728)
Other current assets		(12 222 490)	3 761 616
Inventory		5 910 743	(15 018 258)
Work in progress		(9 206 987)	(23 589 223)
Suppliers, contractors, notes payable & other credit balances		(1 420 952)	532 196
Insurance policyholders rights		21 543 024	7 610 927
Time deposits		(6 660 904)	2 288 249
Provisions used		(629 775)	(768 073)
Income tax paid		(31 773 834)	(21 209 622)
Net cash from operating activities		**102 226 876**	**108 448 440**
Cash flows from investing activities			
Interest collected		18 376 329	26 529 185
Subsidiaries acquisition (net cash acquired)		-	(733 337)
Payments for acquisition of property, plant and equipment, projects under construction, intangible assets	(45)	(17 529 101)	(39 664 249)
Payments for acquisition of biological assets		(765 449)	-
Payments for acquisition of exploration & development assets	(45)	(50 871 588)	(12 821 468)
Proceeds from sale of property, plant and equipment, projects under construction, intangible assets		613 936	191 309
Proceeds from (payments for) sale of available-for-sale investments		20 301 978	(2 553 778)
Proceeds from (payments for) financial assets at amortized cost		(165 049 076)	67 747 959
Net cash from (used in) investing activities		**(194 922 971)**	**38 695 621**
Cash flows from financing activities			
Proceeds from loans and bank facilities		224 674 199	145 367 264
Payment of loans and bank facilities		(96 396 877)	(175 695 095)
Payment of financing expenses		(13 716 609)	(12 061 904)
Payments for acquisition of non-controlling interests		(152 784)	(7 713 467)
Non-controlling interests		(1 637 776)	(30 492 310)
Proceeds from sale of treasury shares		1 084 626	-
Dividends paid for non-controlling interests		(20 575 337)	-
Dividends paid		(64 718 133)	(62 906 547)
Net cash from (used in) financing activities		**28 561 309**	**(143 502 059)**
Foreign currency translation differences of accumulated financial statements		16 262 056	(2 798 014)
Net change in cash and cash equivalents during the year		(47 872 730)	843 988
Balance of cash and cash equivalents at beginning of the year		220 561 115	219 717 127
Balance of cash and cash equivalents at end of the year	(16)	**172 688 385**	**220 561 115**

* **The accompanying notes on pages from (6) to (65) are an integral part of these consolidated financial statements and to be read therewith.**

1- Company's background and activities

- Egypt Kuwait Holding Company "The Company" was incorporated by virtue of the Chairman of General Investment Authority's resolution No. 197 of 1997, according to the provisions of Investment Law No. 230 of 1989 and according to Law No. 8 of 1997, concerning Investment Incentives & Guarantees and Law No. 95 of 1992 concerning Capital Market. The Company was registered in Giza Governorate Commercial Registry under No. 114648 on 20/7/1997. The duration of the Company according to the Company's Statute, is 25 years starting from the date of registration in the Commercial Registry.

- The Company's financial year starts on January 1st and ends on December 31st each year.

- The Company's purpose is represented in investment in all activities stated in Article 1 of Law No. 230 of 1989, provided that its object does not include accepting deposits or performing banking transactions and comprise the following activities: -
  A- Securities underwriting and promotion.
  B- Participation in Companies, which issue securities or increasing their capital.
  C- Venture capital.

- In addition, the Company is entitled to establish other projects or modify its purposes in conformity with the Investment Law. The Company is also entitled to establish or participate in projects not governed by the Investment Law subject to the approval of the General Investment Authority & General Capital Market Authority.
  On March 6, 2002 the General Investment Authority gave permission to the Company to use the excess funds in investing outside the Arab Republic of Egypt by participating in establishing companies & contributing to projects & portfolios of marketable securities managed abroad.

- The registered office of the Company is located at 14 Hassan Mohamed El Razaz St.- Dokki - Egypt. Mr. Al Moataz Adel AL-Alfi is the Chairman of the Company.

- The Company is listed in the Egyptian Stock Exchange of the Arab Republic of Egypt and Kuwait Stock Exchange.

- The consolidated financial statements comprise the financial statements of Egypt Kuwait Holding Company (the Parent Company) & its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. The Group is involved in several activities which are represented in investment activities, selling & supplying of natural gas activity, drilling, petroleum & petrochemicals services activity, fertilizers activity, exploration & exploitation of oil, natural gas activity, chill technology by natural gas activity, communications and selling & distributing of chemicals & plastic activity, manufacturing of Formica chips & MDF of all types and sizes, and the activity of life insurance and responsibilities and properties insurance.

2- Basis of preparation of the consolidated financial statements

a) Statement of compliance

- These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and relevant Egyptian laws and regulations.
- The consolidated financial statements were authorized for issuance by the Board of Directors of the Company on February 26, 2020.

b) Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for the following: -

- Derivatives financial instruments measured at fair value.
- Financial assets at fair value through profit or loss.
- Available-for-sale investments measured at fair value.

c) Functional and presentation currency

The consolidated financial statements are presented in USD, which is the Parent Company's functional currency.

d) Use of estimates and judgments

- The preparation of the consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.
- The estimates and underlying assumptions are reviewed on an ongoing basis.
- Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

e) Measurement of fair values

- The fair value of financial instruments is measured based on the market value of the financial instrument or a similar financial instrument as at the financial statements date without deducting any estimated future selling costs. The value of financial assets is determined by the current purchase prices of these assets whereas, the value of financial liabilities is determined by the current prices which can be used to settle these liabilities.
- In case of inactive market exists to determine the fair value of the financial instruments, the fair value is estimated using the different valuation techniques while considering the prices of the transactions recently made and using the current fair value of the other similar financial instrument as a guide significantly – discounted cash flows method - or any other valuation method that results in reliable values.
- On using the discounted cash flows method as a valuation technique, the future cash flows are estimated based on best estimate of management and the used discount rate is determined in light of the prevailing price in market as at the financial statements date of similar financial instruments with respect to their nature and conditions.

3- Significant accounting policies

The accounting polices set out below have been applied consistently to all periods presented in these consolidated financial statements.

3-1 Business combination

- The Group accounts for business combination using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for Impairment. Any gain on a bargain purchase in recognized profit or loss immediately.
- Transaction cost are expensed as incurred, except if related to the issue cost of debt or equity securities.
- The consideration transferred does not include amounts related to the settlement of pre-exiting relationship. Such amounts are generally recognized in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that met the definition of financial instrument is classified as equity, then it is not re-measured, and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

A- Subsidiaries

Subsidiaries are entities controlled by the Group.

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

B- Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

C- Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in statement of income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

D- Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs.
Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees.

E- Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated.
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. An unrealized loss is eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3-2 Foreign currency

A- Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.
Assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined.
Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.
Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to consolidated income statement);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

B- Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition during the preparation of the financial statements, are translated into USD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the exchange rates at the dates of the transactions.
Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated income statement as part of the gain or loss on disposal.
If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.
When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of income.

3-3 Property, plant and equipment & depreciation

a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.
If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant & equipment is recognized in consolidated statement of income.

b) Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

c) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in consolidated income statement. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives are as follows:

Asset	Years
Buildings & constructions	20–56 or according to lease term, which is lower
Vehicles and transportation	4 – 10
Furniture & office equipment	2 – 10
Machinery & equipment	3 – 20
Tools & supplies	5
Stations, generators & electric transformers	10
Computer, software and Decorations	3 – 6.67
Leasehold improvements	Over the lower of lease term or estimated useful life which is lower

- Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3-4 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the assets to a working condition for it intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

3-5 Exploration Assets

The Company applies the "successful efforts" method in relation to capitalization of expenditures. As follows:

- Direct expenses incurred in carrying out geological and geophysical in the field and all costs relating to these investigations are charged to income statement.
- All exploration acquisition costs are capitalized, which includes the consideration of the acquisition in addition to any future expenditures that the company pay on behalf of the farm out party regarding to this acquisition.
- Exploration drilling cost and cost of drilling an exploration well are initially capitalized pending determination whether or not the well contains proven reserves.
- If proven reserves are found, the cost of the well is transferred to production wells and depleted using the "unit of production "method.
- If proven reserves are not discovered the capitalized drilling costs are charged to income statement.
- All development and production drilling costs which include drilling and development costs are capitalized and are recognized among the cost of developing the proven reserve.
- Dry development wells are capitalized and remain part of the development costs of the production reservoir.
- Development wells are depleted when starting production.
- Under construction are recognized initially at cost. Cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use.
- Under construction are transferred to its related caption when they are completed and are ready for their intended use.

The exploration and development assets depletion rate is determined according to the production during the financial period as follows:

Description	Depletion basis
Productive wells	Depletion rate is determined based on the percentage of the actual production volume during the period to the volume of developed proven reserve.
Upstream Facilities	Depletion rate is determined based on percentage of the actual production volume during the period to the volume of proven reserve.
Pipelines	Depletion rate is determined based on percentage of the actual production volume during the period to the volume of proven reserve.

3-6 Intangible assets

3-6-1 Recognition and measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Impairment of goodwill is not reversed subsequently. In case of gain on bargain purchase, it is recognized immediately in the statement of income.

Exploration and development

Expenditure on research activities is recognized in profit or loss as incurred.
Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in as profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets

Other intangible assets, including deferred charges, patents and trademarks that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

3-6-2 Subsequent expenditures

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which related to research projects and development under construction and are recognized as intangible asset. All other expenditures, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

3-6-3 Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in consolidated statement of income. Goodwill is not amortized.

3-7 Financial instruments

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.
The Group classifies non-derivative financial liabilities into the following categories:
Financial liabilities at fair value through profit or loss and other financial liabilities category.

3-7-1 Non-derivative financial assets and liabilities- recognition and disposal

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

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

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

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

3-7-2 Non-derivative financial assets - measurement

3-7-2-1 Financial assets measured at fair value through profit or loss

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

3-7-2-2 Financial assets held – to – maturity

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

3-7-2-3 Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

3-7-2-4 Available for sale investments

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the accumulated gain or loss recognized in OCI is reclassified to consolidated statement of income.

3-7-3 Non-derivative financial liabilities - measurement

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

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

3-8 Inventory

Inventories are measured at the lower of cost and net realizable value. The Cost of inventories is based on the moving average principle and includes expenditure incurred in acquiring the inventories and bringing it to its existing location and condition. Cost of finished goods and work in process inventories includes an appropriate share of production overheads.

3-9 Work in progress

All expenditures directly attributable to works in process are included in work in process account till the completion of these works. They are transferred to completed residential units ready for sale caption when they are completed.

Work in process are stated at the balance sheet date at lower of cost and net realizable value.

It includes all direct costs that related to preparation of units to sell it and in the assigned purpose.

3-10 Construction contracts in progress

Construction contracts in progress represents the gross amount expected to be collected from customers for contract work performed to date. It is measured at costs incurred plus profits recognized to date less progress billings and recognized losses.

In the statement of financial position, construction contracts in progress for which costs incurred plus recognized profits exceed progress billings and recognized losses are presented as trade and other receivables.

Contracts for which progress billings and recognized losses exceed costs incurred plus recognized profits are presented as deferred income/revenue. Advances received from customers are presented as deferred.

3-11 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies.

Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on re-measurement are recognized in consolidated income statement.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3-12 Debtors and other debit balances

Debtors are initially recorded at fair value and subsequently at amortized cost with impairment test.

