EFG –Hermes Holding Company
(Egyptian Joint Stock Company)

Separate interim financial statements
for the period ended 30 September 2021
&
Review Report

Contents

KPMG

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Review Report

To the Board of Directors of EFG – Hermes Holding Company

Introduction

We have performed a limited review for the accompanying separate statement of financial position of EFG – Hermes Holding Company (Egyptian Joint Stock Company) as of 30 September, 2021 and the related separate statements of income, comprehensive income, changes in equity and cash flows for the nine months then ended, and a summary of significant accounting policies and other explanatory notes. The company's management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of Limited Review

We conducted our limited review in accordance with Egyptian Standard on Review Engagements 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters in the Company, and applying analytical and other limited review procedures. A limited 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 interim financial statements.

Conclusion

Based on our limited review, nothing has come to our attention that causes us to believe that the accompanying separate interim financial statements do not present fairly, in all material respects, the financial position of the Company as at 30 September, 2021 and of its financial performance and its separate cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

Emphasis of Matter:

Without qualifying our opinion as detailed in note No. (30) of the separate interim financial statements, most of the world countries, were exposed during 2020 to the new Covid-19 pandemic, and its effect have been extended till date. And as indicated in the aforementioned note, the company's management is currently taking several procedures to counter this risk and reduce its impact on its financial position.

KPMG Hazem Hassan
Public Accountants and Consultants

Cairo, November 16, 2021

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)
Separate statement of financial position

(in EGP)	Note no.	30/9/2021	31/12/2020
Assets			
Non - current assets			
Loans to subsidiaries	(11,28)	235 208 244	415 563 640
Investments at fair value through OCI	(12)	1 178 641 281	136 216 613
Investment property	(13)	121 382 659	126 111 854
Investments in subsidiaries	(14)	3 840 059 226	3 963 875 340
Fixed assets	(15)	230 870 705	241 830 539
Intangible assets	(16)	18 563 809	22 922 747
Total non - current assets		5 624 725 924	4 906 520 733
Current assets			
Cash and cash equivalents	(3)	2 018 992 904	908 334 776
Investments at fair value through profit and loss	(4)	1 782 332 988	2 247 688 276
Investments at fair value through OCI	(12)	1 012 865 643	191 227 642
Due from subsidiaries & related parties	(5)	1 874 040 088	3 452 353 768
Other debit balances	(6)	48 806 673	27 493 990
Loans to subsidiaries	(11,28)	37 891 436	-
Total current assets		6 774 929 732	6 827 098 452
Total assets		12 399 655 656	11 733 619 185
Equity			
Issued & paid - in capital	(17)	4 611 709 340	3 843 091 115
Legal reserve		840 272 556	833 933 867
Other reserves		1 908 587 988	1 915 653 464
Retained earnings		856 115 604	1 610 309 431
Total equity		8 216 685 488	8 202 987 877
Liabilities			
Non - current liabilities			
Deferred tax liabilities	(22)	304 504 645	293 009 582
Finance lease liabilities	(26)	150 580 087	199 374 665
Total non - current liabilities		455 084 732	492 384 247
Current liabilities			
Banks' overdraft	(8)	1 457 954 399	391 573 523
Due to subsidiaries & related parties	(7)	1 812 850 118	2 078 476 557
Creditors and other credit balances	(9,28)	234 407 235	348 840 015
Claims provision	(10)	158 450 184	160 000 000
Current portion of finance lease liabilities	(26)	64 223 500	59 356 966
Total current liabilities		3 727 885 436	3 038 247 061
Total liabilities		4 182 970 168	3 530 631 308
Total equity and liabilities		12 399 655 656	11 733 619 185

The accompanying notes and accounting policies from page (6) to page (42) are an integral part of these financial statements and are to be read therewith.

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" Review report attached "

Mona Zulficar
Chairperson

Karim Awad
Group Chief Executive Officer

(Egyptian Joint Stock Company)

Separate income statement

		2021		2020	
(in EGP)	Note no.	For the period from 1/7/2021 to 30/9/2021	For the period from 1/1/2021 to 30/9/2021	For the period from 1/7/2020 to 30/9/2020	For the period from 1/1/2020 to 30/9/2020
Revenues					
Dividends income	(19)	14 435 161	226 728 194	237 640	128 206 110
Custody activity income		4 840 748	16 592 348	3 780 662	9 312 402
Net changes in the fair value of investments at fair value through profit and loss		(229 134 739)	65 945 530	250 478 271	287 273 921
Treasury bills and bonds interests		50 103 968	110 255 514	15 666 991	59 507 110
Interest income	(28)	11 427 567	31 798 719	9 840 365	27 538 037
Gain from sale fixed asset		-	765 000	-	907
Impairment loss on assets		-	824 842	-	-
Other income	(23,28)	17 276 735	52 162 488	17 083 057	51 457 549
Total revenues		(131 050 560)	505 072 635	297 086 986	563 296 036
Expenses					
Finance cost		(47 388 713)	(104 105 023)	(10 064 874)	(38 397 754)
General administrative expenses	(20)	(76 423 274)	(209 074 474)	(67 856 945)	(222 731 802)
Fixed assets depreciation	(15)	(6 026 416)	(17 933 231)	(5 623 652)	(16 785 605)
Investment property depreciation	(13)	(1 576 399)	(4 729 195)	(1 576 399)	(4 729 195)
Intangible assets amortization	(16)	(1 860 645)	(6 120 404)	(2 283 114)	(4 784 398)
(Loss) Gains on sale / redemptions of investments	(24)	23 810 468	(20 587 589)	(1 521 378)	(951 178)
Foreign currencies exchange differences		8 543 283	(2 362 275)	(61 766 581)	(42 920 704)
Impairment loss on assets		-	-	(156 959)	(279 982)
Total expenses		(100 921 696)	(364 912 191)	(150 849 902)	(331 580 618)
Profit (Loss) before income tax		(231 972 256)	140 160 444	146 237 084	231 715 418
Deferred tax	(22)	51 265 698	(13 546 332)	(39 123 842)	(53 643 958)
Profit (Loss) for the period		(180 706 558)	126 614 112	107 113 242	178 071 460
Earnings per share	(25)	(0.20)	0.14	0.12	0.19

