Translated

Egypt Kuwait Holding Company
and its subsidiaries
Consolidated financial statements
For the financial period ended at September 30, 2019
and limited review report

Translated

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Limited review report on interim consolidated financial statements
To the Board of Directors of Egypt Kuwait Holding Company

Introduction

We have reviewed the accompanying consolidated statement of financial position of Egypt Kuwait Holding Company – An Egyptian Joint Stock Company, as of September 30, 2019 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the nine -month period then ended , and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

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

Conclusion

Based on our review on the consolidated financial statements of Egypt Kuwait Holding Company, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information do not present fairly, in all material respects, the consolidated financial position of Egypt Kuwait Holding Company as of September 30, 2019 , and of its financial performance and its cash flows for the nine -month period then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan

KPMG Hazem Hassan

Public Accountants & Consultants

KPMG Hazem Hassan
Public Accountants and Consultants
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Cairo, November 14 , 2019

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Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Consolidated statement of financial position as at September 30, 2019

All numbers are in US Dollars	Note No.	30/9/2019	31/12/2018 (Restated)
Assets			
Non-current assets			
Equity - accounted investees (associates Companies)	(8)	19 989 068	16 219 288
Available -for- sale Investments	(9)	23 214 997	32 532 597
Financial assets at amortized cost	(10)	123 024 262	99 769 120
Property, plant and equipment and projects under construction	(11)	246 266 421	252 848 553
Exploration & development assets	(12)	103 256 281	27 799 143
Right of use assets	(13)	363 515	358 462
Goodwill	(14)	62 707 406	60 591 626
Intangible assets	(15)	4 575 617	8 804 525
Investment property	(16)	670 730	617 710
Notes receivables		64 103	283 156
Total non-current assets		**584 132 400**	**499 824 180**
Current assets			
Cash and cash equivalents	(17)	145 423 371	206 943 929
Financial assets at amortized cost	(10)	273 049 584	170 080 844
Financial assets at fair value through profit or loss	(18)	42 234 783	11 990 883
Trade & notes receivables	(19)	88 822 883	73 368 473
Other current assets	(20)	68 601 705	47 141 412
Inventory	(21)	78 671 609	77 047 727
Work in process	(22)	34 704 937	30 307 435
Total current assets		**731 508 872**	**616 880 703**
Total assets		**1 315 641 272**	**1 116 704 883**
Equity and Liabilities			
Equity of the parent Company			
Issued & paid up capital	(23)	256 110 292	256 110 292
Legal reserve	(24)	127 240 575	126 248 763
Other reserves	(24)	(122 369 893)	(141 526 773)
Share-based payments	(25)	17 561 848	17 561 848
Retained earnings	(26)	268 432 841	248 191 799
Treasury shares	(27)	-	(221 050)
Total equity of the owners of the parent Company		**546 975 663**	**506 364 879**
Non-controlling interests	(28)	209 351 662	205 417 201
Total equity		**756 327 325**	**711 782 080**
Liabilities			
Non-current liabilities			
Long-term loans	(29)	58 229 063	18 003 469
Other long-term liabilities	(30)	2 177 223	2 011 494
Deferred tax liabilities	(31)	21 585 375	23 254 655
Total non-current liabilities		**81 991 661**	**43 269 618**
Current liabilities			
Provisions	(32)	21 494 492	19 374 686
Banks overdraft		669 496	94 994
Portion due during a year of long-term loans	(29)	42 400 400	26 998 321
Bank facilities	(33)	76 641 755	54 574 219
Suppliers, contractors, notes payable & other credit balances	(34)	219 898 659	164 152 670
Insurance policyholders rights	(35)	85 855 017	69 081 331
Accrued income tax		30 362 467	27 376 964
Total current liabilities		**477 322 286**	**361 653 185**
Total liabilities		**559 313 947**	**404 922 803**
Total equity and liabilities		**1 315 641 272**	**1 116 704 883**

*** 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

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

*Limited Review Report " attached "

Translated

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated statement of income for the financial period ended at September 30 , 2019

All numbers are in US Dollars		The nine-month ended 30/09/2019		The nine-month ended 30/09/2018	
	Note No.	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Revenues	(36)	125 170 334	393 095 876	114 092 460	338 928 892
Cost of revenue recognition	(37)	(82 831 178)	(264 113 189)	(77 466 738)	(232 786 417)
Gross profit		**42 339 156**	**128 982 687**	**36 625 722**	**106 142 475**
Income from investments	(38)	7 615 620	20 488 227	3 921 344	12 568 857
Other income	(39)	505 382	6 059 360	4 183 077	22 879 956
Selling & distribution expenses	(40)	(1 232 750)	(3 203 979)	(1 041 736)	(3 492 627)
General & administrative expenses	(41)	(8 214 190)	(24 640 066)	(7 929 119)	(21 834 933)
Other expenses	(42)	(1 423 159)	(2 374 198)	262 366	(14 080 180)
Net operating profit		**39 590 059**	**125 312 031**	**36 021 654**	**102 183 548**
Interest income		5 753 855	16 511 764	6 845 284	21 169 572
Financing expenses		(2 960 045)	(9 160 059)	(3 019 749)	(9 370 815)
Foreign currency translation differences		2 361 983	1 721 421	(46 292)	460 193
Net financing cost		**5 155 793**	**9 073 126**	**3 779 243**	**12 258 950**
Company's share of profit of Equity - accounted investees (associates Companies)		953 814	454 475	585 763	1 936 775
Net profit for the period before income tax		**45 699 666**	**134 839 632**	**40 386 660**	**116 379 273**
Income tax	(43)	(7 503 254)	(24 774 145)	(6 769 294)	(19 457 084)
Net profit for the period		**38 196 412**	**110 065 487**	**33 617 366**	**96 922 189**
Net profit attributable to:					
Owners of the Parent Company		30 279 561	85 288 721	26 620 030	75 002 644
Non-controlling interests	(28)	7 916 851	24 776 766	6 997 336	21 919 545
Net profit for the period		**38 196 412**	**110 065 487**	**33 617 366**	**96 922 189**
Basic earning per share (US cent / Share)	(44)	**2.63**	**7.35**	**2.32**	**6.49**

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

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Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated statement of comprehensive income for the financial period ended at September 30 , 2019