3-13 Cash and cash equivalents

For the purpose of preparing the consolidated statement of cash flows, "cash & cash equivalents" comprise cash at banks & on hand, time deposits with original maturities of three month or less.

3-14 Impairment of assets

a) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- Restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost.

Financial assets measured at amortized cost

The Group considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified. Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics.

In assessing collective impairment, the Group uses historical information on the timing of recoveries and the amount of loss incurred and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's 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.
When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off.
If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available for sale financial assets
Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified 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.
If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale in profit or loss are not reversed.

Equity-accounted investees
An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

b) Non-financial assets
At each reporting date, the Group reviews the carrying amounts of its non-financial assets other than inventories and deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.
The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.
An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.
An impairment loss in respect of goodwill is not reversed. For other assets, 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 in previous years.

3-15 Provisions

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.

3-16 Loans and bank facilities

Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs.
Subsequent to initial recognition، interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the consolidated income statement over the period of the borrowings on an effective interest basis.

3-17 Trade payables and other credit balances

Trade payables and other credit balances are initially recorded at fair value and subsequently at amortized cost after deduction of transactions cost.

3-18 Share capital

a) Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24 "Income Tax".

b) Repurchase and reissue of ordinary share

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

c) Dividends

Dividends are recognized as a liability in the period in which they are declared.

3-19 Equity settled share – based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3-20 Revenue

Revenue is measured at the fair value of the consideration received or receivable and is recognized when it is probable that the future economic benefits will flow to the entity and the amount of the revenue can be measured reliably. No revenue is recognized if there are uncertainties regarding the recovery of that consideration due or associated costs.

Sale of goods revenues

Revenue is recognized when 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. For export sales, transfer of risks and rewards of the goods sold occurs according to the shipping terms.

Service revenues

Service revenue is recognized when the service is rendered to customers. No revenue is recognized if there is uncertainty for the consideration or its associated costs.

Revenues & costs of construction contracts

Revenue from construction contracts is recognized in the income statement according to the percentage of completion through calculating what is accomplished from the clauses of the contract.

The contract costs are measured through calculating what is spent from the clauses of contract for the stage in which the revenue is recognized. The contract costs include all direct costs from materials, labor, subcontractors and overheads related to the execution of contract clauses like indirect labor and maintenance expenses as it also includes the general and administrative expenses spent directly on the contracting works.

The provision for estimated losses according to the construction contracts in progress is formed

- if any- in the financial period during which those losses are assessed.

Natural gas distribution revenues
Revenue is recognized when gas is converted to the clients

Natural gas sales commission
Network operating commissions and gas distribution are recognized according to the amounts distributed to clients & the agreed upon prices and in some areas, commission are recognized according to the actual commission or the minimum – take commission whichever is longer.

Sale of electricity
Revenue is recognized upon issuance of customers' electricity consumption invoices.

Insurance activity revenue
Revenues from long-term insurance policies are fully recognized in the consolidated statement of profit or after excluding a percentage of 100% of the premiums value belonging to the following financial years after deducting the percentage of such years from the production commission with a percentage that must not exceed 20% of the premium value.

Revenues related to the incoming reinsurance agreements, whose accounts have not completed a whole insurance year yet, shall be deferred in addition to other extraordinary or discretionary cases in which certain deferred accounts are not completed for the years subsequent to the financial position year. Such revenues are recorded under the liabilities in the statement of financial position till the completion of the insurance year of such accounts.

Net income from investments - insurance sector
Net income from investment is allocated as follows:

- Return on investment of funds designated for the rights of policyholders shall be recorded in the consolidated statement of profit or loss of each insurance branch, (properties branches - individuals) at the percentage of average technical provisions for each insurance branch to total technical provisions, during the financial year.
- The return on free fund investments shall be recorded in the statements of income,

Rental income
Rental income is recognized on a straight-line basis over the lease term.

Gain on sale of investments
Gain on sale of financial investments is recognized upon receipt of the transfer of ownership to the buyer on the basis of the difference between the selling price and its carrying amount at the date of disposal.

Interest income and Dividends
Interest income or expense is recognized according to accrual basis of accounting and using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3-21 Expenses

a) Lease payments

Payments under leases are recognized in the consolidated income statement on a straight-line basis over the terms of the lease.

b) Employees' pension

The Group contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Group's liability is confined to the amount of its contribution. Contributions are charged to the consolidated income statement using the accrual basis of accounting.
Some Companies within the Group contribute to the Group Insurance plan for the benefit of their employees at an insurance Company. According to this plan, employees are granted end of service benefit on retirement, death and full disability during the service period. End of service benefits are repayable by the insurance company. The Companies contribution is confined to the annual insurance premiums. The Group contributions are charged to the consolidated income statement as they are incurred according to accrual basis of accounting.

c) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.
Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- taxable temporary differences arising on the initial recognition of goodwill
- temporary differences on the initial recognition of assets or liabilities in a transaction that:
  1) is not a business combination
  2) Neither affects accounting nor taxable profit or loss.
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

d) **General Authority for Investments fees**

Companies established under the provisions of the Investment law and according to the Free Zones System are not subject to income tax. However, according to the Investment law, 2% of the total revenues of these companies are due to General Authority for Investments. The said fees are calculated and charged to the consolidated income statement according to the accrual basis of accounting.

3-22 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.

When an operation is classified as a discontinued operation, the comparative consolidated income statement and statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

3-23 Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3-24 Accounts Receivable from insurances

Accounts receivable from insurances are recorded either in the form of premium under collection or current accounts belonging to the insured persons at amortized cost represented in the carrying amount of such accounts less the accumulated impairment losses.

Debts are written off as a deducted amount charged to the accumulated impairment losses of the accounts receivable from insurance, while adding cash receipts from debts previously written off thereto.

3-25 Insurance and reinsurance companies (Debit balances)

The accounts of the insurance and reinsurance companies are recorded at the amortized cost represented in the carrying amount of such accounts less accumulated impairment losses.

Debts are written off as a deducted amount charged to the accumulated impairment losses of the insurance and reinsurance companies, while adding cash receipts from debts previously written off thereto

3-26 Technical provisions for Insurance on individuals and fund formation

a) Mathematical reserve

The mathematical reserve of each of the insurance on individuals and the formation of funds are formed at the date of each financial position by the actuary in accordance with the technical basics provided by the Board of Directors of the Egyptian Financial Supervisory Authority (EFSA), in addition to the share of each policy in the increase (decrease) in the capital value of insurance premiums invested in the investment portfolios in favor of the policyholders.

b) Provision for outstanding claims

This provision is formed by the amount of claims related to casualties reported before the year end and still valid at the date of the financial position.

3-27 Technical provisions for properties and liabilities insurances

a) Provision for unearned premium

A provision for unearned premium is formed to meet the Company's liabilities resulting from insurances issued before the end of the financial year and still valid thereafter.

The unearned provision is equal to the sum of multiplying net premiums of the branch whose loss rate exceeds (100%) x50% of the actual loss rate for the year presented pertaining to all branches except for transportation branches, where this percentage equals 25%. The application of this rule is limited to annual premiums while excluding the long-term ones, taking into consideration that the provision, after the recalculation, shall not exceed the net premiums of the branches after revaluating and deducting the non-recurring significant accidents for which the Company prepares a statement to be approved by the Egyptian Financial Supervisory Authority (EFSA).

This rule applies to all branches carrying out properties and liabilities insurances, except for obligatory motor insurance branch.

b) Provisions for outstanding claims

A provision for outstanding claims is separately formed for each insurance branch to cover the claims incurred from accidents reported before the financial year-end and still exist at the financial position date, as well as the accidents that-might have occurred and not reported till the financial position date.

c) Provisions for retrograded fluctuations

A provision for retrograded fluctuations is formed to cover any contingent losses especially as a result of losses that may arise from natural hazards and risks of riots and vandalism in accordance with the rules stipulated in the executive regulations of Law No. 10 for the year 1981.

3-28 Credit balances of insurance and reinsurance companies

The credit balances of insurance and reinsurance companies are recognized at fair value. These balances are represented in the current accounts balances of insurance and reinsurance companies, credit balances of reinsurance agreements and retained provisions from reinsurers at the date of the financial statements.

3-29 Allocation of general and administrative expenses - insurance activity

Direct general and administrative expenses including salaries, wages and other direct expenses of insurance branches are charged to the accounts of revenues and expenses of the general insurance branches. While indirect expenses are distributed at the percentage of 90% as indirect general and administrative expenses and 10% as indirect investment expenses. Then the 90% is distributed one third of these expenses by direct wages and two third of these expenses are distributed by direct premiums after excluding 50% of the indirect expenses of the company's branches and charging them to production costs.

3-30 Production costs - insurance activity

The indirect production costs shall be distributed at the percentage of the due and paid commissions and allowance of each branch of the insurance branches after adding 50% of the indirect expenses of the company's branches and charging them to the production costs.

4- Insurance activity risks

Regulatory framework of the Risk Management Department

The objective of the Company's Risk Management Department and Financial Management Department is to protect the Company's shareholders from events that impede the achievement of financial performance objectives, including failure to take advantage of opportunities. Risk Management Department also works on protecting the rights of policyholders by ensuring that all commitments towards policyholders are met in accordance with the methods in practice. Top management recognizes the necessity to have effective and efficient risk management systems.

Insurance risk

The risk of insurance contracts are represented in the possibility of the occurrence of the insured event resulting in a financial claim as indicated in the insurance contracts; bearing in mind that such risks are random and unpredictable. The risks facing the Company is the occurrence of the insured risk and the volume of the recorded claim.

The Company carries out insurance activities for individuals - insurance on liabilities and properties in all various branches.

- All forms of insurance for individuals. Temporary life insurance.
- Life insurance with profit sharing.

In addition to the abovementioned, there are additional insurance coverage to be added to each type in return for an additional premium at the request of the client.

Technical bases used in estimating the mathematical reserve
First: Used Life Table
Life and death rates of table A 49/52 ULT, taking into account using the premiums calculated on the basis of the life table A 67/70 ULT for the contracts that the Authority stipulated when approving them, while the remaining bases used in pricing shall remain constant.
Partial disability and permanent total disability: reinsurance rates.

Second: Used Interest Rates
Collective Contracts
Vary depending on the benefits of each collective contract, however, the interest rate does not exceed 8% according to the instructions of the Authority.
Individual Contracts
An interest rate of 4.25% is used for all individual insurance policies except the "Aman al-Tool" pension insurance policy, a 6% interest rate is used, and that represents the same rates used to calculate the present value of the profits in case of insurance policies with profit sharing.

The assumptions related to the insurance policies issued in foreign currencies.
Maximum rates allowed to be used are 3%.

Third: Methods used to calculate reserves
Forward-looking method is used in the endowment life insurance and temporary contracts while the unearned premium method is used for the temporary contracts whose term is less than five years.

For the policies related to investment units, the reserve value is calculated as follows:
For the portion of protection: total annual net risk premiums based on life table A 49/52 ULT.
For the portion of investment: total investment balances with respect to the customers up to the date of valuation.

Fourth: Assumptions regarding wage scale
The client will provides us with the percentage of the increase in wages and we calculate the reserve in this case using the interest rate that is equivalent to the difference between the percentage of the increase required by the customer and the annual interest rate; taking into consideration the maximum authorized interest rate according to the instructions of the Authority.