The accompanying notes and accounting policies from page (6) to page (42) are an integral part of these financial statements and are to be read therewith.

EFG - Hermes Holding Company
(Egyptian Joint Stock Company)
Separate statement of comprehensive income

(in EGP)	**2021** For the period from 1/7/2021 to 30/9/2021	**2021** For the period from 1/1/2021 to 30/9/2021	**2020** For the period from 1/7/2020 to 30/9/2020	**2020** For the period from 1/1/2020 to 30/9/2020
Profit (Loss) for the period	(180 706 558)	126 614 112	107 113 242	178 071 460
Other comprehensive income:				
Investments at fair value through OCI - net change in fair value	(197 664)	(9 116 743)	2 239 287	(45 296 023)
Tax related to comprehensive income items	44 474	2 051 267	(503 840)	10 191 605
Other comprehensive income, net of tax	(153 190)	(7 065 476)	1 735 447	(35 104 418)
Total comprehensive income for the period	(180 859 748)	119 548 636	108 848 689	142 967 042

The accompanying notes and accounting policies from page (6) to page (42) are an integral part of these financial statements and are to be read therewith.

EFG - Hermes Holding Company

(Egyptian Joint Stock Company)

Separate statement of changes in equity

	Attributable to owners of the Company								
	Issued & paid- in capital	Legal reserve	Other reserves: General reserve	Other reserves: Share premium	Other reserves: Fair value- Investments at fair value through OCI	Other reserves: Revaluation surplus of fixed assets transferred to investment property	Other reserves: Hedging reserve	Retained earnings	Total equity
(in EGP)									
Restated balance as at 31 December, 2020	3 843 091 115	833 933 867	158 271	1 922 267 818	(22 222 604)	15 449 979	-	1 610 309 431	8 202 987 877
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	-	126 614 112	126 614 112
Other comprehensive income items	-	-	-	-	(7 065 476)	-	-	-	(7 065 476)
Total comprehensive income	-	-	-	-	(7 065 476)	-	-	126 614 112	119 548 636
Transactions with owners of the Company									
Transferred to legal reserve	-	6 338 689	-	-	-	-	-	(6 338 689)	-
Dividends	-	-	-	-	-	-	-	(105 851 025)	(105 851 025)
Increased in issued and paid capital	768 618 225	-	-	-	-	-	-	(768 618 225)	-
Balance as at 30 September, 2021	4 611 709 340	840 272 556	158 271	1 922 267 818	(29 288 080)	15 449 979	-	856 115 604	8 216 685 488
Balance as at 31 December 2019, as previously reported	3 843 091 115	803 102 208	158 271	1 922 267 818	692 005 100	15 449 979	(26 442 387)	872 468 514	8 122 100 618
Effect of change in accounting policies	-	-	-	-	(672 777 306)	-	26 442 387	639 722 322	(6 612 597)
Restated balance as at 31 December, 2019	3 843 091 115	803 102 208	158 271	1 922 267 818	19 227 794	15 449 979	-	1 512 190 836	8 115 488 021
Total comprehensive income									
Profit for the period	-	-	-	-	-	-	-	178 071 460	178 071 460
Other comprehensive income items	-	-	-	-	(35 104 418)	-	-	-	(35 104 418)
Total comprehensive income	-	-	-	-	(35 104 418)	-	-	178 071 460	142 967 042
Transactions with owners of the Company									
Transferred to legal reserve	-	30 831 659	-	-	-	-	-	(30 831 659)	-
Balance as at 30 September, 2020	3 843 091 115	833 933 867	158 271	1 922 267 818	(15 876 624)	15 449 979	-	1 659 430 637	8 258 455 063

The accompanying notes and accounting policies from page (6) to page (42) are an integral part of these financial statements and are to be read therewith.