All numbers are in US Dollars	The nine-month ended 30/09/2019		The nine-month ended 30/09/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Net profit for the period	38 196 412	110 065 487	33 617 366	96 922 189
Other comprehensive income				
Items that will not be reclassified to profit or loss				
Available -for- sale Investments	(1 308 868)	(4 136 705)	2 249 826	3 744 102
	(1 308 868)	(4 136 705)	2 249 826	3 744 102
Items may be reclassified subsequently to profit or loss				
Foreign currency translation differences	7 276 746	23 907 525	(1 722 734)	(7 190 609)
	7 276 746	23 907 525	(1 722 734)	(7 190 609)
Total other comprehensive income for the period after deducting tax	5 967 878	19 770 820	527 092	(3 446 507)
Total comprehensive income for the period	44 164 290	129 836 307	34 144 458	93 475 682
Total comprehensive income for the period attributable to:				
Owners of the Parent Company	36 221 427	104 445 601	27 181 774	71 054 446
Non-controlling interests	7 942 863	25 390 706	6 962 684	22 421 236
Total comprehensive income	44 164 290	129 836 307	34 144 458	93 475 682

- **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 changes in equity for the financial period ended at September 30, 2019

All numbers are in US Dollars

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	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 period adjustments	-	-	-	-	-	-	-	-	(664 787)	-	(664 787)	(20)	(664 807)
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	217 824 406	-	476 871 084	212 842 885	689 713 969
Total comprehensive income													
Net profit for the period	-	-	-	-	-	-	-	-	75 002 644	-	75 002 644	21 919 545	96 922 189
Other comprehensive income	-	-	-	-	1 650 855	(5 599 053)	(3 948 198)	-	-	-	(3 948 198)	501 691	(3 446 507)
Total comprehensive income	-	-	-	-	1 650 855	(5 599 053)	(3 948 198)	-	75 002 644	-	71 054 446	22 421 236	93 475 682
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	-	-	-	-	-	-	-	-	-	-	-	10 885 348	10 885 348
Total other changes	-	-	-	-	-	-	-	-	-	-	-	10 885 348	10 885 348
Balance as at September 30, 2018	256 110 292	126 248 763	57 954 547	8 380 462	6 732 842	(216 819 515)	(143 751 664)	17 561 848	228 081 573	(221 050)	484 029 762	222 845 302	706 875 064
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 period adjustments	-	-	-	-	-	-	-	-	(664 787)	-	(664 787)	(20)	(664 807)
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	248 191 799	(221 050)	506 364 879	205 417 201	711 782 080
Comprehensive income													
Net profit for the period	-	-	-	-	-	-	-	-	85 288 721	-	85 288 721	24 776 766	110 065 487
Other comprehensive income	-	-	-	-	(2 956 280)	22 113 160	19 156 880	-	-	-	19 156 880	613 940	19 770 820
Total comprehensive income	-	-	-	-	(2 956 280)	22 113 160	19 156 880	-	85 288 721	-	104 445 601	25 390 706	129 836 307
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)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	181 629	-	181 629	(334 413)	(152 784)
Sale of treasury shares	-	-	-	-	-	-	-	-	480 883	221 050	701 933	370 537	1 072 470
Total transactions with owners of the Company	-	991 812	-	-	-	-	-	-	(65 047 679)	221 050	(63 834 817)	(20 807 798)	(84 642 615)
Other changes													
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(648 447)	(648 447)
Total other changes	-	-	-	-	-	-	-	-	-	-	-	(648 447)	(648 447)
Balance as at September 30, 2019	256 110 292	127 240 575	57 954 547	8 380 462	3 187 270	(191 892 172)	(122 369 893)	17 561 848	268 432 841	-	546 975 663	209 351 662	756 327 325

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

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Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Consolidated statement of cash flows for the financial period ended at September 30 , 2019
All numbers are in US Dollars

	Note No.	The nine-month ended 30/9/2019	The nine-month ended 30/9/2018
Cash flows from operating activities			
Net profit for the period before income tax		134 839 632	116 379 273
Adjustments for:			
Depreciation & amortization		30 702 963	29 445 988
Gain on sale of available-for-sale investments		(1 545 217)	-
Company's share of profit of Equity - accounted investees (associates Companies)		(454 475)	(1 936 775)
Changes in fair value of financial assets at fair value through profit and loss		(352 961)	(104 136)
Financing expenses		9 160 059	9 370 815
Interest income		(16 511 764)	(21 169 572)
Capital gain		112 983	(157 160)
Provisions no longer required		(23 326)	(17 403 129)
Provisions formed		1 987 650	567 515
Reversal of impairment loss on other current assets		(1 014 663)	(3 800 000)
Impairment loss on other current assets		273 565	291 224
Reversal of impairment loss on investments value		(2 382 441)	-
Impairment loss on investments value		-	13 221 441
Income from investments in treasury bills and governmental bonds		(17 608 634)	-
		137 183 371	124 705 484
Change in:			
Financial assets at fair value through profit or loss		(29 890 939)	3 228 718
Trade & notes receivables		(15 235 357)	(25 535 851)
Other current assets		(20 175 707)	(13 108 784)
Inventory		(1 623 882)	(5 971 525)
Work in progress		(4 397 502)	(22 050 942)
Suppliers, contractors, notes payable & other credit balances		11 631 978	46 366 164
Insurance policyholders rights		16 773 686	-
Time deposits		348 053	2 160 335
Provisions used		(575 220)	(414 622)
Financing expenses paid		(9 160 059)	(9 370 815)
Income tax paid		(24 360 198)	-
Net change in assets of the acquired Company		-	-
Net cash from operating activities		**60 518 224**	**100 008 162**
Cash flows from investing activities			
Interest collected		15 968 376	21 025 528
Subsidiaries acquisition (net cash acquired)		-	(1 096 047)
Payments for acquisition of property, plant and equipment, projects under construction, intangible assets & investment property		(4 635 028)	(26 375 440)
Payments for acquisition of exploration & development assets	(45)	(45 682 998)	(17 017 182)
Proceeds from sale of property, plant and equipment, projects under construction, intangible assets & investment property		433 372	232 298
Proceeds from (payments for) sale of available-for-sale investments		6 587 655	(3 467 062)
Proceeds from (payments for) financial assets at amortized cost		(40 336 354)	50 558 835
Net cash from (used in) investing activities		**(67 664 977)**	**23 860 930**
Cash flows from financing activities			
Proceeds from loans and bank facilities		162 849 425	122 230 208
Payment of loans and bank facilities		(85 154 216)	(121 338 871)
Payments for acquisition of non-controlling interests		(152 784)	(7 713 467)
Non-controlling interests		(34 507)	(4 881 736)
Proceeds from sale of treasury shares		1 072 470	-
Dividends paid for non-controlling interests		(14 901 430)	-
Dividends paid		(64 718 133)	(62 906 547)
Net cash used in financing activities		**(1 039 175)**	**(74 610 413)**
Foreign currency translation differences of accumulated financial statements		14 717 816	(5 561 473)
Net change in cash and cash equivalents during the period		6 531 888	43 697 206
Balance of cash and cash equivalents at beginning of the period		224 172 327	224 520 953
Balance of cash and cash equivalents at end of the period	(17)	**230 704 215**	**268 218 159**

- **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.

- 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 November 14, 2019.