Fifth: Amounts charged to administrative expenses
As for individual operations: according to the specifications of each policy approved by the Authority.
As for collective transactions: the amounts charged with respect to the administrative expenses of each collective contract shall be sent prior to issuance and shall be approved by the Authority. These rates are to be taken into account when estimating the reserve of collective contracts.

The main risks the Company faces are as follows:

- Mortality rates risk - risk of loss due to the discrepancy between the mortality rates of the policyholders and the expected rates.
- Risk of morbidity rates - risk of loss due to the discrepancy between morbidity rates among policyholders and the expected rates.
- Age risk the risk of loss due to the age of the pensioner as he may live for a longer period than what was expected.
- Return on investment risk - risk of loss due to discrepancy between the actual expenses and the expected rates.
- Risk of decisions taken by the policyholder - risk of loss due to the different behavior of policyholders (cancellation and liquidation rates) than what was expected.

Regarding the property and liability insurance, the Company practices activities that encompass various insurance branches (fire, marine, automotive , engineering, petroleum, medical treatment, hazards ...), and studies the inherent risks that include the risk of recurrence or concentration in the insurance claims of large amounts of compensation as well as the geographical concentration within each insurance branch on a case by case basis while taking into account the relative volume of the branch's operations in proportion with the total activity of the Company and trying to maintain a balance with respect to the Company's subscription portfolio.

In order to reduce the insurance risk, the Company lays down the subscription and retention policies and the limits of the powers and authorities in addition to the subscription powers that determine the authorized and responsible persons for the completion of the execution of the insurance and reinsurance contracts. The implementation of these instructions are periodically reviewed and-the developments that take place in the market are followed up accurately and the necessary measures are taken to reflect them in the subscription instructions if required.

The Company also uses reinsurance to manage insurance risk by entering into proportional and non- proportional agreements with third parties for reinsurance purposes.

Reinsurance activity risks

As customarily applied in the other insurance companies and in order to limit the risk of encountering loss arising from insurance claims of large amounts, the Company engage into reinsurance agreements with other parties. These reinsurance contracts allow greater diversification in the business field and enable management to monitor the possibility of encountering loss due to significant risks and provide additional growth potential. However, this procedure does not relieve the Company of its obligations towards its insured parties, and the Company shall remain liable to its policyholders for the reinsured part of the compensation under settlement in case the reinsurers fail to comply with their obligations under the reinsurance contract and therefore the credit risk shall remain-with respect to reinsurance -to the extent that any reinsurer is unable to settle his obligations.

To limit the probability of being exposed to huge losses as a result of the default of re-insurances. The Company evaluates the credit worthiness of its reinsurers in addition monitoring the concentration of the credit risks, both on a periodic basis. The Company re-insure only those parties with good credit ratings. As their credit ratings are reviewed on a periodical basis.

5- Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk.

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

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board also is responsible for identifying and analyzing the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Group management aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Board of Directors of the Parent Company is assisted in its oversight role by the Audit Committee and Internal Audit. Internal Audit undertakes both regular and suddenly reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's trade and other receivables.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base including the default risk of the industry has less an influence on credit risk.
The Group Management has established credit policies under which each new customer is analyzed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. Customers that fail to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment basis. No previous impairment loss was resulted from transactions with trade receivables.
The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables based on historical data of transactions with them.

Investments

The Group limits its exposure to credit risk by only investing in active and liquid securities. Management does not expect any counterparty to fail to meet its obligations.

Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group'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 Group's reputation. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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 Group'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.

Currency risk

The Group is exposed to currency risk on borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Egyptian Pound.

Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge and no derivatives are entered.

The Company's investments in other subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

Interest rate risk

The Group adopts a policy of ensuring that the exposure to changes in interest rates on borrowings is on fixed rate basis. The Company does not enter into interest rate swap.

Other market prices risk

Equity price risk arises from available for sale equity securities and management of the Group monitors the equity securities in its investment portfolio based on market indicates. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Parent Company.

The primary goal of the Group's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.

In accordance with this strategy certain investments are designated as held for trading investments because their performance is actively monitored, and they are managed on a fair value basis.

Capital management

The Group policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business.
The Board of Directors of the Parent Company monitors the return on capital, which the Company defines as net profit for the year divided by total shareholders' equity, the Board of Directors also monitors the level of dividends to shareholders.

The Board of the Parent Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.
There were no changes in the Group's approach to capital management during the year; the Parent Company is not subject to externally imposed capital requirements

6- New Issues and Amendments issued to the Egyptian Accounting Standards (EAS's) and have not been adopted yet

On March 18, 2019, the Minister of Investment and International Cooperation introduced amendments to some provisions of the Egyptian Accounting Standards issued thereby by virtue of Decree No. 110 of 2015 , which include some new accounting standards as well as introducing amendments to certain existing standards. The most prominent amendments are as follows:

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
Egyptian Accounting Standard No. (38) as ammended " Employees Benefits "	Anumber of paragraphs were introduced and amended in order to amend the Accounting Rules of Settlements and Curtailments of Benefit Plans	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard No. (38) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted.
Egyptian Accounting Standard No. (42) as ammended " Consolidated Financial Statements"	Some paragraphs related to the exclusion of the Investment Entities from the consolidation process were added . This amendment has resulted in introducing an amendment to some of the standards related to the subject of the Investment Entities. The	The Management is currently assessing the potential impact of implementing the amendment of the standard on the	This standard applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted.

All amounts are in US Dollars if otherwise isn't mentioned

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
	standards that were ammended are as follows: - (ESA 15) Related Party Disclosures - (ESA 17)Consolidated and Separate Financial Statements - (ESA 18) Investments in Associates - (ESA 24) Income Taxes - (ESA 29)Business Combinations - ESA(30) Periodical Financial Statements - EAS (44) Disclosure of Interests in Other Entities.	financial statements.	-The new or amended Paragraphs pertaining to the amended standards concerning the investment entities shall apply on the effective date of Egyptian Accounting Standard No. (42) "Consolidated Financial Statements", as amended and issued in 2019
The new Egyptian Accounting Standard No. (47) "Financial Instruments"	1. The new Egyptian Accounting Standard No. (47), "Financial Instruments", supersedes the corresponding related issues included in the Egyptian Accounting Standard No. (26), "Financial Instruments: Recognition and Measurement". Accordingly, Egyptian Accounting Standard No. 26 was amended and reissued after cancelling the paragraphs pertaining to the issues addressed in the new Standard No. (47) and the scope of the amended Standard No. (26) was specified and intended to deal only with limited cases of Hedge Accounting according to the choice of the enterprise. 2. Pursuant to the requirements of the Standard, financial assets are classified based on their subsequent measurement whether at amortized cost, or fair value through other comprehensive income or at fair value through profit or loss, in accordance with the enterprise business model for	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard applies to financial periods beginning on or after January1st, 2020, and the early implementation thereof is permitted; provided that the amended Egyptian Accounting Standards Nos.(1), (25), (26) and (40) are to be simultaneously applied.

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

All amounts are in US Dollars if otherwise isn't mentioned

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers"	1.The new Egyptian Accounting Standard No. (48) - "Revenue from Contracts with Customers" shall supersede the following standards and accordingly such standards shall be deemed null and void: a-Egyptian Accounting Standard No. (8) - "Construction Contracts" as amended in 2015. b-Egyptian Accounting Standard No. (11) – "Revenue" as amended in 2015. 2.For revenue recognition, Control Model is used instead of Risk and Rewards Model. 3.incremental costs of obtaining a contract with a customer are recognized as an asset if the enterprise expects to recover those costs and the costs of fulfilling the contract are to be recognized as an asset when certain conditions are met 4.the standard requires that contract must have a commercial substance in order for revenue to be recognized 5.Expanding in the presentation and disclosure requirements	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	Standard No(48) applies to financial periods beginning on or after January1st, 2020, and the early
The new Egyptian Accounting Standard No. (49) "Lease Contracts	1- The new Egyptian Accounting Standard No. (49) "Lease Contracts" shall supersede and revoke Standard No. (20), "Accounting Rules and Standards related to Financial Leasing" issued in 2015 2- The Standard introduces a single accounting model for the lessor and the lessee where the lessee recognizes the usufruct of the leased asset as part of the company's assets and recognizes a	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard No. (49) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted if Egyptian Accounting Standard No. (48) "Revenue from Contracts with Customers" is simultaneously applied.

All amounts are in US Dollars if otherwise isn't mentioned

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
	liability that represents the present value of the unpaid lease payments under the company's liabilities, taking into account that the lease contracts are not classified in respect of the lessee as operating l or finance lease contracts. 3- As for the lessor, he shall classify each lease contract either as an operating lease or a finance lease contract. 4- As for the finance lease, the lessor must recognize the assets held under a finance lease contract in the Statement of Financial Position and present them as amounts receivable with an amount equivalent to the amount of the net investment in the lease contract. 5- As for operating leases, the lessor must recognize the lease payments of operating lease contracts as income either based on the straight-line method or based on any other regular basis.		Except for the above-mentioned date of enforcement, Standard No. (49) applies to lease contracts that were subjected to Finance Lease Law No. 95 of 1995 and its amendments and were treated according to Egyptian Accounting Standard No. 20,"Accounting rules and standards related to financial leasing" as well as the finance lease contracts that arise under and are subjected to Law No. 176 of 2018 to the effect of regulating both financial leasing and factoring activities starting from the beginning of the annual reporting period in which Law No. (95) of 1995 was revoked and Law No. (176) of 2018 was issued.

7- Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format of business segments is based on the Group management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Business segments

The Group comprises the following main business segments:

- Oil & gas sector.
- Fertilizers & chemicals sector.
- Other operations.

Other operations include the communications, geographical maps, agencies, and cooling technology by natural gas activity, insurance activity and investment activity.

Geographical segments

Segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets

All numbers are in US Dollars

7- Segment reporting (Cont.)