Separate statement of cash flows

(in EGP)	Note no.	For the period ended 30/09/2021	For the period ended 30/09/2020
Cash flows from operating activities			
Profit before income tax		140 160 444	231 715 418
Adjustments for :			
Fixed assets depreciation	(15)	17 933 231	16 785 605
Gain from sale of fixed asset		(765 000)	(907)
Investment property depreciation	(13)	4 729 195	4 729 195
Intangible assets amortization	(16)	6 120 404	4 784 398
Provisions used	(10)	(1 549 816)	-
Impairment loss on assets		-	279 982
Reversal of impairment on assets		(824 842)	-
Net changes in the fair value of investments at fair value through profit and loss		(65 945 530)	(287 273 921)
Gains on sale / redemptions of investments in subsidiaries		(28 449 653)	-
Foreign currencies exchange differences	(31-1-1)	2 362 275	42 920 704
		73 770 708	13 940 474
Change in			
Investments at fair value through profit and loss		528 935 638	(368 231 378)
Due from subsidiaries		1 577 261 137	2 051 620 624
Other debit balances		(21 313 788)	33 864 371
Due to subsidiaries		(265 626 439)	(314 564 314)
Creditors and other credit balances		(199 842 692)	(163 921 856)
Net cash provided from operating activities		1 693 184 564	1 252 707 921
Cash flows from investing activities			
Payments to purchase fixed assets		(6 973 397)	(2 834 366)
Proceeds from sale fixed assets		765 000	11 793
Payments to purchase intangible assets		(1 761 466)	(6 583 189)
Payments for loans to subsidiaries		(830 152 000)	(421 391 450)
Proceeds from loans to subsidiaries		972 205 441	192 500 000
Payments to purchase Investments at fair value through OCI		(2 714 403 577)	(552 551 000)
Proceeds from sale of Investments at fair value through OCI		841 224 165	1 021 342 551
Payments to purchase investments in subsidiaries		(258 232)	(9 000 000)
Proceeds from investments in subsidiaries		152 523 999	-
Net cash (used in) provided from investing activities		(1 586 830 067)	221 494 339
Cash flows from financing activities			
Dividends payout		(20 342 500)	(55 000 000)
Payments for short term loans		-	(150 670 000)
Proceeds from short term loans		-	147 677 500
Payments for finance lease liabilities		(43 928 044)	(37 659 587)
Net cash used in financing activities		(64 270 544)	(95 652 087)
Net change in cash and cash equivalents during the period		42 083 953	1 378 550 173
Cash and cash equivalents at the beginning of the period	(21)	518 954 552	71 065 527
Cash and cash equivalents at the end of the period	(21)	561 038 505	1 449 615 700

The accompanying notes and accounting policies from page (6) to page (42) are an integral part of these financial statements and are to be read therewith.

1- Description of business

1-1 Legal status

EFG-Hermes Holding S.A.E "the company" is an Egyptian Joint Stock Company subject to the provisions of the Capital Market Law No.95 of 1992 and its executive regulations. The Company's registered office is located in Smart Village building No. B129, phase 3, KM 28 Cairo Alexandria Desert Road, 6 October, Egypt.

1-2 Purpose of the company

- EFG Hermes Group, is a premiere financial services corporation that offers diverse investment banking services including securities brokerage, investment banking, asset management and private equity. In addition to its non-bank finance products, which include leasing, micro-finance, factoring, securitization, collection and Sukuk.
- The purpose of the company includes participation in the establishment of companies which issue securities or in increasing their share capital, custody activities and margin trading.

2- Basis of preparation

2-1 Statement of compliance

- These financial statements have been prepared in accordance with the Egyptian Accounting Standards and relevant Egyptian laws and regulations.
- The financial statements were authorized for issue in accordance with a resolution of the Board of directors on November 16, 2021.

2-2 Functional and presentation currency

These financial statements are presented in Egyptian Pounds (EGP), which is the Company's functional currency and all the financial data presented are in Egyptian Pounds (EGP).

2-3 Use of estimates and judgments

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

- Estimates and assumptions about them are re-viewed on regular basis.
- The change in accounting estimates is recognized in the period where the estimate is changed whether the change affects only that period, or in the period of change and the future periods if the change affects them both.

2-3-1 Fair value measurement

- The fair value of financial instruments are determined based on the market value of the financial instrument or similar financial instruments at the date of the financial statements without deducting any estimated future selling costs.
- The value of financial assets are determined by the values of the current purchase prices for those assets, while the value of financial liabilities is determined by the current prices that can be settled by those liabilities.
- In the absence of an active market to determine the fair value of financial instruments, the fair value is estimated using various valuation techniques, taking into consideration the prices of the transactions occurred recently, and guided by the current fair value of other similar tools substantially - discounted cash flow method - or any other evaluation method to get resulting values that can rely on.
- When using the discounted cash flow method as a way to evaluate, the future cash flows are estimated based on the best estimates of management. And the discount rate used is determined in the light of the prevailing market price at the date of the financial statements that are similar in nature and conditions.

2-4 Consolidated financial statements

The Company has subsidiaries and according to the Egyptian Accounting Standard No. 42 "consolidated financial statements" and the article No. 188 of the executive regulation of law No. 159-1981, the Company is required to prepare consolidated financial statements which present fairly the financial position, the result of operations and cash flows for the group as a whole.

(In the notes all amounts are shown in EGP unless otherwise stated)

3- Cash and cash equivalents

	30/9/2021	31/12/2020
Cash on hand	296 437	497 199
Banks - current accounts	1 993 696 467	309 525 387
Banks - time deposits	25 000 000	599 137 032
Total	2 018 992 904	909 159 618
Deduct: Impairment loss	--	(824 842)
Balance	2 018 992 904	908 334 776

4- Investments at fair value through profit and loss

	30/9/2021	31/12/2020
Mutual fund certificates	1 781 687 400	1 715 796 201
Equity securities	645 588	605 888
Debt securities	--	531 286 187
Balance	1 782 332 988	2 247 688 276