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 recognised 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 are 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 Intangible assets

3-5-1 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.

3-5-2 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.

3-5-3 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.

3-6 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.

3-6-1 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.

3-6-2 Non-derivative financial assets - measurement

3-6-2-1 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.

3-6-2-2 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.

3-6-2-3 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.

3-6-2-4 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.

3-6-3 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.

3-7 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.

3-8 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.

3-9 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.

3-10 Investments property

Investment property is initially measured at cost; and subsequently presented in the consolidated financial statements, net of accumulated depreciation and impairment losses. The investment property is presented in the consolidated financial statements, net of both accumulated depreciation and accumulated impairment losses.

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 Finance leasing

The accrued rental value due from finance lease contracts in addition to what the Group bears for maintenance and repairing expenses of leased assets; are charged to the consolidated statement of Income each financial year. If the Group at the end of the contract decided to exercise the purchase option of the leased asset, this asset will be recorded as a fixed asset by the value of using the purchase option which is agreed upon in the contract. This asset will be depreciated based on its useful life according to the Group's fixed asset depreciation policy for similar assets.

3-16 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.

3-17 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.

3-18 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.

3-19 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.

3-20 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.

3-21 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 actually 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.

3-22 <u>Expenses</u>

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.

3-23 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.

3-24 Earning per share

Earning 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.

3-25 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

3-26 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

3-27 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.

3-28 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.

3-29 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.

3-30 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.

3-31 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- <u>Financial risk management</u>
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 into.
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 period 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 period; the Parent Company is not subject to externally imposed capital requirements

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

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:

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
1- **The new Egyptian Accounting Standard No. (47) "Financial Instruments"**	1- The new Egyptian Accounting Standard No. (47), "Financial Instruments", supersedes the corresponding related issues included in the Egyptian Accounting Standard No. (26), "Financial Instruments: Recognition and Measurement". Accordingly, Egyptian Accounting Standard No. 26 was amended and reissued after cancelling the paragraphs pertaining to the issues addressed in the new Standard No. (47) and the scope of the amended Standard No. (26) was specified and intended to deal only with limited cases of Hedge Accounting according to the choice of the enterprise. 2- Pursuant to the requirements of the Standard, financial assets are classified based on their subsequent measurement whether at amortized cost, or fair value through other comprehensive income or at fair value through profit or loss, in accordance with the enterprise business model for managing financial assets and the contractual cash flow characteristics of the financial asset. 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	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.

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New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
	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)]
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.	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

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New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
	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 new Egyptian Accounting Standard No. (49) "Lease Contracts	1- The new Egyptian Accounting Standard No. (49) "Lease Contracts" shall supersede and revoke Standard No. (20), "Accounting Rules and Standards related to Financial Leasing" issued in 2015 2- The Standard introduces a single accounting model for the lessor and the lessee where the lessee recognizes the usufruct of the leased asset as part of the company's assets and recognizes a liability that represents the present value of the unpaid lease payments under the company's 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	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. 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

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New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
	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.		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.
Egyptian Accounting Standard No. (38))as ammended " Employees Benefits "	Anumber of paragraphs were introduced and amended in order to amend the Accounting Rules of Settlements and Curtailments of Benefit Plans	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard No. (38) applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted.
Egyptian Accounting Standard No. (42))as ammended " Consolidated Financial Statements"	Some paragraphs related to the exclusion of the Investment Entities from the consolidation process were added . This amendment has resulted in introducing an amendment to some of the standards related to the subject of the Investment Entities. The standards that were ammended are as follows: - (ESA 15) Related Party Disclosures - (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	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements.	This standard applies to financial periods beginning on or after January 1st, 2020, and the early implementation thereof is permitted. -The new or amended Paragraphs pertaining to the amended standards concerning the investment entities shall apply on the effective date of Egyptian Accounting Standard No. (42) "Consolidated Financial Statements", as amended and issued in 2019

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
	- EAS (44) Disclosure of Interests in Other Entities.		
Issuance of Egyptian Accounting Interpretation No.(1)"Public Service Privileges Arrangements" ...	This interpretation provides guidance on the accounting by operators of public service privileges arrangements from a public entity to a private entity for the construction, operation and maintenance of the infrastructure for public utilities such as roads, bridges, tunnels, hospitals, airports, water supply facilities, power supplies and communications networks. .., etc This interpretation gives the option of continuing to apply the prior treatment of public service privilages arrangements that prevailed prior to January 1st,2019 on entities that used to recognize and measure the assets of these arrangements as fixed assets in accordance with Egyptian Accounting Standard No. 10 "Fixed Assets and Depreciation"until their useful lives are expired .	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	Interpretation No.(1) applies to financial periods beginning on or after January 1st, 2019,
Egyptian Accounting Standard No. (22))as ammended " Earnings per Share	The scope of implementaion of the Standard was amended to be applied to the separate, or consolidated financial statements issued to all enterprises.	There is no impact of implementing the amendment of the standard on the financial statements	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.
Egyptian Accounting Standard No. (34))as ammended " Real Estate Investment	The Fair Value Model option for all enterprises is no longer used when the subsequent measurement of their real estate investments is made and compliance shall apply only to the Cost Model. while only real estate investment funds are obliged to use the Fair Value Model, upon the subsequent	The Management is currently assessing the potential impact of implementing the amendment of the standard on the financial statements	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.

New or Amended Standards	A Summary of the Most Significant Amendments	The Possible Impact on the Financial Statements	Date of Implementation
	measurement of all their real estate assets. Based on this amendment, the following standards were ammended: Egyptian Accounting Standard No. (32) Non-current Assets Held for Sale and Discontinued Operation Egyptian Accounting Standard No. (31) Impairment of Assets		
Egyptian Accounting Standard No. (4) as ammended " Statemnet of Cash Flows"	This standard requires the entity to provide disclosures that enable users of the financial statements to assess changes in liabilities arising from finance activities, including both changes arising from cash flows or non-cash flows .	There is no impact of implementing the amendment of the standard on the financial statements	This amendment is introduced and shall apply to financial periods beginning on or after January 1st, 2019.