	Oil & gas sector		Chemicals & fertilizers sector		Other operations		Discontinuing Operations		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	163 842 304	118 668 934	317 809 587	310 305 604	42 289 863	33 009 998	-	-	523 941 754	461 984 536
Net operating profit	67 403 982	50 977 845	78 612 328	61 395 764	26 190 218	29 930 245	-	-	172 206 528	142 303 854
Financing expenses	(1 472 964)	(1 426 758)	(553 719)	(1 632 858)	(11 689 926)	(9 002 288)	-	-	(13 716 609)	(12 061 904)
Interest income	2 003 430	1 671 806	5 360 905	10 949 430	12 885 214	14 133 119	-	-	20 249 549	26 754 355
Company's share of profit / (loss) of Equity - accounted investees (associates Companies)	3 110 304	3 827 251	-	-	107 329	-	-	(2 540 165)	3 217 633	1 287 086
Net profit before income tax	70 826 102	55 031 693	86 509 954	71 414 580	24 926 256	28 512 942	-	-	182 262 312	154 959 215
Income tax	(11 649 324)	(8 404 001)	(19 280 534)	(18 510 833)	(182 616)	(289 329)	-	-	(31 112 474)	(27 204 163)
Net profit for the year	59 176 777	46 627 693	67 229 420	52 903 747	24 743 641	28 223 613	-	(2 540 165)	151 149 838	125 214 888
Total assets	404 868 846	294 296 947	609 563 068	532 567 330	343 060 720	286 533 387	13 255 557	-	1 370 748 191	1 113 397 664
Equity - accounted investees (associates Companies)	6 940 362	3 830 058	-	-	174 826	12 445 158	-	-	7 115 188	16 275 216
Total liabilities	239 979 512	193 309 052	138 126 975	93 663 257	199 364 246	117 950 495	-	-	577 470 733	404 922 804
Depreciation & amortization	(17 792 636)	(16 514 101)	(24 944 604)	(25 037 803)	(1 103 469)	(579 929)	-	-	(43 840 709)	(42 131 833)

All amounts are in US Dollars if otherwise isn't mentioned

8- Equity-accounted investees (associates Companies)

	Ownership %	31/12/2019	31/12/2018
Investments not listed in stock exchange			
Building Materials Industries Co. (S.A.E.)	-	-	34 175 480
TOSS Co. (Limited Liability Co.- Cayman Islands)	28.07	6 940 362	3 830 058
Inayah Egypt for Medical care Programs Management Co.	20	174 826	55 928
Egyptian Tankers Co. (S.A.E.- Free Zone)	30	17 128 175	17 128 175
		24 243 363	**55 189 641**
Impairment losses		(17 128 175)	(38 914 425)
		7 115 188	**16 275 216**

9- Available – for – sale investments

	Ownership %	31/12/2019	31/12/2018
Investments measured at fair value			
Portfolios managed by abroad investment manager	-	1 391 204	19 649 028
Local companies' securities listed in the Egyptian Stock Exchange (EGX)	-	2 395 561	3 052 045
Investments measured at cost*			
United Arab Chemical Carriers Co.	1.19%	14 112 997	14 112 997
MOG Energy Co.- previously named Tri Ocean Co. **	15.27%	34 462 504	34 462 504
TOD Company	28.07%	2 807	2 807
		52 365 073	**71 279 381**
Impairment losses		(38 802 712)	(38 802 712)
		13 562 361	**32 476 669**

*Investments are not listed in the Egyptian Stock Exchange (EGX) and are recorded at cost, due to the difficulty of determining the fair value thereof in a reliable manner.

All amounts are in US Dollars if otherwise isn't mentioned

**This amount is represented in the value of direct investments in MOG Energy Co. "Tri Ocean Co." previously, accordingly lost control over this Company during the year 2016. A lawsuit was filed before the court by the management of MOG Energy Co. - under No. 433 for year 2016 related to a case of misappropriation of significant funds. The first hearing of the case was set before the Southern Cairo Criminal Court on November 24, 2018 and the call has been delayed several times, most recently on March 2, 2020.

No negative impact was reflected neither on the financial statements of MOG Energy Co. nor on the consolidated financial statements or separate financial statements belonging to the Company, as in case of collecting amounts from the defendants, a positive impact shall be reflected on the financial statements of MOG Energy Co. An impairment loss was fully formed for this investment in the consolidated financial statements.

10- Financial assets at amortized cost

	31/12/2019	31/12/2018
Portfolios (bank deposits) held at a foreign bank	90 003 411	89 326 568
Portfolios (treasury bills) held at an abroad investment manager	175 578 012	10 027 500
Investment certificates at local banks "Insurance Sector"	98 241 895	68 691 275
Governmental bonds	22 626 081	20 308 945
Treasury bills	109 625 076	70 726 776
Designated governmental bonds "Insurance Sector"	9 799 360	10 768 900
	505 873 835	**269 849 964**
Classified as follows:		
Short term (due within one year)	375 206 499	170 080 844
Long term (due after one year)	130 667 336	99 769 120

All numbers are in US Dollars

Translated

11- Property, plant and equipment and projects under construction

	Land	Buildings & constructions	Vehicles & transportation	Furniture & office equipment	Machinery & equipment	Tools & supplies	Stations, generators & electric transformers	Computer, software & decorations	Leasehold improvements	Projects under construction	Total
Cost as at 1/1/2018	17 180 026	52 901 621	9 914 644	6 701 415	400 792 449	2 291 353	37 424 657	4 049 887	1 169 170	25 154 067	557 579 289
Additions	1 930 310	257 183	1 230 703	495 814	3 804 760	66 682	25 063 752	1 027 743	5 150	-	33 882 097
Change in projects under construction	-	-	-	-	-	-	-	-	-	(3 909 074)	(3 909 074)
Assets acquired through business combination	8 782 687	3 414 274	1 020 673	826 568	1 582 460	-	106 537	1 477 428	129 785	-	17 340 412
Disposals	-	(117 470)	(216 540)	(29 916)	(15 026)	(20 793)	-	(8 913)	(22 000)	-	(430 658)
Cost as at 31/12/2018	27 893 023	56 455 608	11 949 480	7 993 881	406 164 643	2 337 242	62 594 946	6 546 145	1 282 105	21 244 993	604 462 066
Cost as at 1/1/2019	27 893 023	56 455 608	11 949 480	7 993 881	406 164 643	2 337 242	62 594 946	6 546 145	1 282 105	21 244 993	604 462 066
Additions	156 573	1 205 905	858 172	663 863	5 395 226	19 497	6 117 100	473 833	613	-	14 890 782
Change in projects under construction	-	-	-	-	-	-	-	-	-	(4 483 866)	(4 483 866)
Disposals	-	-	(113 038)	(107 561)	(1 016 247)	-	(523 597)	(22 213)	(57 673)	-	(1 840 329)
Cost as at 31/12/2019	28 049 596	57 661 513	12 694 614	8 550 183	410 543 622	2 356 739	68 188 449	6 997 765	1 225 045	16 761 127	613 028 653
Depreciation and impairment loss											
Accumulated depreciation and impairment loss as at 1/1/2018	-	20 432 120	8 227 126	5 224 915	211 471 155	1 783 017	7 286 988	3 153 041	690 485	-	258 268 847
Depreciation	-	1 947 980	433 137	295 591	17 526 284	29 464	1 798 751	535 704	37 007	-	22 604 318
Accumulated depreciation of disposals	-	(68 692)	(211 269)	(29 427)	(15 026)	(20 793)	-	(8 210)	-	-	(353 417)
Accumulated depreciation of assets acquired through business combination	-	1 471 045	929 998	627 708	713 935	-	62 637	1 072 264	-	-	4 877 587
Accumulated depreciation and impairment loss as at 31/12/2018	-	23 782 453	9 378 992	6 119 187	229 696 348	1 791 688	9 148 376	4 752 799	727 492	-	285 397 335
Accumulated depreciation and impairment loss as at 1/1/2019	-	23 782 453	9 378 992	6 119 187	229 696 348	1 791 688	9 148 376	4 752 799	727 492	-	285 397 335
Depreciation	-	2 297 643	661 767	426 780	18 014 888	38 363	2 033 060	652 476	36 017	-	24 160 994
Accumulated depreciation of disposals	-	-	(111 639)	(90 638)	(663 137)	-	(370 881)	(22 213)	-	-	(1 258 508)
Accumulated depreciation and impairment loss as at 31/12/2019	-	26 080 096	9 929 120	6 455 329	247 048 099	1 830 051	10 810 555	5 383 062	763 509	-	308 299 821
Net book value as at 31/12/2018	27 893 023	32 673 155	2 570 488	1 874 694	176 468 295	545 554	53 446 570	1 793 346	554 613	21 244 993	319 064 731
Effect of change in foreign exchange rates	(7 099 010)	(10 452 735)	(1 002 801)	(873 552)	(27 250 983)	(427 126)	(19 636 053)	(106 457)	(102 198)	1 710 909	(65 240 006)
Net book value as at December 31, 2018	20 794 013	22 220 420	1 567 687	1 001 142	149 217 312	118 428	33 810 517	1 686 889	452 415	22 955 902	253 824 725
Net book value as at 31/12/2019	28 049 596	31 581 417	2 765 494	2 094 854	163 495 523	526 688	57 377 894	1 614 703	461 536	16 761 127	304 728 832
Effect of change in foreign exchange rates	(5 440 271)	(10 349 944)	(897 873)	(757 191)	(25 675 232)	(419 597)	(15 601 231)	(113 048)	(98 231)	1 864 590	(57 488 028)
Net book value as at December 31, 2019	22 609 325	21 231 473	1 867 621	1 337 663	137 820 291	107 091	41 776 663	1 501 655	363 305	18 625 717	247 240 804

All numbers are in US Dollars

12- Exploration and development assets

Cost	Producing wells	Equipment / field services	Total
As of 1/1/2018	23 149 221	6 854 406	30 003 627
Additions	17 000 000	-	17 000 000
Adjustments	(643 254)	-	(643 254)
As of 31/12/2018	**39 505 967**	**6 854 406**	**46 360 373**
As of 1/1/2019	39 505 967	6 854 406	46 360 373
Additions	51 000 000	27 041 500	78 041 500
Adjustments	(4 200 000)	-	(4 200 000)
As of 31/12/2019	**86 305 967**	**33 895 906**	**120 201 873**
Accumulated amortization, depletion, and impairment losses			
As of 1/1/2018	4 651 719	91 026	4 742 745
Amortization	13 560 407	258 078	13 818 485
As of 31/12/2018	**18 212 126**	**349 104**	**18 561 230**
As of 1/1/2019	18 212 126	349 104	18 561 230
Amortization	12 973 270	903 295	13 876 565
As of 31/12/2019	**31 185 396**	**1 252 399**	**32 437 795**
Carrying amount at 31/12/2018	**21 293 841**	**6 505 302**	**27 799 143**
Carrying amount at 31/12/2019	**55 120 571**	**32 643 507**	**87 764 078**

All amounts are in US Dollars if otherwise isn't mentioned

13- Goodwill

This balance is represented in the carrying amount of goodwill resulted from acquisition the following Companies:

	31/12/2019	31/12/2018
National Gas Co. (Natgas)	7 735 240	6 939 222
Sprea Misr	10 910 580	9 787 792
El Fayoum Gas Co.	1 589 420	1 425 855
Alex Fertilizer Co.	34 107 324	34 107 324
Delta Insurance Co.	3 598 685	3 228 350
Shield Gas Systems Co.	5 103 083	5 103 083
	63 044 332	**60 591 626**

*The difference in the goodwill balance as of December 31, 2019 and the balance as of December 31, 2018 is represented in the effect of the translation from Egyptian Pound to US Dollar (financial statements' presentation currency).

14- Intangible assets

	Net as at 1/1/2019	Amortization	Translation differences	Net as at 31/12/2019
Deferred revenue charges*	**1 363 494**	(460 838)	134 288	**1 036 944**
Right to use**	**5 941 031**	(5 092 312)	–	**848 719**
Other assets**	**1 500 000**	(250 000)	–	**1 250 000**
	8 804 525	**(5 803 150)**	**134 288**	**3 135 663**

* This item is represented in the additional actual costs related to Nubaria Electrical Station and pressure reduction station in Beheira government. Both stations will be delivered to the Egyptian Natural Gas Holding Company (EGAS) at the end of the agreement. Which will be amortized over 15 years.

** This item represents in the amounts paid to others, whereby, it is expected to obtain future economic benefits to the subsidiary which will be amortized as follows:

Right to use	10 years
Other assets	8 years

15- Biological assets

The balance is represented in the acquisition cost of the tree forest (Eucalyptus and Casorina trees) which amounted to USD 765 449, this cost reflecting the fair value of the forest which was purchased by one of the group's subsidiaries and located on the leased land by the subsidiary during December 2019.