5- Due from subsidiaries & related parties

	30/9/2021	31/12/2020
EFG- Hermes Advisory Inc.	276 426 777	175 312 051
Fleming CIIC Holding	3 523 998	3 042 429
EFG- Hermes IB Limited	178 273 515	2 400 846 332
EFG- Hermes Oman LLC	3 599 080	3 113 811
EFG- Hermes IFA Financial Brokerage	1 614 498	3 075 889
EFG- Hermes KSA	9 069 412	6 555 629
Egyptian Fund Management Group	185 785 652	101 337 374
EFG- Hermes Holding – Lebanon	2 028 387	2 031 615
EFG- Hermes Direct Investment Fund	23 035	15 567
EFG- Hermes Management	555 539	365 814
EFG- Hermes USA	224 507	79 000
EFG- Hermes Jordan	663 295	1 437 919
EFG – Hermes Frontier Holdings LLC	711 989 977	577 543 360
EFG- Hermes Brokerage – UAE LLC.	2 423 721	3 296 465
OLT Investment International S.A.B	1 658 784	418 643
EFG Hermes FI Limited	292 834 188	154 602 890
EFG- Hermes Financial Management (Egypt) Ltd.	1 038 466	--
Beaufort Asset Management Company	5 849 301	1 314 622
EFG-Hermes Securitization	11 038	
EFG Hermes PE Holding LLC	94 028 806	--
EFG - Hermes Int. Fin Corp	102 418 112	--
Hermes securities brokerage	--	17 964 358
Balance	1 874 040 088	3 452 353 768

(In the notes all amounts are shown in EGP unless otherwise stated)

6- Other debit balances

	30/9/2021	31/12/2020
Accrued revenues	110	7 122 056
Taxes withheld by others	2 798 079	2 051 666
Deposits with others	1 428 827	1 428 827
Prepaid expenses	11 881 048	9 874 639
Employees advances	2 076 877	2 634 101
Down payments to suppliers	5 483 904	2 719 867
Sundry debtors	25 137 828	1 662 834
Balance	48 806 673	27 493 990

7- Due to subsidiaries & related parties

	30/9/2021	31/12/2020
EFG- Hermes Regional Investments Ltd.	252 393 045	284 101 726
Arab Visual Company	1 250 500	1 250 500
Hermes Corporate Finance Co.	8 809 126	8 870 541
EFG- Hermes Fixed Income	5 902 401	6 120 107
Finance Group for Securitization	3 893 185	9 172 672
EFG- Hermes Syria LTD	7 912 165	7 912 165
Egyptian Portfolio Management Group	89 866 767	79 447 344
EFG- Hermes – Lebanon – S.A.L.	87 081 525	87 220 102
Hermes Fund Management	--	8 242 366
Financial Brokerage Group	106 902 540	58 158 490
EFG-Hermes SP Limited	126 092 277	134 463 518
EFG Finance Holding	16 142 902	124 705 146
EFG - Hermes Promoting & Underwriting	155 633 978	67 550 556
EFG - Hermes Int. Fin Corp	--	58 634 485
EFG Hermes for Sukuk	9 085 774	9 893 066
EFG - Hermes Mena Securities Ltd.	16 672 927	16 961 303
EFG- Hermes Private Equity	1 000 860	1 002 602
EFG- Hermes – UAE Limited Company	3 152 205	1 591 832
EFG- Hermes Global CB Holding Limited	819 764 381	910 096 455
Bayonne Enterprises Ltd.	1 843 317	2 183 838
Beaufort Investments Company	284 206	334 718
Hermes securities brokerage	99 166 037	--
EFG Hermes PE Holding LLC	--	200 563 025
Balance	1 812 850 118	2 078 476 557

(In the notes all amounts are shown in EGP unless otherwise stated)

8- Bank overdraft

Banks overdraft include the credit facilities granted from one of the banks which represents the following:

- During September 2021 a pledged governmental bond contract has been signed to obtain a credit facility. The balance of facility as at 30 September 2021 is EGP 329,000,000.
- During September 2021 a pledged Treasury bills contract has been signed to obtain a credit facility. The balance of facility as at 30 September 2021 is EGP 927,000,000.

9- Creditors and other credit balances

	30/9/2021	31/12/2020
Social Insurance Authority	587 309	503 290
Accrued expenses	24 234 376	242 494 886
Clients coupons - custody activity	11 138 885	11 528 114
Unearned revenues (Note no. 28)	29 214 995	17 464 523
Dividends payable prior years	86 019 841	511 316
Medical Takaful Insurance Tax	1 224 012	2 167 141
Sundry credit balances	78 966 085	71 742 980
Tax Authority	3 021 732	2 427 765
Balance	234 407 235	348 840 015

10- Claims provision

	30/9/2021	31/12/2020
Balance at the beginning of the period/ year	160 000 000	182 000 000
Amounts used during the period/ year	(1 549 816)	--
No longer needed	--	(22 000 000)
Balance at the end of the period/ year	158 450 184	160 000 000

(In the notes all amounts are shown in EGP unless otherwise stated)

11- Loans to subsidiaries

Company's name	Currency	Loan Value	Loan date	Maturity date	30/9/2021	31/12/2020
EFG- Hermes Jordan	US$	500 thousand	1/3/2020	28/2/2022	7 855 000	7 867 500
,,	US$	500 thousand	1/3/2020	28/2/2022	7 855 000	7 867 500
,,	US$	1.4 million	1/9/2020	31/8/2022	22 181 436	22 216 735
EFG- Hermes Brokerage – UAE LLC.	US$	500 thousand	28/7/2020	28/7/2025	7 855 000	7 867 500
VALU	EGP	36 million	24/8/2020	23/8/2025	--	36 000 000
,,	EGP	50 million	18/1/2021	17/1/2026	--	--
,,	EGP	30 million	14/2/2021	13/2/2026	--	--
EFG Hermes Corp-Solutions	US$	8.5 million	24/2/2020	23/2/2025	107 353 244	133 747 505
,,	US$	340 thousand	22/10/2020	21/10/2025	--	5 349 900
,,	EGP	7.5 million	3/11/2020	2/11/2025	--	7 500 000
,,	EGP	13 million	16/11/2020	15/11/2025	--	13 000 000
,,	EGP	12 million	16/11/2020	15/11/2025	--	12 000 000
,,	EGP	50 million	18/1/2020	17/1/2026	25 000 000	50 000 000
EFG Finance Holding	EGP	362 million	8/11/2020	31/1/2021	--	112 147 000
,,	EGP	170 million	11/4/2021	4/10/2025	95 000 000	--
Total					273 099 680	415 563 640
current portion of loans to subsidiaries					37 891 436	--
Non- current portion of loans to subsidiaries					235 208 244	415 563 640
					273 099 680	415 563 640