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		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Revenues	115 947 597	82 429 375	246 908 582	231 578 756	30 239 697	24 920 761	393 095 876	338 928 892
Net operating profit	48 743 414	38 981 567	55 709 918	57 078 965	20 858 699	6 123 016	125 312 031	102 183 548
Financing expenses	(1 113 918)	(1 111 859)	(239 004)	(1 460 348)	(7 807 137)	(6 798 608)	(9 160 059)	(9 370 815)
Interest income	1 702 244	807 517	4 917 017	9 385 241	9 892 503	10 976 814	16 511 764	21 169 572
Company's share of profit / (loss) of Equity - accounted investees (associates Companies)	2 731 098	-	-	-	(2 276 623)	1 936 775	454 475	1 936 775
Net profit before income tax	52 416 884	38 702 109	62 693 121	65 545 372	19 729 627	12 131 792	134 839 632	116 379 273
Income tax	(8 765 950)	(6 063 782)	(15 723 966)	(13 295 391)	(284 229)	(97 911)	(24 774 145)	(19 457 084)
Net profit for the period	43 650 933	32 638 327	46 969 154	52 249 981	19 445 400	12 033 881	110 065 487	96 922 189
Total assets	418 302 230	297 604 166	551 621 717	532 567 330	345 717 325	286 533 387	1 315 641 272	1 116 704 883
Equity - accounted investees (associates Companies)	6 561 155	3 830 058	-	-	13 427 913	12 389 230	19 989 068	16 219 288
Total liabilities	269 931 253	193 309 052	85 797 996	93 663 257	203 584 698	117 950 494	559 313 947	404 922 803
Depreciation & amortization	(11 504 213)	(14 181 908)	(18 661 948)	(14 856 741)	(536 802)	(407 339)	(30 702 963)	(29 445 988)

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

8- Equity-accounted investees (associates Companies)

	Ownership %	30/9/2019	31/12/2018
Investments not listed in stock exchange			
Building Materials Industries Co. (S.A.E.)	38.32	32 659 366	34 175 480
TOSS Co. (Limited Liability Co.- Cayman Islands)	28.07	6 561 155	3 830 058
Inayah Egypt for Medical care Programs Management Co.	20	172 356	-
Egyptian Tankers Co. (S.A.E.- Free Zone)	30	17 128 175	17 128 175
		56 521 052	**55 133 713**
Impairment losses *		(36 531 984)	(38 914 425)
		19 989 068	**16 219 288**

*** The impairment loss analysis is as follow:**

	Building Materials Industries Co.	Egyptian Tankers Co.	Total
Beginning balance	**21 786 250**	**17 128 175**	**38 914 425**
Reversal of impairment loss during the period	(2 382 441)	-	(2 382 441)
	19 403 809	**17 128 175**	**36 531 984**

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

9- Available – for – sale investments

	Ownership %	30/9/2019	31/12/2018
Investments measured at fair value			
Portfolios managed by abroad investment manager	-	10 573 686	19 649 028
Local companies' securities listed in the Egyptian Stock Exchange (EGX)	-	2 894 600	3 052 045
Investments measured at cost*			
Inayah Egypt for Medical care Programs Management Co.	-	-	55 928
United Arab Chemical Carriers Co.	1.19%	14 084 112	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
		62 017 709	**71 335 309**
Impairment losses		(38 802 712)	(38 802 712)
		23 214 997	**32 532 597**

*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.

**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 November 24, 2019.

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.

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

10- Financial assets at amortized cost

	30/9/2019	31/12/2018
Portfolios (bank deposits) held at a foreign bank	89 172 618	89 326 568
Portfolios (treasury bills) held at an abroad investment manager	92 045 784	10 027 500
Investment certificates at local banks "Insurance Sector"	90 430 240	68 691 275
Governmental bonds	22 309 326	20 308 945
Treasury bills	91 831 182	70 726 776
Designated governmental bonds "Insurance Sector"	10 284 696	10 768 900
	396 073 846	**269 849 964**
Classified as follows:		
Short–term (due within one year)	273 049 584	170 080 844
Long–term (due after one year)	123 024 262	99 769 120

All numbers are in US Dollars

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	36 675 643	4 049 887	1 169 170	25 154 067	556 830 275
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	8 728 997	2 484 542	1 020 673	826 568	1 582 460	-	106 537	1 477 428	129 785	-	16 356 990
Disposals	-	(117 470)	(216 540)	(29 916)	(15 026)	(20 793)	-	(8 913)	(22 000)	-	(430 658)
Cost as at 31/12/2018	**27 839 333**	**55 525 876**	**11 949 480**	**7 993 881**	**406 164 643**	**2 337 242**	**61 845 932**	**6 546 145**	**1 282 105**	**21 244 993**	**602 729 630**
Cost as at 1/1/2019	27 839 333	55 525 876	11 949 480	7 993 881	406 164 643	2 337 242	61 845 932	6 546 145	1 282 105	21 244 993	602 729 630
Additions	-	-	574 989	484 881	3 843 004	18 410	3 628 632	416 454	-	-	8 966 370
Change in projects under construction	-	-	-	-	-	-	-	-	-	(4 331 342)	(4 331 342)
Disposals	-	-	(86 718)	(49 129)	(966 610)	-	(523 597)	(9 241)	(40 595)	-	(1 675 890)
Cost as at 30/9/2019	**27 839 333**	**55 525 876**	**12 437 751**	**8 429 633**	**409 041 837**	**2 355 652**	**64 950 967**	**6 953 358**	**1 241 510**	**16 913 651**	**605 688 768**
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	6 936 688	3 153 041	690 485	-	257 918 547
Depreciation	-	1 868 664	433 137	295 991	17 526 284	29 464	1 761 720	535 704	37 007	-	22 487 971
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	-	1 189 800	929 998	627 708	713 935	-	62 637	1 072 264	-	-	4 596 342
Accumulated depreciation and impairment as at 31/12/2018	-	**23 421 892**	**9 378 992**	**6 119 187**	**229 696 348**	**1 791 688**	**8 761 045**	**4 752 799**	**727 492**	-	**284 649 443**
Accumulated depreciation and impairment loss as at 1/1/2019	-	23 421 892	9 378 992	6 119 187	229 696 348	1 791 688	8 761 045	4 752 799	727 492	-	284 649 443
Depreciation	-	1 427 140	494 636	316 287	13 457 002	28 186	1 496 591	511 688	27 399	-	17 758 929
Accumulated depreciation of disposals	-	-	(86 718)	(48 910)	(613 785)	-	(370 881)	(9 241)	-	-	(1 129 535)
Accumulated depreciation and impairment as at 30/9/2019	-	**24 849 032**	**9 786 910**	**6 386 564**	**242 539 565**	**1 819 874**	**9 886 755**	**5 255 246**	**754 891**	-	**301 278 837**
Net book value as at 30/9/2019	27 839 333	30 676 844	2 650 841	2 043 069	166 501 472	535 778	55 064 212	1 698 112	486 619	16 913 651	304 409 931
Effect of change in foreign exchange rates	(5 628 239)	(9 904 690)	(917 079)	(780 414)	(25 933 782)	(420 377)	(16 258 210)	(121 387)	(94 053)	1 914 721	(58 143 510)
Net book value as at September 30, 2019	**22 211 094**	**20 772 154**	**1 733 762**	**1 262 655**	**140 567 690**	**115 401**	**38 806 002**	**1 576 725**	**392 566**	**18 828 372**	**246 266 421**
Net book value as at 31/12/2018	27 839 333	32 103 984	2 570 488	1 874 694	176 468 295	545 554	53 084 887	1 793 346	554 613	21 244 993	318 080 187
Effect of change in foreign exchange rates	(7 098 560)	(10 448 034)	(1 002 801)	(873 552)	(27 250 983)	(427 126)	(19 632 832)	(106 457)	(102 198)	1 710 909	(65 231 634)
Net book value as at December 31, 2018	**20 740 773**	**21 655 950**	**1 567 687**	**1 001 142**	**149 217 312**	**118 428**	**33 452 055**	**1 686 889**	**452 415**	**22 955 902**	**252 848 553**