All amounts are in US Dollars if otherwise isn't mentioned

16- Cash and Cash equivalents

	31/12/2019	31/12/2018
Cash on hand	300 956	827 831
Bank – current accounts	32 939 260	79 341 285
Bank – time deposits (less than three month)	79 775 805	122 814 918
Bank – time deposits (more than three month)	7 009 587	348 683
	120 025 608	**203 332 717**

For the purpose of preparing the consolidated statement of cash flows, cash & cash equivalents account is represented as follows:

	31/12/2019	31/12/2018
Cash and Cash equivalents	120 025 608	203 332 717
Investments in treasury bills - during three months	60 725 232	17 672 076
Bank – time deposits (more than three month)	(7 009 587)	(348 683)
Banks overdraft	(1 052 868)	(94 995)
	172 688 385	**220 561 115**

17- Financial assets at fair value through profit or loss

This item is represented in the market value of the portfolios owned by the Group, which consist of Egyptian Companies' shares, governmental bonds and portfolios managed by abroad investment managers for the purpose of dealing in international stock exchanges. These investments are represented as follows:

	31/12/2019	31/12/2018
Portfolios managed by abroad investment managers	1 782 377	1 105 970
Egyptian Companies' stocks (listed in EGX)	380 844	483 802
Investments in Investments funds	2 261 051	1 779 467
Governmental bonds	43 702 418	8 621 644
	48 126 690	**11 990 883**

18- Trade & notes receivable

	31/12/2019	31/12/2018
Trade receivables	35 599 451	36 933 208
Egyptian General Petroleum Corporation*	31 940 682	26 202 645
Impairment losses of trade receivables	(425 721)	(2 230 672)
Notes receivable	14 443 608	9 110 113
	81 558 020	**70 015 294**

All amounts are in US Dollars if otherwise isn't mentioned

* Egyptian General Petroleum Corporation' balance is related to the following companies:

	31/12/2019	31/12/2018
Natgas Co.	949 756	247 278
El Fayoum Gas Co.	1 537 030	1 285 559
NSCO	29 453 896	24 669 808
	31 940 682	**26 202 645**

19- Other current assets

	31/12/2019	31/12/2018
Tax Authority	14 402 514	10 502 337
Accrued revenue	9 350 286	4 950 955
Accounts receivables from insurance	8 455 462	3 526 150
Uncollected issued bills	6 030 843	3 474 259
Suppliers-advanced payments	5 880 278	9 023 166
Deposits with others	5 623 544	4 781 584
Cheques under collection	4 868 829	3 657 172
Prepaid expenses	3 071 700	3 290 853
Due to IPIC Co. shareholders	3 044 448	3 044 448
Insurance and reinsurance Companies	2 688 271	1 678 847
Due to building materials industries Co.	2 575 349	186 420
Loans guaranteed by individuals' insurance policies	437 418	382 694
Imprests & employees custodies	339 069	377 776
Payments to employees under dividends distributions	-	771 362
Due from related parties *	170 345 972	173 345 972
Other debit balances	6 244 804	5 576 610
Impairment losses*	(175 819 272)	(177 772 021)
	67 539 515	**50 798 584**

* This item represented in due balances from one of subsidiaries. It worth mentioning that the Company lost control over the above-mentioned subsidiary during year 2016. This balance is fully impaired which is formed (Year 2018: amounted to USD 173 345 972).

All amounts are in US Dollars if otherwise isn't mentioned

20- Inventory

	31/12/2019	31/12/2018
Supplies	32 212 822	32 783 553
Spare parts and tools	17 866 827	19 793 982
Finished goods and work in process	9 159 911	8 755 057
Letters of credit & goods in transit	582 824	139 450
Fuel and oil	11 607 684	15 866 839
Write down of inventory	(293 084)	(291 154)
	71 136 984	77 047 727

21- Work in progress

	31/12/2019	31/12/2018
Gas sectors	12 003 427	7 125 612
Land & buildings under development	26 918 055	23 078 071
Others	592 940	103 752
	39 514 422	30 307 435

22- Non-current assets held for sale

Assets related to the Building Materials Industries Company – equity-accounted investees company are presented as non-current held for sale as of December 31, 2019, as during the year an agreement was signed to manage the sale of shares owned by the group in the Building Materials Industries Company - equity-accounted investees of 38.32% to a party outside the group.

23- Share capital

- The Company's authorized capital is USD 500 million.
- The issued capital was initially determined amounted to USD 120 million (One hundred & twenty million USD) distributed over 12 million shares at a par value of USD 10 per share. The Founders and subscribers through methods other than public subscription have subscribed to 9 million shares at a value of USD 90 million (Only ninety million USD) 3 million shares at USD 30 million (Only thirty million USD) were offered for public subscription and they were fully underwritten. The issued capital was fully paid. The issued capital has been increased and the share of the Company was split several times to reach an amount of USD 243 914 564.5 distributed over 975 658 258 shares of par value of US Cent 25 each fully paid.
- On June 11, 2015, the extra-ordinary general assembly of the Company unanimously approved the increase of the issued and paid – up capital from USD 243 914 564.5 to USD 256 110 292.5 with an amount of increase of USD 12 195 728 as bonus increase distributed over 48 782 912 bonus share whose nominal value amounts to 25 Cent for the purpose of financing the incentive & bonus plan of the Company's employees and managers and executive board of directors members issued from the Egyptian Financial Supervisory Authority on 12 November 2014.

All amounts are in US Dollars if otherwise isn't mentioned

- On June 11, 2015, the ordinary general assembly of the Company unanimously approved to transfer part of the retained earnings of the Company as shown in the consolidated financial statements for the financial year ended at December 31, 2014 that were approved by the shareholder's' ordinary general assembly held on March 22, 2015 to 48 782 912 bonus shares with an amount of USD 12 195 728 for the purpose of financing the incentive & bonus plan of the Company's employees and managers and executive board of directors members, that has been approved by the Egyptian Financial Supervisory Authority on November 12, 2014. Annotation to effect such increase was made on the Company's commercial register on September 13, 2015. Accordingly, the issued capital is USD 256 110 292.5 distributed over 1 024 441 170 shares with a par value of USD 25 cent each that is fully paid.

24- Reserves

	31/12/2019	31/12/2018
Special reserve – share premium	57 954 547	57 954 547
General reserve	8 380 462	8 380 462
Fair value reserve	107 022	6 143 550
Foreign exchange reserves	(188 047 809)	(214 005 332)
	(121 605 778)	**(141 526 773)**

Legal reserve
According to the Companies' Law and the Parent Company's article of association, the Company is required to set aside 5% of the annual net profit of the holding Company to form the legal reserve. The transfer to legal reserve ceases once the reserve reach 50% of the issued share capital of the holding Company. The reserve is not distributable. However, it can be used to increase the share capital or offset losses. The holding Company is required to set aside 5% of the annual net profit until it reaches 50% of the issued share capital of the holding Company.

Special reserve – share premium
The balance is represented in the remaining amount of the share premium of the issued share capital' increase of a number of 136 363 636 shares during 2014 after deducting the amount of USD 17 045 454 credited to the legal reserve.

General reserve
General reserve item represents the amounts set aside from the holding Company's profits in previous years according to the resolutions of the General Assembly Meeting of shareholders of the holding Company. This reserve shall be used by a resolution from the General Assembly of shareholders based on a proposal from the holding Company's board of directors in matters that could be favorable to the Company's interests.

Fair value reserve
This item represents in the accumulated net change in the fair value of investments financial assets at fair value through other comprehensive income until the investment is derecognized.

Translation differences reserve

This item represents in the accumulated differences resulted in the financial statements translations for the subsidiary companies from foreign currency to USD in addition to its share in accumulated differences in associate's owner equity's translations.

25- Share-based payments transactions

This balance is represented in the increase in the equity related to granting and allocating the shares of the incentives and bonus plan as mentioned in detail in Note No. (46).

26- Prior year adjustments

During the year, the net profit for the year 2017 and the balance of non-controlling interests were restated by an amount of USD 3 971 908 and an amount of USD 119, respectively, in order to correct the retrospective accounting error during 2017 for one of the group's subsidiaries. This error resulted from unrecognized expenses for previous years that were included in prepaid expenses amounted to USD 618 848 in addition to accrued royalties due to General Petroleum Corporation for additional gas withdrawals amounted to USD 3 353 179.

27- Treasury shares

During the year, number of treasury shares of Egypt Kuwait Holding Company related to Delta Insurance Company portfolio "one of the group subsidiaries" were sold. The number of sold treasury shares amounted to 687 269 shares, related cost amounted to USD 221 050 and the resulted profit from such transaction amounted to USD 863 576, an amount of USD 487 748 was added to retained earnings and an amount of USD 375 828 was added to non-controlling interests.

All amounts are in US Dollars if otherwise isn't mentioned

28- Non-controlling interests

The balance of non-controlling interests is represented in the share in subsidiaries' equity as follows:

	Non-controlling interests %	Non-controlling share in subsidiaries profits (losses)	Non-controlling share in equity excluding dividends / (losses of the year)	Non-controlling interests as at 31/12/2019	Non-controlling interests as at 31/12/2018
National Gas Co. "Natgas"	16.02	5 113 400	11 592 363	16 705 763	11 529 045
Globe for Communications & Information Technology	1	(3)	5 743	5 740	5 152
Cooling Technology by Natural Gas Co.- Gas Chill	14.01	127 602	320 600	448 202	282 112
Midor for Logistic Services Co.	0.1	114	(114)	-	136
Midor Suez for Oil Refinery Co.	0.002	-	6	6	6
El Fayoum Gas Co.	22.01	417 594	1 224 422	1 642 016	1 240 331
Bawabat Al Kuwait Holding Company	45.81	25 999 709	153 949 402	179 949 111	177 059 245
Arabian Company for Fertilizers	22.28	(507)	(21 865)	(22 372)	(21 885)
El Shorouk for Melamine & resins co.	8.49	19 810	151 794	171 604	391 953
NSCO Co.	0.003	602	80	682	80
Delta Insurance co.	43.52	3 870 229	15 754 388	19 624 617	14 930 927
Total		**35 548 550**	**182 976 819**	**218 525 369**	**205 417 102**

All amounts are in US Dollars if otherwise isn't mentioned

29- Loans

The Company	Loan's currency	Interest rates	Maturity date	31/12/2019	31/12/2018
Egypt Kuwait Holding Company					
Loan guaranteed by the pledge of the investment portfolio owned by one of the subsidiaries	USD	1.750% above Libor- 3 months	2018-2020	-	6 070 949
Loan guaranteed by a promissory note	USD	4% above Libor-3 months	2019-2020	-	5 400 000
Loan guaranteed by a promissory note	USD	4% above Libor-3 months	2019	-	4 000 000
Loan guaranteed by a promissory note	USD	5% above Libor-3 months	2018-2022	-	13 500 000
Loan guaranteed by a promissory note	EGP	1% above the corridor	2019-2021	-	3 355 705
Loan guaranteed by investment portfolio	USD	4% above Libor-3 months	2019-2022	88 001 000	-
Loan guaranteed by a promissory note	USD	2.5% above Libor-3 months	2019-2020	11 200 000	-
Alex Fert Co.					
Loan guaranteed by first class official trade mortgage over some production assets of the Company	USD	Variable, according to the average Libor in excess to margin	2018-2019	-	5 471 667
National Gas Co. "Natgas" Co.					
Loan guaranteed by first class official trade mortgage over some production assets of the Company	EGP	1% above the minimum borrowing rate by 17.75% during the 1st year & 1% after the end of the 1st year	2019-2026	7 686 153	-
AD Astra Co.					
Loan guaranteed by the pledge of the acquired assets	Euro	From 2% to 2.75% annually above Libor	2018-2020	11 652 979	7 203 469
Total				**118 540 132**	**45 001 790**
Short-term loans				**46 400 400**	**26 998 321**
Long-term loans				**72 139 732**	**18 003 469**

All amounts are in US Dollars if otherwise isn't mentioned

30- Other long-term liabilities

	31/12/2019	31/12/2018
Notes payable	617 924	1 188 766
Customers advance payment	253 830	257 735
Other payable	618 370	564 993
	1 490 124	**2 011 494**

31- Deferred tax liabilities

	31/12/2019	31/12/2018
Property, plant and equipment & other assets	21 079 258	23 254 655
	21 079 258	**23 254 655**

Deferred tax assets-not recognized

The deferred tax assets for tax losses and the deductible temporary differences isn't recognized because of uncertainty for existing enough future tax profits that can benefits these assets.