12- Investments at fair value through OCI

	30/9/2021	31/12/2020
Non- current investments		
Equity securities	15 597 752	17 647 535
Mutual fund certificates	50 493 564	53 943 834
Debt instruments – bond *	1 112 549 965	64 625 244
	1 178 641 281	136 216 613
Current investments		
Debt instruments – treasury bills *	1 012 865 643	191 227 642
Balance	2 191 506 924	327 444 255

Investments at fair value through OCI are represented in the following:

Quoted investments	1 125 727 735	82 632 835
Non- quoted investments	1 065 779 189	244 811 420
	2 191 506 924	327 444 255

* Note no (8).

(In the notes all amounts are shown in EGP unless otherwise stated)

13- Investment property

	Buildings
Cost	
Balance as at 1/1/2021	157 639 818
Total cost as at 30/9/2021	157 639 818
Balance as at 1/1/2020	157 639 818
Total cost as at 30/9/2020	157 639 818
Accumulated depreciation	
Accumulated depreciation as at 1/1/2021	31 527 964
Depreciation for the period	4 729 195
Accumulated depreciation as at 30/9/2021	36 257 159
Accumulated depreciation as at 1/1/2020	25 222 371
Depreciation for the period	4 729 195
Accumulated depreciation as at 30/9/2020	29 951 566
Net carrying amount	
Net carrying amount as at 30/9/2021	121 382 659
Net carrying amount as at 30/9/2020	127 688 252
Net carrying amount as at 31/12/2020	126 111 854

- Investment property represents the area owned by EFG-Hermes Holding Company in Nile city building, the fair value of the investment amounted EGP 404 820 000 as at 30 September, 2021.

(In the notes all amounts are shown in EGP unless otherwise stated)

14- Investments in subsidiaries

Company's name	Nationality	Share percentage %	Currency of payment	Carrying amount 30/9/2021	Carrying amount 31/12/2020
Financial Brokerage Group Co.	Egyptian	99.87	EGP	41 838 060	41 838 060
Egyptian Portfolio Management Group	Egyptian	66.33	EGP	3 316 500	3 316 500
Hermes Securities Brokerage	Egyptian	97.58	EGP	219 763 969	219 763 969
Hermes Fund Management	Egyptian	89.95	EGP	6 439 709	6 439 709
Hermes Corporate Finance Co.	Egyptian	99.47	EGP	5 976 029	5 976 029
EFG- Hermes Advisory Inc.	BVI	100	US$	6	6
EFG- Hermes Promoting & Underwriting	Egyptian	99.88	EGP	7 990 000	7 990 000
EFG- Hermes Fixed Income	Egyptian	99	EGP	9 900 000	9 900 000
EFG- Hermes Management	Egyptian	96.3	EGP	1 249 490	1 249 490
EFG- Hermes Private Equity *	BVI	1.59	US$	39 975	39 975
EFG- Hermes – UAE Limited Company	Emirates	100	US$	696 386 683	750 510 000
EFG- Hermes Holding Lebanon – S.A.L.	Lebanon	99	US$	153 713	153 713
EFG- Hermes – KSA	Saudi	73.1	US$	95 159 388	94 901 158
EFG- Hermes – Lebanon – S.A.L.	Lebanon	99	US$	27 564 787	27 564 787
EFG- Hermes Regional Investments Ltd. *	Cayman Islands	100	US$	318 141 304	318 141 304
EFG- Hermes Jordan	Jordanian	100	US$	33 610 631	33 610 631
Finance Group for Securitization.	Egyptian	99.999	EGP	4 999 995	9 999 990
EFG-Direct Investment Fund	Egyptian	64	EGP	640 000	640 000
EFG- Hermes IB Limited	Cayman Islands	100	US$	921 560 008	921 560 008
EFG - Hermes Frontier Holdings	Emirates	100	US$	13 740 750	13 740 750
EFG – Hermes USA	American	100	US$	41 438 649	41 438 649
EFG Finance Holding S.A.E **	Egyptian	99.82	EGP	717 030 000	717 030 000
Etkan for Inquiry and Collection and Business processes **	Egyptian	0.002	EGP	100	100
EFG-Hermes PE Holding	Emirates	100	US$	895 500	895 500
EFG- Hermes Global CB Holding Limited	Cayman Islands	100	US$	599 503 768	664 454 800
OLT Investment International S.A.B	Bahrain	99.9	BHD	63 720 196	63 720 196
EFG - Hermes Int. Fin Corp	Cayman Islands	100	US$	16	16
EFG Hermes for Sukuk	Egyptian	90	EGP	9 000 000	9 000 000
Balance				3 840 059 226	3 963 875 340

* The Company owns 100% of EFG- Hermes Regional Investments Ltd. Co., which owns 63.41% in EFG- Hermes Private Equity Co. hence the company is a subsidiary.