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**
Assets acquired through buisness combination	17 000 000	-	**17 000 000**
Additions	(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	88 220 001	-	**88 220 001**
Adjustments	(4 200 000)	-	**(4 200 000)**
As of 30/9/2019	**123 525 968**	**6 854 406**	**130 380 374**
Accumulated depletion, amortization 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	8 115 082	447 781	**8 562 863**
As of 30/9/2019	**26 327 208**	**796 885**	**27 124 093**
Carrying amount at 31/12/2018	**21 293 841**	**6 505 302**	**27 799 143**
Carrying amount at 30/09/2019	**97 198 760**	**6 057 521**	**103 256 281**

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

13- Right of use assets

This balance is represented in the value of the right of use assets of 3 electric generators purchased by the financial leasing system during year 2008 in accordance with the finance lease law No. 95 of 1995. The full value of the obligation was paid and transfer of ownership of the generators to the company. Cost and accumulated depreciation are as follows:

	30/9/2019	31/12/2018
Cost		
Cost at the beginning of the period	749 014	749 014
Additions	-	-
Cost at the end of the period	**749 014**	**749 014**
Accumulated depreciation		
Accumulated depreciation at the beginning of the period	387 331	350 300
Depreciation	29 028	37 031
Accumulated depreciation at the end of the period	**416 359**	**387 331**
Net	**332 655**	**361 683**
Effect of change in exchange rates	30 860	(3 221)
Net Book value	**363 515**	**358 462**

14- Goodwill

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

	30/9/2019	31/12/2018
National Gas Co. (Natgas)	7 625 890	6 939 222
Sprea Misr for Production of Chemicals & Plastics Co.	10 756 345	9 787 792
El Fayoum Gas Co.	1 566 950	1 425 855
Alex Fertilizer Co.	34 107 324	34 107 324
Delta Insurance Co.	3 547 814	3 228 350
Shield Gas Systems Co.	5 103 083	5 103 083
	62 707 406	**60 591 626**

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

15- Intangible assets

	Net as at 1/1/2019	Amortization	Translation differences	Net as at 30/9/2019
Deferred revenue charges*	1 363 494	(340 763)	118 589	1 141 320
Right to use**	5 941 031	(3 819 234)	-	2 121 797
Other assets**	1 500 000	(187 500)	-	1 312 500
	8 804 525	(4 347 497)	118 589	4 575 617

*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 items represents 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

16- Investments' property

	Land	Built properties	Total
Cost as at 1/1/2018	-	-	-
Cost acquired through business combination	53 690	813 564	867 254
Transferred from property, plant, & equipment	-	116 168	116 168
Cost as at 31/12/2018	53 690	929 732	983 422
Cost as at 1/1/2019	53 690	929 732	983 422
Additions	-	-	-
Cost as at 30/9/2019	53 690	929 732	983 422
Accumulated depreciation as at 1/1/2018	-	-	-
Accumulated depreciation acquired through business combination	-	281 245	281 245
Depreciation	-	11 316	11 316
Transferred from property, plant, & equipment	-	68 000	68 000
Accumulated depreciation as at 31/12/2018	-	360 561	360 561
Accumulated depreciation as at 1/1/2019	-	360 561	360 561
Depreciation	-	4 647	4 647
Accumulated depreciation as at 30/9/2019	-	365 208	365 208
Net book value at 30/9/2019	53 690	564 524	618 214

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

	Land	Built properties	Total
Effect of foreign exchange rate	4 818	47 698	**52 516**
Net book value at 30/9/2019	**58 508**	**612 222**	**670 730**
Net book value at 31/12/2018	53 690	**569 171**	**622 861**
Effect of foreign exchange rate	(450)	(4 701)	**(5 151)**
Net book value at 31/12/2018	**53 240**	**564 470**	**617 710**

17- Cash and Cash equivalents

	30/9/2019	31/12/2018
Cash on hand	1 711 203	827 831
Bank – current accounts	82 067 507	79 295 325
Bank – time deposits (less than three month)	54 966 455	122 814 918
Bank – time deposits (more than three month)	630	348 683
Checks under collection	6 677 576	3 657 172
	145 423 371	**206 943 929**

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

	30/9/2019	30/9/2018
Cash and Cash equivalents	145 423 371	258 879 055
Investments in treasury bills - during three months	85 950 970	10 002 905
Bank – time deposits (more than three month)	(630)	(476 597)
Banks overdraft	(669 496)	(187 204)
	230 704 215	**268 218 159**

18- 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:

	30/9/2019	31/12/2018
Portfolios managed by abroad investment managers	1 751 772	1 105 970
Egyptian Companies' stocks (listed in EGX)	461 461	483 802
Investments in Investments funds	2 160 703	1 779 467
Governmental bonds	37 860 847	8 621 644
	42 234 783	**11 990 883**

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

19- Trade & notes receivable

	30/9/2019	31/12/2018
Trade receivables	51 788 435	36 933 208
Egyptian General Petroleum Corporation*	28 072 812	29 555 824
Impairment losses of trade receivables	(1 376 172)	(2 230 672)
Notes receivable	10 337 808	9 110 113
	88 822 883	**73 368 473**

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

	30/9/2019	31/12/2018
Natgas Co.	681 098	247 278
El Fayoum Gas Co.	1 562 513	1 285 559
NSCO Co.	25 829 201	28 022 987
	28 072 812	**29 555 824**

20- Other current assets

	30/9/2019	31/12/2018
Tax Authority	17 473 286	10 502 337
Suppliers-advanced payments	9 550 884	9 023 166
Accrued revenue	7 036 344	4 950 955
Accounts receivables from insurance	6 182 196	3 526 150
Prepaid expenses	5 001 325	3 290 853
Deposits with others	5 516 684	4 781 584
Uncollected issued bills	6 451 729	3 474 259
Due to IPIC Co.' shareholders	3 044 448	3 044 448
Payments to employees under dividends distributions	-	771 362
Property, plant and equipment's' debtors	2 006 193	2 263 606
Insurance and reinsurance Companies	1 594 028	1 678 847
Due to building materials industries Co.	2 541 639	186 420
Imprests & employees custodies	609 217	377 776
Loans guaranteed by individuals' insurance policies	437 555	382 694
Due from related parties *	172 345 972	173 345 972
Other debit balances	6 316 272	3 313 004
Impairment losses*	(177 506 067)	(177 772 021)
	68 601 705	**47 141 412**

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

* 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).