32- Provisions

	Balance as at 1/1/2019	Formed	Used	Provisions - no longer required	Translation differences	Balance as at 31/12/2019
Retention provisions	**221 035**	186 134	(169 960)	-	14 794	**252 003**
Other provisions*	**19 153 651**	5 503 493	(459 815)	(184 277)	724 030	**24 737 082**
	19 374 686	**5 689 627**	**(629 775)**	**(184 277)**	**738 824**	**24 989 085**

* The provisions relate to expected claims from certain entities related the Company's business. The usual disclosure information about the provisions has not been disclosed in accordance with Egyptian accounting standards, as we believe that doing so will seriously affect the results of the negotiations with those entities.

All amounts are in US Dollars if otherwise isn't mentioned

33- Bank facilities

The company name	Facility' Currency	Interest rate	31/12/2019	31/12/2018
Egypt Kuwait Holding Company				
Credit facility guaranteed by a promissory note	EGP & USD	1.25% annually above corridor and 5% above Libor-3 months for USD	-	10 006 000
Credit facility guaranteed by a promissory note	EGP & USD	0.5% annually above corridor, 2.5% above Libor generally for USD	14 296 580	18 214 850
Facility guaranteed by a promissory note signed by the holding Company and the International Financial Investments Co.	USD	0.75% annually above corridor and 4.75% above Libor for 3 months for USD	-	14 180 960
Facility without guarantee	USD	2.9% above Libor 3 months for USD	25 000 000	-
Credit facility guaranteed by investment portfolio	USD	From 3.3125% to 4.3125%	20 000 000	-
International Financial Investments Co.				
Credit facility guaranteed by a promissory note signed by the holding Company and International Financial Investments Co.	USD	0.75% annually above corridor and 4.75% above Libor for 3 months for USD	-	3 766 717
Cooling Technology by Natural Gas Co.- Gas Chill				
Bank overdraft guaranteed by deposits	EGP	2% over deposit interest rate	54 437	235 664
National Gas Co. (Natgas)				
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	5 511 095	4 943 492
Credit facility guaranteed by a promissory note	EGP	0.75% above corridor	-	864 524
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	-	1 731 847
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	536 982	-
Alex Fert Co.				
Credit facility guaranteed by Deposit	USD	2.5% over deposit interest rate	37 983 869	-
Credit facility guaranteed by Investment portfolio	USD	2.5% annually above Libor for 3 months	5 930 236	-
Sheild Gas Co.				
Credit facility guaranteed by deposits	AED	1.5% over deposit price	-	630 165
			109 313 199	**54 574 219**

All amounts are in US Dollars if otherwise isn't mentioned

34- Suppliers, contractors, notes payable & other creditors

	31/12/2019	31/12/2018
Suppliers & contractors	23 916 912	33 364 485
Notes payable	2 477 133	1 677 159
Trade receivables – Advanced payments	55 853 142	50 720 897
Accrued expenses	50 613 523	39 261 044
Deposits from others	11 526 837	8 559 654
National Egyptian Authority for Petroleum*	9 074 058	9 964 720
Insurance and reinsurance Companies	7 129 748	4 817 928
Collected installments	2 671 066	2 074 424
Dividends payable	1 037 646	1 037 400
Dividends payable-non-controlling interests	936 831	668 246
Insured current account	878 449	476 974
Employees' dividends payable	114 730	77 693
Property, Plant & equipment creditors	61 410	1 170 803
Other credit balances	13 078 162	10 281 244
	179 369 647	**164 152 671**

*National Egyptian Authority for Petroleum balance concerning the following companies: -

	31/12/2019	31/12/2018
Natgas Co.	6 502 575	5 762 012
Fayoum Gas Co.	2 571 483	4 202 708
	9 074 058	**9 964 720**

35- Insurance policyholders rights

	31/12/2019	31/12/2018
Technical provisions for individual's insurance	68 666 094	54 777 290
Technical provisions for property and liability insurance	20 175 884	13 384 053
Policy holder rights for investments units	1 782 377	919 988
	90 624 355	**69 081 331**

All amounts are in US Dollars if otherwise isn't mentioned

36- Revenues

	2019	2018
Fertilizers activity revenue	194 641 207	188 321 682
Chemicals & plastic activity revenue	123 168 380	121 983 923
Gas supplies activity revenues	114 935 869	78 665 857
Drilling and petroleum services activity	44 195 521	38 691 098
Insurance activity	40 582 667	31 495 386
Cooling technology by natural gas activity revenue	4 710 914	1 311 979
Agencies activity revenue	1 223 415	1 440 594
Communication & geographic maps activity revenue	-	74 017
Other revenue's activities	483 781	-
	523 941 754	**461 984 536**

37- Cost of revenue recognition

	2019	2018
Fertilizers activity cost	142 601 118	135 803 846
Chemicals & plastic activity cost	84 989 004	86 219 034
Gas supplies activity cost	71 109 487	49 068 234
Drilling and petroleum services activity cost	18 409 586	18 246 620
Insurance activity cost	31 500 794	25 343 771
Cooling technology by natural gas activity cost	3 366 219	1 020 667
Agencies activity cost	902 504	879 673
Communication & geographic maps activity cost	-	46 125
Other cost activities	248 861	-
	353 127 573	**316 627 970**

All amounts are in US Dollars if otherwise isn't mentioned

38- Income from investments

	2019	2018
Income from investment in treasury bills	23 008 979	10 190 303
Income from governmental bonds	4 912 660	4 939 527
Income from investments available -for- sale	933 111	1 268 571
Income from financial investments at fair value through profit or loss	26 330	25 106
Gain from sale of available -for- sale Investments	6 085 710	-
Loss from sale of financial investments at fair value through profit or loss	(62 795)	-
Gain from acquisition of subsidiaries	-	348 088
Gain from previous acquisition of subsidiaries' shares	-	6 183 113
Change in fair value of financial investments at fair value through profit or loss	1 511 274	107 791
	36 415 269	**23 062 499**

39- Other Income

	2019	2018
Reversal of impairment loss on other current assets	3 018 923	3 808 530
Drawback and exports support revenue	2 252 911	492 436
Provisions no longer required	184 277	16 207 330
Reversal of impairment loss on inventory	-	13 207
Capital gain	32 115	114 068
Other	1 319 518	1 574 235
	6 807 744	**22 209 806**

40- Selling & distribution expenses

	2019	2018
Chemicals & plastic activity	3 676 637	3 703 803
Fertilizers activity	395 052	305 687
Cooling technology by natural gas activity	115 991	97 739
	4 187 680	**4 107 229**

41- Other expenses

	2019	2018
Provisions formed	5 689 627	2 065 002
Impairment loss on other current assets	373 702	833 677
Impairment loss on equity – accounted investees (associates companies)	-	11 801 751
	6 063 329	**14 700 430**

All amounts are in US Dollars if otherwise isn't mentioned

42- Income tax

	2019	2018
Current income tax expense	33 786 991	29 749 624
Deferred income tax	(2 674 517)	(2 545 461)
	31 112 474	**27 204 163**

43- Discontinuing operation

Assets related to the Building Materials Industries Company – equity-accounted investees company are presented as non-current held for sale as of December 31, 2019, as during the year an agreement was signed to manage the sale of shares owned by the group in the Building Materials Industries Company - equity-accounted investees of 38.32% to a party outside the group as mentioned in detail in Note No. (22).

The assets and liabilities of the Company were not deemed discontinued operations, and were not classified as non - current assets held for sale as at December 31, 2018, the comparative figures in the consolidated statement of profit or loss and other comprehensive income were re-presented in the consolidated statement of profit or loss and other comprehensive income to separately distinguish the discontinued operation from of the consolidated statement of profit or loss and other comprehensive income continued operations.

The losses related to the discontinued operation are as follows: -

The results of the work of the discontinuous operation

	2019	2018
Results of discontinuing operation		
Company's share in equity investments losses	2 382 441	2 540 164
Loss from operating activities	2 382 441	2 540 164
Reversal of impairment related to equity investments	(2 382 441)	-
Income tax expense	-	-
Loss from operating activities net of tax	-	**2 540 164**
Company's share in loss from operating activities	-	**2 540 164**
Share of non-controlling interests' in operating loss	-	-
Profit (loss) from disposal of discontinued operation	-	-
Loss from discontinued operations (net of tax)	-	**2 540 164**
The parent Company's share of loss from discontinued operations (net of tax)	-	**2 540 164**

All amounts are in US Dollars if otherwise isn't mentioned

44- Earnings per share

The calculation of earnings per share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding as follows:

	2019	2018
Net profit for the year (owners of the parent Company)	115 601 288	95 112 870
Employees' share in profit – proposal	(37 720)	(32 929)
Employees & board of directors' share in profit in subsidiaries and associates- proposal	(17 003 779)	(13 825 119)
Shareholders' share in net profit of the year	**98 559 789**	**81 254 822**
Weighted average number of shares outstanding during the year	1 017 206 623	1 005 377 577
Earnings per share (US cent / Share)	**9.69**	**8.08**

Earnings per share from continuing operation

	2019	2018
Net profit for the year (owners of the parent Company)	115 601 288	95 112 870
Employees' share in profit – proposal	(37 720)	(32 929)
Employees & board of directors' share in profit in subsidiaries and associates- proposal	(17 003 779)	(13 825 119)
Shareholders' share in net profit of the year	**98 559 789**	**81 254 822**
Weighted average number of shares outstanding during the year	1 017 206 623	1 005 377 577
Earnings per share (US cent / Share)	**9.69**	**8.33**

- Weighted average number of shares outstanding during the year calculated as follows:

	2019	2018
Issued shares at the beginning of the year	1 006 064 846	997 121 957
Effect of issuance of bonus shares to finance the incentive shares	11 141 777	8 942 889
Effect of repurchased shares (treasury shares)	-	(687 269)
Weighted average number of shares outstanding during the year	**1 017 206 623**	**1 005 377 577**

All amounts are in US Dollars if otherwise isn't mentioned

45- Non-cash transactions

For the purpose of the preparing of the consolidated cash flow statement for the year ended December 31, 2019, the effect of the following transactions has been excluded from investing activities which represents noncash transactions:

19 986 317	Unpaid amount from exploration and development asset's additions that was recorded in suppliers, contractors, notes payable, and other credit balances.
7 183 595	Exploration and development assets additions reclassed from projects under construction.
4 200 000	Exploration and development adjustments decreased from suppliers, contractors, and notes payable.
61 410	Unpaid amount from fixed assets additions that was recorded in suppliers, contractors, notes payable, and other credit balances.