** The Company owns 99.82% of EFG Finance Holding S.A.E Co., which owns 95.2% in Etkan for Inquiry and Collection and Business processes Co. hence the company has is a subsidiary.

- Investments in subsidiaries are represented in non - quoted investments.

(In the notes all amounts are shown in EGP unless otherwise stated)

15- Fixed assets

	Land*	Buildings*	Office furniture & equipment	Computer equipment	Vehicles & transportation means	Fixtures	Total
Cost							
Balance as at 1/1/2021	18 597 100	244 159 870	31 894 711	98 225 761	15 484 320	6 538 712	414 900 474
Additions during the period	--	--	4 846 515	2 126 882	--	--	6 973 397
Disposals during the period	--	--	--	--	(1 571 133)	--	(1 571 133)
Total cost as at 30/9/2021	18 597 100	244 159 870	36 741 226	100 352 643	13 913 187	6 538 712	420 302 738
Balance as at 1/1/2020	18 597 100	244 159 870	29 892 646	86 021 513	14 790 460	6 455 624	399 917 213
Additions during the period	--	--	622 105	820 634	1 391 627	--	2 834 366
Disposals during the period	--	--	--	(27 215)	--	--	(27 215)
Total cost as at 30/9/2020	18 597 100	244 159 870	30 514 751	86 814 932	16 182 087	6 455 624	402 724 364
Accumulated depreciation							
Accumulated depreciation as at 1/1/2021	--	65 057 906	24 611 850	68 148 357	10 064 117	5 187 705	173 069 935
Depreciation during the period	--	5 896 461	1 922 683	7 858 941	1 904 751	350 395	17 933 231
Accumulated depreciation for disposal	--	--	--	--	(1 571 133)	--	(1 571 133)
Accumulated depreciation as at 30/9/2021	--	70 954 367	26 534 533	76 007 298	10 397 735	5 538 100	189 432 033
Accumulated depreciation as at 1/1/2020	--	57 195 958	22 383 547	58 993 067	7 535 073	4 730 793	150 838 438
Depreciation during the period	--	5 896 461	1 660 660	6 904 253	1 981 348	342 883	16 785 605
Accumulated depreciation for disposal	--	--	--	(16 329)	--	--	(16 329)
Accumulated depreciation as at 30/9/2020	--	63 092 419	24 044 207	65 880 991	9 516 421	5 073 676	167 607 714
Net carrying amount							
Net carrying amount as at 30/9/2021	18 597 100	173 205 503	10 206 693	24 345 345	3 515 452	1 000 612	230 870 705
Net carrying amount as at 30/9/2020	18 597 100	181 067 451	6 470 544	20 933 941	6 665 666	1 381 948	235 116 650
Net carrying amount as at 31/12/2020	18 597 100	179 101 964	7 282 861	30 077 404	5 420 203	1 351 007	241 830 539

* Land and buildings items represent the headquarter of the Company in Smart Village Building according to the signed sale and lease contract for the whole land and building of the company in Smart Village between EFG – Hermes Holding Company and both EFG-Hermes Emirates NBD Leasing Company (a subsidiary) and Hermes Finance Solutions (Note no. (26)).

(In the notes all amounts are shown in EGP unless otherwise stated)

16- Intangible assets

	Software license
Cost	
Balance as at 1/1/2021	35 276 979
Additions during the period	1 761 466
Total cost as at 30/9/2021	37 038 445
Balance as at 1/1/2020	23 391 788
Additions during the period	6 583 189
Total cost as at 30/9/2020	29 974 977
Accumulated amortization	
Accumulated amortization as at 1/1/2021	12 354 232
Amortization during the period	6 120 404
Accumulated amortization as at 30/9/2021	18 474 636
Accumulated amortization as at 1/1/2020	5 264 592
Amortization during the period	4 784 398
Accumulated amortization as at 30/9/2020	10 048 990
Net carrying amount	
Net carrying amount as at 30/9/2021	18 563 809
Net carrying amount as at 30/9/2020	19 925 987
Net carrying amount as at 31/12/2020	22 922 747

(In the notes all amounts are shown in EGP unless otherwise stated)

17- Share capital

- The company's authorized capital amounts EGP 6 billion and issued capital amounts EGP 3,843,091,115 distributed on 768,618,223 shares of par value EGP 5 per share which is fully paid.
- The company's General Assembly approved in its session held on May 20, 2021 to increase the company's issued capital from EGP 3,843,091,115 to EGP 4,611,709,340 distributed on 922,341,868 shares with an increase amounting to EGP 768,618,225 by issuing 153,723,645 shares with par value EGP 5 through the issuance of one free share for every five shares. This increase is transferred from the company retained earnings that presented in December 31, 2020 financial statements. The required procedures had been taken to register the increase in the Commercial Register.

18- Contingent liabilities & commitments

The Company guarantees its subsidiaries – Financial Brokerage Group, Hermes Securities Brokerage, EFG- Hermes Jordan and EFG- Hermes Oman LLC – against the credit facilities granted from banks and EFG- Hermes Brokerage – UAE against the Letters of Guarantee granted from banks amounting to AED 83 670 000 (equivalent to EGP 357 856 590).