21- Inventory

	30/9/2019	31/12/2018
Supplies	37 191 515	32 783 553
Spare parts and tools	18 606 976	19 793 982
Finished goods and work in process	7 673 585	8 755 057
Letters of credit & goods in transit	276 043	139 450
Fuel and oil	15 213 871	15 866 839
Write down of inventory	(290 381)	(291 154)
	78 671 609	**77 047 727**

22- Work in progress

	30/9/2019	31/12/2018
Gas sectors	9 763 213	7 125 612
Land & buildings under development	24 678 665	23 078 071
Others	263 059	103 752
	34 704 937	**30 307 435**

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.
- 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

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

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

	30/9/2019	31/12/2018
Special reserve – share premium	57 954 547	57 954 547
General reserve	8 380 462	8 380 462
Fair value reserve	3 187 270	6 143 550
Foreign exchange reserves	(191 892 172)	(214 005 332)
	(122 369 893)	**(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 associates owner equity's translations.

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

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 details in Note No. (46).

26- Prior period adjustments

During the period, the net profit for the year 2017 and the balance of non-controlling interests were restated by an amount of USD 664 787 and an amount of USD 20, 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.

27- Treasury shares

During the period, 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 851 420, an amount of USD 480 883 was added to retained earnings and an amount of USD 370 537 was added to non-controlling interests.

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	Non-controlling interests as at 30/9/2019	Non-controlling interests as at 31/12/2018
National Gas Co. "Natgas"	16.02	3 848 341	11 370 982	15 219 323	11 529 045
Globe for Communications & Information Technology	1	(11)	5 673	5 662	5 152
Cooling Technology by Natural Gas Co.- Gas Chill	14.01	65 189	313 154	378 343	282 112
Midor for Logistic Services Co.	0.1	(3)	136	133	136
Midor Suez for Oil Refinery Co.	0.002	-	6	6	6
El Fayoum Gas Co.	22.01	412 155	1 207 109	1 619 264	1 240 331
Bawabat Al Kuwait Holding Company	45.81	17 326 812	155 982 433	173 309 245	177 059 245
Arabian Company for Fertilizers	22.28	(428)	(21 865)	(22 293)	(21 885)
El shorouk for Melamine & resins co.	8.49	30 326	149 883	180 209	391 953
NSCO Co.	0.003	401	180	581	179
Delta Insurance co.	43.52	3 093 984	15 567 205	18 661 189	14 930 927
Total		**24 776 766**	**184 574 896**	**209 351 662**	**205 417 201**

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

29- Loans

The Company	Loan's currency	Interest rates	Maturity date	30/9/2019	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	78 001 000	-
Loan guaranteed by a promissory note	USD	2.9% above Libor-3 months	2019	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	2 045 496	-
AD Astra Co.					
Loan guaranteed by the pledge of the acquired assets	Euro	From 2% to 2.75% annually above Libor	2018-2020	9 382 967	7 203 469
Total				**100 629 463**	**45 001 790**
Short-term loans				**42 400 400**	**26 998 321**
Long-term loans				**58 229 063**	**18 003 469**

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

30- Other long-term liabilities

	30/9/2019	31/12/2018
Notes payable	1 306 131	1 188 766
Customers advance payment	258 490	257 735
Other payable	612 602	564 993
	2 177 223	**2 011 494**

31- Deferred tax liabilities

	30/9/2019	31/12/2018
Property, plant and equipment & other assets	21 585 375	23 254 655
	21 585 375	**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 30/9/2019
Retention provisions	221 035	52 869	(169 960)	-	7 588	111 532
Other provisions*	19 153 651	1 934 781	(405 260)	(23 326)	723 114	21 382 960
	19 374 686	1 987 650	(575 220)	(23 326)	730 702	21 494 492

* 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.

33- Bank facilities

Company name	Facility' Currency	Interest rate	30/9/2019	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	11 001	10 006 000
Credit facility guaranteed by a promissory note	EGP & USD	0.5% annually above corridor, 3.75% above Libor generally for USD	18 151 984	18 214 850
C/F			**18 162 985**	**28 220 850**

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

Company name	Facility' Currency	Interest rate	30/9/2019	31/12/2018
B/F			**18 162 985**	**28 220 850**
Facility guaranteed by a promissory note signed by the holding Company and the International Financial Investments Co.	USD	0.75 % above corridor and 4.75% above Libor for 3 months for USD	-	14 180 960
Credit facility without guarantee.	USD	2% above Libor for 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% 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		2% over deposit interest rate	250 857	235 664
National Gas Co. (Natgas)				
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	4 933 090	4 943 492
Credit facility guaranteed by a promissory note	EGP	0.75% above corridor	1 576 051	864 524
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	1 760 352	1 731 847
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	1 489 170	-
Credit facility guaranteed by a promissory note	EGP	0.5% above corridor	3 469 250	-
Sheild Gas Co.				
Credit facility guaranteed by deposits	AED	1.5% over deposit price	-	630 165
			76 641 755	**54 574 219**

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

34- Suppliers, contractors, notes payable & other creditors

	30/9/2019	31/12/2018
Suppliers & contractors	35 774 442	33 364 485
Notes payable	806 855	1 677 159
Trade receivables – Advanced payments	60 651 091	50 720 897
Dividends payable	1 037 646	1 037 400
Accrued expenses	76 170 542	39 261 044
Dividends payable-non-controlling interests	6 610 738	668 246
National Egyptian Authority for Petroleum*	4 935 598	9 964 720
Deposits from others	10 488 851	8 559 654
Employees' dividends payable	161 627	77 693
Insurance and reinsurance Companies	6 119 190	4 817 928
Collected installments	2 423 965	2 074 424
Property, Plant & equipment creditors	745 775	1 170 803
Insured current account	433 999	476 974
Other credit balances	13 538 340	10 281 243
	219 898 659	**164 152 670**

*Egyptian authority for petroleum balance concerning the following companies:-

	30/9/2019	31/12/2018
Natgas Co.	2 888 902	5 762 012
Fayoum Gas Co.	2 046 696	4 202 708
	4 935 598	**9 964 720**

35- Insurance policyholder rights

	30/9/2019	31/12/2018
Technical provisions for individual' insurance	66 386 527	54 777 290
Technical provisions for property and liability insurance	17 874 948	13 384 053
Policy holder rights for investments units	1 593 542	919 988
	85 855 017	**69 081 331**