46- Incentive and bonus plan of the Company's employees and managers

- On September 11, 2014, the extra - ordinary general assembly unanimously agreed to approve the incentive & bonus plan of the Company's employees and managers and executive board of directors members, through the allocation of 48 782 912 shares, at a percentage of 5% of its total shares issued till December 31, 2014 to apply the incentive and bonus plan through one of the following:-
  - Issuance of new shares through capital increase or by transferring from reserve or part thereof or retained earnings to shares by which the value of issued capital is increased.
  - Transfer of treasury shares to incentive and bonus plan and to be financed from reserves.
- On November 12, 2014, the Egyptian Financial Supervisory Authority approved applying the incentive & bonus plan of the Company's employees and board of directors members, which includes granting the Company's shares to the board members, managing directors, sectors 'heads , general managers and the other employees in the Company or its subsidiaries (equity settled share- based payments) according to the level of the Company's or individual's economic performance pursuant to the shareholders , and the terms and conditions stated in the said plan.
- On June 11, 2015, the ordinary general assembly of the Company approved by the majority of votes to transfer part of the retained earnings as shown in the consolidated financial statements for the financial year ended at December 31, 2014, that were approved by the shareholder's ordinary general assembly held on March 22, 2015 to 48 782 912 bonus shares with an amount of USD 12 195 728 for the purpose of financing the incentive & bonus plan of the Company's employees and managers and executive board of directors members, that has been approved by the Egyptian Financial Supervisory Authority on November 12, 2014. Annotation to the effect of such increase was made on the Company's commercial register on September 13, 2015.

All amounts are in US Dollars if otherwise isn't mentioned

- On September 16, 2015 the Listing committee of the Egyptian stock exchange approved listing the incentive shares to finance the incentive and bonus plan for employees and board members. On October 5, 2015, the incentive shares was added to the shareholders register labeled as "the incentive and bonus plan for employees of Egypt Kuwait Holding Co."

- On June 9, 2016, the Supervisory Committee on the incentives and bonus plan agreed to grant and allocate all the shares of the incentives and bonus plan to the beneficiaries of the plan as well as determining the number of shares allocated to each one of them.
  The vesting date of such shares was also determined to be December 31, 2016. All the shares were granted to the executive members of the Board of Directors and the senior managers of the Company, a matter that resulted in recognizing an expense for equity-settled share-based payments transactions, in the consolidated Statement of profit or loss and other comprehensive income with a total amount of USD 17 561 848 and a corresponding increase with the same amount included in the equity under the amount set aside for share-based payments transactions caption during 2016. The beneficiary may dispose of the shares only after the lapse of three years from the date of share transfer to him. During this year, the beneficiary shall be entitled to receive 100 % of total dividends and exercise the right of voting on the resolutions of the Company.

- The conditional terms for granting shares are as follows:
  A) Increase the Company's net profit by 15% annually.
  B) Increase the Company's share price by 15% annually in the Egyptian stock Exchange.

Details of beneficiaries of the plan are as follows:

The assigned party shares	Granted date	Number of shares	Fair value of share at granted date	Exercise Price
The executive members of the Board of Directors and the senior managers	June 9, 2016	48 782 912	36 US cent	-

- On February 27, 2017, the Committee of the incentives and bonus plan, unanimously agreed to grant 21 463 699 shares to the beneficiaries of the plan, while the methods of granting the remaining shares of the incentive plan and who deserve them shall be discussed in its upcoming meetings. On March 29, 2017, the ownership of such shares were transferred to the beneficiaries.

- On March 24, 2018, the Company's Incentive and Bonus Plan Committee unanimously decided to grant 2 927 757 shares to the beneficiaries of the plan, which is represented in the value of the remaining shares allocated for fulfilling the first criterion pertaining to the growth of the Company's profits with a total number of shares that reached 24 391 456 shares. It also decided to unanimously approve granting 6 015 132 shares to the beneficiaries of the plan for fulfilling the second criteria related to increasing the Company's share price in the Egyptian Stock Exchange at an annual rate of 15% with a total number of shares that reached 24 391 456 shares. On March 29, 2018, the ownership of these shares was transferred to the beneficiaries.

All amounts are in US Dollars if otherwise isn't mentioned

- On March 30, 2019, the Company's Incentive and Bonus Plan Committee unanimously decided to grant 11 141 777 shares to the beneficiaries of the plan. This decision is to fulfill the second criteria related to increasing the Company's share price in the Egyptian Stock Exchange. at an annual rate of 15% with a total number of shares that reached 24 391 456 shares. On April 4, 2019 the ownership of these shares was transferred to the beneficiaries.

- According to the above-mentioned granted decisions, the Incentive and Bonus Plan movements are as follows:

	No. of shares
Shares for Incentive and Bonus Plan	48 782 912
Deduct: -	
Shares granted to the first criterion on February 27, 2017	21 463 699
Shares granted to the first criterion on March 24, 2018	2 927 757
Shares granted to the second criterion on March 24, 2018	6 015 132
Shares granted to the second criterion on March 30, 2019	11 141 777
Total shares granted	**(41 548 365)**
Total remaining available shares	**7 234 547**

- The remaining 7 234 547 shares were re-evaluated according to the market value of the share on December 31, 2019 which amounted to USD 1.32 per share. Part of the balance of the incentive and bonus plan reserve was closed in the retained earnings with an amount of USD 8 012 246. Accordingly, incentive and bonus plan balance as at December 31, 2019 amounted to USD 9 549 602.

- Change in share-based payments:

	USD
Beginning balance	17 561 848
Available shares	(14 957 411)
Remaining shares	**2 604 437**
Valuation of available shares	6 945 165
	9 549 602

- On February 16, 2020, the incentives and bonus committee unanimously agreed to grant 7 234 547 shares to the beneficiaries of the plan after the approval of the board of directors, on February 28, 2020 the board of directors approved this granted. So all shares were granted to the beneficiaries.

All amounts are in US Dollars if otherwise isn't mentioned

47- Subsidiaries Companies

Main subsidiaries are represented in the following:

	Country of Incorporation	Ownership % Direct & indirect 31/12/2019	Ownership % Direct & indirect 31/12/2018
Companies under direct control			
International Financial Investments Co. S.A. E	Egypt	100	100
Bawabat Al Kuwait Holding Co.– S.A.K **	Kuwait	54.19	54.10
Delta Insurance Co.	Egypt	56.48	56.48
Globe for Communication & Information Technology Co.	Egypt	99	99
Globe Telecom Co.	Egypt	100	100
Globe Fiber Co.	Egypt	100	100
EKHO for Agriculture Development Co.	Egypt	100	100
EKHO for Industrial Development Co	Egypt	100	100
MAT Company for trading	Egypt	100	100
EKHN B.V.*	Netherlands	100	-
Global MDF Industries B.V.*	Netherlands	100	-
Subsidiaries Companies of International Financial Investments Co.			
Sprea Misr for Production of Chemicals & Plastics Co. S.A.E	Egypt	100	100
Egyptian Company for Petrochemicals S.A.E	Egypt	100	100
National Energy Co - S.A. E	Egypt	100	100
El Fayoum Gas Holding Company	Virgin Islands	100	100
Midor Logistics Co. (compulsory liquidation during the year)	Egypt	-	-
Midor Suez Oil Refining Co.	Egypt	100	100
NSCO INVESTMENT LIMITED Company	Cayman Islands	99.997	99.997
BKH Megan	Cayman Islands	100	100
Arabian Fertilizer Limited Co.	United Arab of Emirates	100	100
National Gas Company (NATGAS) S.A.E	Egypt	83.98	83.98
EK Global Investments Co.	Cayman Islands	100	100
Nahood International Limited Co.	United Arab of Emirates	100	100
Solidarity Mena Limited Co.	United Arab of Emirates	100	100
Solidarity International Limited Co.	United Arab of Emirates	100	100
MEA Investments Co.	United Arab of Emirates	100	100
Polar Star Investments Co.	United Arab of Emirates	100	100
Egypt Kuwait Holding Limited Co.	United Arab of Emirates	100	100

All amounts are in US Dollars if otherwise isn't mentioned

	Country of Incorporation	Ownership % Direct & indirect 31/12/2019	31/12/2018
IFIC Petrochemicals Co.	Cayman Islands	100	100
Ekuity Holding International - Limited by Shares	Cayman Islands	100	100
Henosis for Construction & Real-Estate Development Co.	Egypt	100	100
Capital Investment Limited Luxembourg Co.	Luxembourg	100	100
OGI Capital - Limited Liability Co.- Free Zone - Jebel Ali	United Arab of Emirates	100	100
AD ASTRA REAL ESTATE, S.L. Co.	Spain	100	100
AD ASTRA PROYECTO MISR, S.L. Co.	Spain	100	100
AD ASTRA PROYECTO ALCAZAR, S.L. Co.	Spain	100	100
AD ASTRA PROYECTO CAIRO, S.L. Co.	Spain	100	100
SISTEMAS INDUSTRIALES SALGAR II S.L Co.	Spain	100	100
AD ASTRA PROYECTO MEDINA, S.L. Co.	Spain	100	100
Gas serve Co.	Egypt	100	100
Shield Gas systems Co.	United Arab of Emirates	100	100
EEK Investment Co.	United Arab of Emirates	100	100
International Fertilizer trading Co.	Cayman Islands	100	100
NSCO Panama INC Co.*	Panama	99.997	-
IFIC Investments Limited Co.*	United Arab of Emirates	100	-
IFIC Global CO.	Cayman Islands	100	100
Subsidiary of Globe Telecom Co.			
Globe for Trading & Agencies Co.	Egypt	100	100
Subsidiaries of National Gas Co.- Natgas			
Al Watania for Electric Technology Co.-Kahraba S.A.E.	Egypt	91.95	91.95
Al Nubaria for Natural Gas Co. S.A.E.	Egypt	83.98	83.98
Subsidiaries of BKH Megan Co.			
Middle East for River Transport Co.- S.A.E	Egypt	100	100
Subsidiaries of National Energy Company			
Cooling Technology by Natural Gas Co. (Gas Chill) S.A.E.	Egypt	85.99	85.99
El Fayoum Gas Co. S.A.E.	Egypt	77.99	77.99
Subsidiaries of Bawabat Al Kuwait Holding Co.			
Alex Fert Co. - S.A.E.	Egypt	45.29	45.24
International Petrochemicals Investments Company IPIC (under optional liquidation)	Egypt	52.14	52.10

All amounts are in US Dollars if otherwise isn't mentioned

	Country of Incorporation	Ownership % Direct & indirect 31/12/2019	31/12/2018
International Logistics Co. – L.L.C.	Kuwait	54.19	54.10
Magnida Holding LP Co. (under optional liquidation)	Cayman Islands	52.14	52.10
IPIC Global Co.	Cayman Islands	52.14	52.10
Subsidiary of Egyptian Company for Petrochemicals			
El Shorouk for Melamine & Resins Co. **	Egypt	91.51	78
Subsidiary of Nile Wood Co.			
Cairo Wood for Imports and Exports Co. (S.A.E.)	Egypt	100	100
Nile for Agricultural Waste Recycling Co.	Egypt	100	-
Nile Wood Co. S.A.E.	Egypt	100	100

* These Companies were established during the year.
** An additional 0.09% in Bawabat Al Kuwait Holding Co. capital share was acquired during the year, also an additional 13.51% El Shorouk for Melamine & Resins Co. capital share was acquired.
- The consolidated financial statements as of 31 December 2019 doesn't include some subsidiaries of the Energy Group due to loss of control over them during 2016.