19- Dividend income

	2021		2020	
	For the period from 1/7/2021 to 30/9/2021	**For the period from 1/1/2021 to 30/9/2021**	**For the period from 1/7/2020 to 30/9/2020**	**For the period from 1/1/2020 to 30/9/2020**
Income from investments at fair value through OCI	10 109 400	10 109 400	9 404	8 931 560
Income from investments at fair value through profit and loss	4 325 761	4 533 794	228 236	5 203 330
Income from investments in subsidiaries	--	212 085 000	--	114 071 220
Total	14 435 161	226 728 194	237 640	128 206 110

(In the notes all amounts are shown in EGP unless otherwise stated)

20- General administrative expenses

	2021		2020	
	For the period from 1/7/2021 to 30/9/2021	For the period from 1/1/2021 to 30/9/2021	For the period from 1/7/2020 to 30/9/2020	For the period from 1/1/2020 to 30/9/2020
Wages , salaries and similar items	36 402 457	119 300 469	32 208 229	95 041 071
Consultancy	2 803 680	11 747 605	15 684 693	20 861 004
Travel , accommodation and transportation	202 402	420 788	(36 267)	859 575
Leased line and communication	895 176	3 667 751	1 190 254	3 216 140
Rent and utilities expenses	5 000 513	12 185 770	4 888 601	10 360 587
Other expenses	31 119 046	61 752 091	13 921 435	92 393 425
Total	76 423 274	209 074 474	67 856 945	222 731 802

21- Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents are represented in the following:

	For the period ended 30/9/2021	For the year ended 31/12/2020
Cash and cash equivalents as presented in the statement of financial position	2 018 992 904	909 159 618
Banks overdraft	(1 457 954 399)	(391 573 523)
Effect of exchange rate changes	--	1 368 457
Cash and cash equivalents (adjusted)	561 038 505	518 954 552

(In the notes all amounts are shown in EGP unless otherwise stated)

22- Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	30/9/2021 Liability (Asset)	31/12/2020 Liability (Asset)
(A) Deferred tax		
Fixed assets' (depreciation)	3 810 938	4 543 308
Investment property (depreciation)	2 039 465	1 773 448
Intangible assets (amortization)	(1 424 160)	(1 650 702)
Investment property (revaluation reserve)	(1 867 147)	(1 867 147)
Investments at fair value	114 954 402	101 168 259
Net deferred tax liabilities	117 513 498	103 967 166

(B) Deferred tax recognized directly in equity

	30/9/2021	31/12/2020
Investments at fair value through OCI *	186 991 147	189 042 416
	186 991 147	189 042 416
Balance	304 504 645	293 009 582

* Directly deducted from changes in the investments at fair value through OCI item presented in the statement of changes in equity.

23- Other income

Other income item presented in the income statement includes the value of rental for some affiliated companies, and also includes the value of rental spaces owned by the Company in Nile City building.

24- (Loss) Gains on sale / redemptions of investments

	2021		2020	
	For the period from 1/7/2021 to 30/9/2021	For the period from 1/1/2021 to 30/9/2021	For the period from 1/7/2020 to 30/9/2020	For the period from 1/1/2020 to 30/9/2020
Investments at fair value through profit and loss	--	(48 666 710)	(1 524 755)	(1 094 480)
Investments at fair value through OCI	--	(370 529)	3 377	143 302
investments in subsidiaries	23 810 468	28 449 650	--	--
Total	23 810 468	(20 587 589)	(1 521 378)	(951 178)

(In the notes all amounts are shown in EGP unless otherwise stated)

25- Earnings per share

	2021		2020	
	For the period from 1/7/2021 to 30/9/2021	For the period from 1/1/2021 to 30/9/2021	For the period from 1/7/2020 to 30/9/2020	For the period from 1/1/2020 to 30/9/2020
Profit (Loss) for the period	(180 706 558)	126 614 112	107 113 242	178 071 460
Weighted average number of shares	922 341 868	922 341 868	922 341 868	922 341 868
Earnings per share	(0.20)	0.14	0.12	0.19

26- Finance lease liabilities

	30/9/2021	31/12/2020
Current portion of finance lease liabilities	64 223 500	59 356 966
Non- Current portion of finance lease liabilities	150 580 087	199 374 665
Total	214 803 587	258 731 631

* Note no. (15).

27- Tax status

- As to Income Tax, the years till 2019 the competent Tax Inspectorate inspected the parent company's books and all the disputed points have been settled with the Internal Committee. And as to year 2020, have not been inspected yet.
- As to Salaries Tax, the parent company's books had been examined till 2019 and all the disputed points have been settled with the Internal committee and as to year 2020 have not been inspected yet.
- As to Stamp Tax, the parent company's books had been examined from year 1998 till 2018 and all the disputed points have been settled with the competent Tax Inspectorate and as to years 2019/2020 have not been inspected yet.
- As to Property Tax, for Smart Village building the company paid tax till June 30,2021 and for Nile City building the company paid tax till December 31, 2021.

28- Related party transactions

The related parties transactions are represented in the following:

- Other income item an amount of EGP 24 462 000 which represents the value of rental spaces for some affiliated companies.
- Interest income item presented in the income statement includes an amount of EGP 7 058 586 represent the interest on subordinated loan to EFG-Hermes Corp solutions, an amount of EGP 5 076 304 represent the interest on subordinated loan to Valu, and an amount of EGP 298 780 represent the interest on subordinated loan to EFG-Hermes UAE, and an amount of EGP 11 038 346 represent the interest on subordinated loan to EFG Finance Holding.
- The company grants support loans to some companies for purpose of providing financial leverage (Note no. 11).
- Creditors and other credit balances item includes an amount of EGP 13 590 000 presented the unearned revenue which the value of rental spaces for some subsidiaries companies (Note no. 9).