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

36- Revenues

	The nine-month ended 30/9/2019		The nine-month ended 30/9/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Gas supplies activity revenues	22 217 571	84 513 502	19 639 049	54 832 675
Communication & geographic maps activity revenue	-	-	(18 808)	74 184
Agencies activity revenue	481 760	1 019 690	386 391	1 076 090
Chemicals & plastic activity revenue	33 000 722	97 854 868	29 276 182	96 144 471
Cooling technology by natural gas activity revenue	461 052	3 032 771	268 174	789 585
Fertilizers activity revenue	44 014 988	149 053 714	46 698 249	135 434 285
Drilling and petroleum services activity	12 782 864	28 401 324	9 701 320	27 596 700
Insurance activity	12 211 377	29 220 007	8 141 903	22 980 902
	125 170 334	**393 095 876**	**114 092 460**	**338 928 892**

37- Cost of revenue recognition

	The nine-month ended 30/9/2019		The nine-month ended 30/9/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Gas supplies activity cost	11 059 771	51 778 599	12 101 448	32 990 425
Communication & geographic maps activity cost	-	-	5 807	43 216
Agencies activity cost	316 101	746 679	223 087	581 723
Chemicals & plastic activity cost	22 538 371	66 920 766	19 961 468	67 510 090
Cooling technology by natural gas activity cost	326 541	2 334 245	186 069	601 543
Fertilizers activity cost	34 568 144	108 889 997	34 068 337	100 838 486
Drilling and petroleum services activity	5 293 268	11 353 126	4 284 448	11 997 099
Insurance activity cost	8 728 982	22 089 777	6 636 074	18 223 835
	82 831 178	**264 113 189**	**77 466 738**	**232 786 417**

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

38- Income from investments

	The nine-month ended 30/9/2019		The nine-month ended 30/9/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Gain from acquisition of subsidiaries	-	-	-	348 088
Gain from sale of available -for-sale Investments	-	1 545 217	-	-
Income from Investments available -for- sale	24 569	955 088	(3 310)	1 269 238
Income from investment in treasury bills	6 350 080	13 831 756	2 630 928	7 161 724
Income from governmental bonds	1 287 916	3 776 878	1 264 190	3 660 558
Income from financial investments at fair value through profit or loss	(4)	26 327	(38)	25 113
Change in fair value of financial investments at fair value through profit or loss	(46 941)	352 961	29 574	104 136
	7 615 620	**20 488 227**	**3 921 344**	**12 568 857**

39- Other Income

	The nine-month ended 30/9/2019		The nine-month ended 30/9/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Provisions no longer required	(221 287)	23 326	151 855	17 403 129
Reversal of impairment loss on debtors	14 763	1 014 663	3 800 000	3 800 000
Reversal of impairment loss on equity - accounted investees (associates Companies)	37 039	2 382 441	-	-
Capital gain	-	-	70 787	157 160
Net profit and income from properties' investments	288	18 485	17 637	41 950
Drawback and exports support revenue	481 142	1 731 727	(1 507)	534 266
Other	193 437	888 718	144 305	943 451
	505 382	**6 059 360**	**4 183 077**	**22 879 956**

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

40- Selling & distribution expenses

	The nine-month ended 30/9/2019		The nine-month ended 30/9/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Cooling technology by natural gas activity's	32 364	83 155	16 310	63 594
Chemicals & plastic activity's	1 118 204	2 850 031	964 233	3 208 530
Fertilizers activity's	82 182	270 793	61 193	220 503
	1 232 750	**3 203 979**	**1 041 736**	**3 492 627**

41- General and Administrative expense

	The nine-month ended 30/9/2019		The nine-month ended 30/9/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Wages, Salaries & Employees benefits	3 258 189	8 798 611	2 424 411	6 335 529
Consulting & Professional fees	41 760	2 054 360	487 421	3 050 077
Gifts & donations	111 967	570 415	913 004	1 576 662
Bank charges	777 829	820 257	63 224	279 480
Travelling & Transportation	182 995	638 177	253 829	664 659
Governmental fees	526 225	3 030 881	600 359	2 080 897
Stationary & printing	31 726	80 531	18 248	51 233
Subscriptions fees	64 171	215 764	153 180	287 950
Utilities & telephone	82 712	205 220	55 401	153 167
Depreciation & Amortization	1 691 001	5 052 017	2 026 064	4 731 053
Maintenance & spare parts	234 624	714 880	152 568	668 354
Advertising	65 804	234 768	18 335	143 639
Rent	180 933	426 002	84 745	287 656
BOD Remunerations	65 094	165 154	54 971	128 492
Others	899 160	1 633 029	623 359	1 396 085
	8 214 190	**24 640 066**	**7 929 119**	**21 834 933**

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

42- Other expenses

	The nine-month ended 30/9/2019		The nine-month ended 30/9/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Impairment loss on equity – accounted investees	-	-	(586 233)	13 221 441
Provisions formed	1 162 449	1 987 650	250 642	567 515
Impairment loss on debtors	134 996	273 565	73 225	291 224
Capital losses	125 714	112 983	-	-
	1 423 159	**2 374 198**	**(262 366)**	**14 080 180**

43- Income tax

	The nine-month ended 30/9/2019		The nine-month ended 30/9/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Current income tax expense	8 155 082	26 784 352	7 495 181	21 460 868
Deferred income tax	(651 828)	(2 010 207)	(725 887)	(2 003 784)
	7 503 254	**24 774 145**	**6 769 294**	**19 457 084**

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:

	The nine-month ended 30/9/2019		The nine-month ended 30/9/2018	
	From 1/7/2019 Till 30/9/2019	From 1/1/2019 Till 30/9/2019	From 1/7/2018 Till 30/9/2018	From 1/1/2018 Till 30/9/2018
Net profit for the period (owners of the parent Company)	30 279 561	85 288 721	26 620 030	75 002 644
Employees' share in profit – proposal	(8 232)	(24 696)	(8 232)	(24 696)
Employees & board of directors' share in profit in subsidiaries and associates- proposal	(3 494 209)	(10 482 627)	(3 255 371)	(9 766 113)
Shareholders' share in net profit of the period	**26 777 120**	**74 781 398**	**23 356 427**	**65 840 142**
Weighted average number of shares outstanding during the period	1 017 206 623	1 017 206 623	1 005 377 577	1 005 382 577
Earnings per share (US cent / Share)	**2.63**	**7.35**	**2.32**	**6.49**

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

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

	The nine-month ended 30/9/2019	The nine-month ended 30/9/2018
Issued shares at the beginning of the period	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 period	**1 017 206 623**	**1 005 377 577**

45- Non-cash transactions

For the purpose of preparing the consolidated cash flow statement for the period ended September 30,2019, the effect of USD 42 537 002 has been excluded from investing activities which represents non cash transactions, which represents in the unpaid amount from exploration and development assets' additions that is recorded in creditors, contractors, notes payable, and other creditors.