48- Transactions with related parties

Related parties are represented in the Parent Company & subsidiaries' shareholders, and companies in which they own directly shares giving them significant influence or controls over the Group. The Group's companies made several transactions with related parties and these transactions have been done in accordance with the terms determined by the Board of Directors of these companies. Significant transactions are represented in following: -

- The Group has agreed with Abu Qir Fertilizers and Chemical Industries Co. on signing rental contracts for a plot of land to construct the factory on it with a yearly rental value USD 622 494 effective from July 15, 2003 and last for 25 years, a contract for a building to use it as a temporary headquarter for the Company's management with an annual rental value EGP 237 600 with annual increase amounting to EGP 16 632 effective from December 1, 2003 and last for July 14, 2028. The Company has also leased a plot of land with an annual rental value of USD 421 to construct a water station effective from January 30, 2005 and last for 25 years. The Company has also agreed with Abu Qir Fertilizers and Chemical Industries Company on signing a contract for using its sea and land facilities for exporting amounts of the produced ammonia.
- On February 28, 2017, the board of directors of the Parent Company unanimously decided to set an amount of 5% of the annual profits to the chairman and managing director of the Company. The decision is effective from the 2016 results and decided to grant part of the said amount to the employees. The said amount will be set and granted from the board of directors' bonuses of subsidiaries.

All amounts are in US Dollars if otherwise isn't mentioned

49- Dividends declared & paid, and board of directors' remuneration

The board of directors of the Parent Company proposed cash dividends for the financial year ended December 31, 2019 of 6 Cent/share with a total amount of USD 61 466 470. No remunerations for the board of directors was proposed. This proposal is subject to the approval of shareholders general assembly meeting of the Parent Company.

The shareholders of the Parent Company approved cash dividends for the financial year ended December 31, 2018 of 5 Cent/share with a total amount of USD 50 860 331 and has not approved any remunerations for the board of directors. The approval was made by the shareholders general assembly meeting of the Parent Company held on March 30, 2019.

50- Financial instruments

Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the consolidated financial statements date are as follows:

	31/12/2019	31/12/2018
Other current assets	234 406 809	216 256 586
Financial assets at amortized cost	505 873 835	269 849 964
Trade & notes receivable	83 073 426	75 529 122
	823 354 070	**558 635 672**

The maximum exposure to credit risk for trade receivables at the consolidated financial statements date according to the type of customer are as follows:

	31/12/2019	31/12/2018
Governmental customers	32 146 382	26 779 807
Retail customers	9 639 259	18 276 605
Final consumers customers	17 259 714	9 362 271
Export customers	8 494 778	8 717 170
Notes receivable	15 533 293	9 393 269
	83 073 426	**72 529 122**

All amounts are in US Dollars if otherwise isn't mentioned

The aging of trade receivables at the consolidated financial statements' date are as follows:

	31/12/2019		31/12/2018	
	Balance	**Impairment**	**Balance**	**Impairment**
Past due within 30 days	4 909 249	-	9 750 209	-
Past due from 1-3 month	3 897 100	-	10 653 395	-
Past due from 3 months-1year	61 864 218	-	50 511 435	(616 589)
More than one year	12 402 859	(425 721)	1 614 083	(1 614 083)
	83 073 426	**(425 721)**	**72 529 122**	**(2 230 672)**

Liquidity risk

The following are the contractual maturities of financial liabilities:

31 December 2019

		Due date		
	Carrying amount	**During 1 year**	**1-2 years**	**2-5 years**
loans & bank facilities	227 853 331	167 366 578	60 486 753	-
Banks overdraft	1 052 868	1 052 868	-	-
Suppliers, contractors, noted payables & other creditors	123 516 505	123 516 505	-	-
Accrued income tax	31 012 065	31 012 065	-	-
Insurance policyholders' rights	90 624 355	90 624 355	-	-
	474 059 124	**413 572 371**	**60 486 753**	**-**

31 December 2018

		Due date		
	Carrying amount	**During 1 year**	**1-2 years**	**2-5 years**
loans & bank facilities	99 576 009	88 776 009	4 800 000	6 000 000
Banks overdraft	94 994	94 994	-	-
Suppliers, contractors, noted payables & other creditors	113 431 774	112 243 007	634 186	554 580
Accrued income tax	27 376 964	27 376 964	-	-
Insurance policyholders' rights	69 081 331	69 081 331	-	-
	309 561 072	**297 572 305**	**5 434 186**	**6 554 580**

All amounts are in US Dollars if otherwise isn't mentioned

Currency risk

Currency risk exposure

The Group's exposure to foreign currency risk was as follows based on notional amounts:

31 December 2109

Description	L.E	K.W. D	EURO	GBP	AED	JPY
Cash & cash equivalents	515 946 379	698 085	407 333	117 699	103 569	302 352
Financial assets at amortized cost	1 722 895 105	-	-	-	-	-
Other current assets	957 872 072	-		8 124	-	-
Trade & notes receivable	665 456 426	-	706 550	-	-	-
Bank loans	(125 113 456)	-	-	-	-	-
Bank facilities	(155 845 465)	-	-	-	-	-
Suppliers, contractors, noted payables & other creditors	(1 179 404 386)	(2 694 212)	(129 181)	(4 139)	(77 550)	-
Net risk exposure	**2 401 806 675**	**(1 996 127)**	**984 702**	**121 684**	**26 019**	**302 352**

31 December 2018

Description	L.E	K.W. D	EURO	GBP	AED	JPY
Cash & cash equivalents	391 710 295	382 074	1 134 922	41 233	103 512	1 253 579
Financial assets at amortized cost	982 065 293	-	-	-	-	-
Other current assets	491 479 592	-	252	-	-	-
Trade & notes receivables	520 810 872	-	1 722 382	-	-	-
Loans	(3 355 705)	-	(7 203 469)	-	(2 316 783)	-
Bank facilities	(199 026 417)	-	-	-	-	-
Suppliers, contractors, noted payables & other creditors	(821 477 581)	(8 149)	(3 496 268)	-	-	-
Net risk exposure	**1 362 206 349**	**373 925**	**(7 842 181)**	**41 233**	**(2 213 271)**	**1 253 579**

All amounts are in US Dollars if otherwise isn't mentioned

- The following is the average exchange rates during the year:

US dollar	Average exchange rate during the year		Spot rate at the financial statements date	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
L.E	16.81	17.82	16.04	17.88
K.W. D	0.3036	0.3021	0.3036	0.3036
EURO	0.8901	0.85108	0.8931	0.8688
GBP	0.7825	0.375855	0.7576	0.77712
AED	3.5	3.67364	3.6704	3.67647

Interest rate risk

At the consolidated financial statements, the interest rate profile of the Group's interest bearing-financial instruments was:

	31/12/2019	31/12/2018
Financial liabilities at fixed rate instruments	6 102 514	7 775 527
	6 102 514	**7 775 527**
Financial liabilities at variable rate instruments	221 750 817	91 800 482
	221 750 817	**91 800 482**

51- Capital commitments

Total capital commitments amounted to USD 721 850 on December 31,2019 approximately represented in the amount of contributions in long–term investments and property, plant & equipment which have not been requested to be paid till the consolidated financial position date (year 2018: an amount of USD 2.46 million).

52- Contingent liabilities

In addition to amounts provided for in the consolidated statement of financial position, there are contingent liabilities represented in the following:

- Uncovered letters of credit amounting to USD 11 068 608 (year 2018: an amount of USD 11 264 497).
- Letters of guarantee issued by banks on the account of the Group and in favor of others amounting to USD 11 159 564 (year 2018: an amount of USD 11 292 155).

53- Tax status

Corporate profit tax

- The Company enjoyed a tax exemption for 5 years according to Investment Law No. 8 of 1997 and ended on December 31, 2003.
- Tax inspection for corporate profit tax from inception till 2004 was carried out and the resulting tax differences were settled.

-Years from 2005 till 2008 The Company's records were not requested for inspection within the determined sample by the Tax Authority till authorizing of these financial statements for issuance.

All amounts are in US Dollars if otherwise isn't mentioned

- Tax inspection for year 2009 was carried out and the resulted differences were settled. Carried forward losses item was submitted to the tax appeal committees for further memos. This item has been returned to the tax authority for final decision.
- Years from 2010 to 2012, the preparation of inspection are currently under process.
- Years 2013 & 2014, the Company was notified by tax inspection request Form no. 19. The Company submits an appeal and the legal procedures for the re-examination of the documents and submitting the legal books are in progress.
- Regarding years from 2015 till 2018, the annual tax returns were submitted on the due date according to the provisions of Law No. 91 of 2005 and the Company's has not been notified of tax inspection yet by the Tax Authority.

Salary tax
- The tax inspection for salary tax for the period from inception till 2013 was carried out and the final assessment was determined and resulting differences were settled.
- Years 2014 till 2016 was carried out and the final assessment was determined and resulting differences were settled.
- Years 2017 till 2018 documents have been submitted and the inspection is being settled.
- Monthly withheld taxes are settled on due dates.

Stamp tax
- Inspection for the stamp tax for the period from the beginning of activity till 31/7/2006 was carried out and the final assessment was made and the Company settled the resulting differences.
- Period from August 1, 2006 till 2016 is currently inspected.
- The due tax is settled on due dates.

Property tax
The survey of the Group's properties has not been carried out by the tax Enumeration and Assessment Committee yet.

54- Comparative figures
- Some comparative figures of the consolidated statement of financial position and consolidated statement of changes in equity were restated as a result of what have been mentioned in detail in note No. (26). Items affected by restatement are as the follows:

Consolidated statement of financial position

Increase of cash and cash equivalents balance	22 980
Decrease of other current assets	625 217
Decrease of trade and notes receivables	3 353 179
Decrease of retained earnings balance	3 971 908
Decrease of non-controlling interests balance	119
Increase of suppliers, contractors, notes payable & other creditors balance	16 611

All amounts are in US Dollars if otherwise isn't mentioned

Consolidated change in equity statement

Decrease of retained earnings balance	3 971 908
Decrease of non-controlling interests balance	119

- Some comparative figures were reclassified to comply with the presentation of the current financial period as the follows:

Items of consolidated statement of financial position that are affected by reclassification are as the follows:

Increase of investment of Equity –accounted investees	55 928
Decrease of Investments available - for - sale	55 928
Increase of Property, plant, equipment & projects under constructions balance	23 215 150
Decrease of projects under constructions balance	22 955 902
Increase of right of use assets balance	358 462
Increase of inventory balance	406 105
Increase of suppliers, contractors, notes payable & other creditors balance	8 011 955
Decrease of suppliers, contractors, notes payable balance	34 982 814
Increase of accrued income tax balance	27 376 964
Decrease of cash and cash equivalent	3 657 172
Increase of other current assets	3 657 172
Decrease of Investment property	617 710