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 individuals' 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 were 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 were 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
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**

47- Subsidiaries acquisition

Shield Gas Systems Co.:

The Group acquired all shares of Shield Gas systems Co. during October 2018, accordingly this Company becomes fully controlled by the group starting from that date.

The comparison between the consideration paid and the book value of the share acquired from the net assets of Shield Gas Co. at the date of acquisition is as follows:-

Consideration paid	3 524 441
Increase of liabilities from the assets on the acquisition date	1 578 642
Acquisition result	**5 103 083**

Purchase price allocation study is in process to determine the fair value of the identified assets and the goodwill resulted from this transaction.

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

48- Subsidiaries Companies

A- Main subsidiaries are represented in the following:

	Country of Incorporation	Ownership % Direct & indirect 30/9/2019	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. (A subsidiary acquired during the period)	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
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.	Egypt	99.90	99.90
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
Capital Investment Limited Luxembourg Co.	United Arab of Emirates	100	100
MEA Investments Co.	United Arab of Emirates	100	100
Capital Investment Limited 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 30/9/2019	31/12/2018
IFIC Petrochemicals Co.	Egypt	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
Nile Wood Co. S.A.E.	Egypt	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
NSCO Panama INC Co.*	Panama	99.997	-
IFIC Investments Limited Co.*	United Arab of Emirates	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	45.29
International Petrochemicals Investments Company IPIC (under optional liquidation)	Egypt	52.14	52.10
International Logistics Co. – L.L.C.	Kuwait	52.19	54.10

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

	Country of Incorporation	Ownership % Direct & indirect 30/9/2019	31/12/2018
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

* These Companies were established during the period.

** An additional 0.09% in Bawabat Al Kuwait Holding Co.' capital share was acquired during the period, also an additional 13.51% El Shorouk for Melamine & Resins Co.' capital share was acquired.

- The consolidated financial statements as of 30 September 2019 doesn't include some subsidiaries of the Energy Group due to loss of control over them during 2016.

B- Loss control over Companies

During the first quarter of 2016, a stake of the Group's investments in MOG ENERGY Co. (previously named as Tri Ocean for Energy Co.) was sold. Under the sale contract, all management and voting rights in the said Company were assigned for the benefit of the Buyer in return for the Buyer's compliance with specific contractual terms. Accordingly, the consolidated financial statements of MOG ENERGY Co. and its subsidiaries were excluded and not aggregated as part of the consolidated financial statements of the Company based on the management's estimates.

49- 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.

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

- 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.

50- Dividends declared & paid, and board of directors remuneration

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.

The shareholders of the Parent Company approved cash dividends for the financial year ended December 31, 2017 of 5 Cent/share with a total amount of USD 50 303 242 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 24, 2018.

51- 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:

	30/9/2019	31/12/2018
Other current assets	231 555 563	212 599 414
Financial assets at amortized cost	396 073 846	269 849 964
Trade & notes receivable	90 263 158	75 882 301
	717 892 567	**558 331 679**

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

	30/9/2019	31/12/2018
Governmental customers	29 159 988	30 132 986
Retail customers	12 111 845	18 276 605
Final consumers customers	25 044 910	9 362 271
Export customers	13 544 504	8 717 170
Notes receivable	10 401 911	9 393 269
	90 263 158	**75 882 301**

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:

	30/9/2019		31/12/2018	
	Balance	**Impairment**	**Balance**	**Impairment**
Past due within 30 days	4 514 864	-	9 750 209	-
Past due from 1-3 month	3 762 518	-	10 653 395	-
Past due from 3 months-1year	60 322 826	-	53 864 614	(616 589)
More than one year	21 662 950	(1 376 172)	1 614 083	(1 614 083)
	90 263 158	**(1 376 172)**	**75 882 301**	**(2 230 672)**

Liquidity risk

The following are the contractual maturities of financial liabilities:

30 September 2019

		Due date		
	Carrying amount	**During 1 year**	**1-2 years**	**2-5 years**
loans & bank facilities	177 271 218	130 470 618	31 200 400	15 600 200
Banks overdraft	669 496	669 496	-	-
Suppliers, contractors, noted payables & other creditors	159 247 568	159 247 568	-	-
Accrued income tax	30 362 467	30 362 467	-	-
Insurance policyholders rights	85 855 017	85 855 017	-	-
	453 405 766	**406 605 166**	**31 200 400**	**15 600 200**

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	113 431 773	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	-	-
	309 561 071	**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:

30 September 2019

Description	L.E.	K.W.D	EURO	GBP	AED	JPY
Cash & cash equivalents	566 807 583	73 451	1 347 214	12 144	103 512	1 273 883
Financial assets at amortized cost	1 804 942 460	-	-	-	-	-
Other current assets	707 444 345	-	25	-	-	-
Trade & notes receivable	888 942 055	-	787 808	-	-	-
Bank loans	(97 263 267)	-	-	-	-	-
Bank facilities	(219 299 583)	-	-	-	-	-
Suppliers, contractors, noted payables & other creditors	(1 002 806 636)	(2 694 212)	(1 755 869)	(5 752)	-	-
Net risk exposure	**2 648 766 957**	**(2 620 761)**	**379 178**	**6 392**	**103 512**	**1 273 883**

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 period:

US dollar	Average exchange rate during the period		Spot rate at the financial statements' date	
	30/9/2019	30/9/2018	30/9/2019	31/12/2018
L.E	17.05	17.78	16.27	17.88
K.W.D	0.3040	0.30032	0.3045	0.3036
EURO	0.8931	0.848458	0.91743	0.8688
GBP	0.7951	0.752257	0.81301	0.77712
AED	3.70	3.673639	3.70	3.67647

Interest rate risk

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

	30/9/2019	31/12/2018
Financial liabilities at fixed rate instruments	13 478 770	7 775 527
	13 478 770	**7 775 527**
Financial liabilities at variable rate instruments	163 792 448	91 800 482
	163 792 448	**91 800 482**

52- Capital commitments

Total capital commitments amounted to USD 1.04 Million on September 30,2019 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).

53- 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 2 322 292 (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 13 239 968 (year 2018: an amount of USD 11 292 155).

54- 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.
- Tax inspection for year 2009 was carried out and the resulted differences were settled.

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

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.
- 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 are 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.

55- 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

Decrease of cash and cash equivalents balance	22 980
Decrease of other current Assets	625 217
Decrease of retained earnings balance	664 787
Decrease of non-controlling interests balance	20
Increase of suppliers, contractors, notes payable & other creditors balance	16 610

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

Consolidated change in equity statement

Decrease of retained earnings balance	664 787
Decrease of non-controlling interests balance	20

- 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 Property, plant & equipment and projects under constructions balance	22 597 440
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
Increase of legal reserve balance	126 248 763
Decrease of other reserves balance	126 248 763