29- Financial instruments and management of related risks:

The Company's financial instruments are represented in the financial assets and liabilities. Financial assets include cash balances with banks, investments and debtors while financial liabilities include loans and creditors. Notes to financial statements includes significant accounting policies applied regarding basis of recognition and measurement of the important financial instruments and related revenues and expenses by the company to minimize the consequences of such risks.

29/1 Market risk

A. Foreign currencies risk

- The foreign currencies exchange risk represents the risk of fluctuation in exchange rates, which in turn affects the Company's cash inflows and outflows as well as the value of its assets and liabilities in foreign currencies.
- As at the financial position date the Company has assets and liabilities in foreign currencies equivalent to EGP 4 998 692 564 and EGP 1 528 806 773 respectively. The Company's net exposures in foreign currencies as at the financial position date are as follows:

(In the notes all amounts are shown in EGP unless otherwise stated)

	Surplus / (deficit) EGP
USD	3 336 876 943
EURO	126 206 978
AED	18 746 377
GBP	(13 240 825)
CHF	1 483 234
SAR	(186 916)

The company has used the prevailing exchange rates to revaluate assets and liabilities at financial position date as disclosed in note (31-1-1) "foreign currencies transactions".

B. Interest rate risk

The cash flows of the Company affected by the changes in market rates of interest. To mitigate interest rate risk the Company maintains banks deposits for short-term periods renewed monthly, and are negotiated in the re-pricing date comparing to interest rates announced by the central bank or LIBOR.

C. Price risk

The Company is exposed to market price risk for equity instruments, According to the company's investment policy, the following procedures are undertaken to reduce the effect of this risk.

- Performing the necessary studies before investment decision in order to verify that investment is made in potential securities.
- Diversification of investments in different sectors and industries.
- Performing continuous studies required to follow up the Company's investments and their development.

29/2 Credit risk

Financial institutions that the Company deals with are only those enjoying high credit quality. The Company has policies that limit the amount of credit exposure to any one financial institution.

29/3 Liquidity risk

Liquidity risk is represented in the factors, which may affect the Company's ability to pay part of or full amount of its liabilities. According to the Company's policy, sufficient cash balances are retained to meet the Company's current liabilities which minimize the liquidity risk.

29/4 Capital risk

The goal of the Company's management of capital management is to maintain the Company's ability to continue to achieve returns for shareholders and benefits for other parties that use financial statements. The management company also aims to provide and maintain the best capital structure which would lead to lower capital costs.

29/5 Financial instruments' fair value

The financial instruments' fair value does not substantially deviated from its book value at the financial position date.

29/6 Derivative financial instruments and hedge accounting

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value according to the valuation basis applied, in accounting policies to derivative financial instrument.

30- Significant events

With the outbreak of COVID-19 pandemic all over the world, the year 2020 witnesses a slowdown in the economic activities till date. Accordingly, the company's management has formed a taskforce to develop and implement the emergency plan to face these exceptional circumstances. Several measures have been taken, including a plan to split the employee workforce whereby 50% of the employees will work from the office, while the remaining 50% will work remotely from home. The management is closely monitoring the situation to ensure the safety of the company's employees.

31- Significant accounting policies applied

31-1 Basis of preparation

31-1-1 Translation of the foreign currencies 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. Non-monetary 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.

31-2 Property, plant and equipment

31-2-1 Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of certain items of property, plant and equipment. 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 and equipment is recognized in profit or loss.

31-2-2 Subsequent expenditure

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

31-2-3 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 profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Assets	Estimated useful life
- Buildings	33.3 years
- Furniture, office and electrical appliances	5 years
- Computer equipment	5 years
- Vehicles & transportation means	5 years
- Fixtures	5 years

Improvements are depreciated in leased locations over the contract life or the useful life whichever is less.

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

31-2-4 Re-classification to investment property

When the use of a property changes from owner-occupied to investment property.

31-2-5 Projects under-construction

Projects under construction are recognized initially at cost, the book value is amended by any impairment concerning the value of these projects cost includes all expenditures directly attributable to bringing the asset to a working condition for its intended use. Property and equipment under construction are transferred to property and equipment caption when they are completed and are ready for their intended use.

31-2-6 Intangible assets

Intangible assets are recorded at historical cost less accumulated amortization and any impairment losses (note 31-6) ,intangible assets are amortized using the straight-line method and are recognized in profit or loss over their estimated useful lives.

31-3 Investments

31-3-1 Investments at fair value through profit and loss

An instrument is classified as at fair value through income statement if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through income statement if the Company manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognized in income statement when incurred. Financial instruments at fair value through income statement are measured at fair value, and changes therein are recognized in income statement.

31-3-2 Investments at fair value through OCI

Investments at fair value through OCI are valued at fair value, with any resultant gain or loss being recognized in equity, except for impairment losses which is recognized (note 31-6) in the income statement. When these investments are derecognized, the cumulative gain or loss previously recognized directly in equity is recognized in the income statement. The fair value of investments available-for-sale, is based on quoted price of the exchange market at the financial position date, investments that are not quoted, and whose fair value cannot be measured reliably are valued by accepted valuation techniques including the use of new objective techniques or discounted cash flow analysis or option pricing models or other valuation techniques – if the Company cannot estimate the fair value, it can be stated at cost less impairment loss.

31-3-3 Investments in subsidiaries

Investments in subsidiaries and associates are valued at cost, the book value is amended by any impairment concerning the value of these investments (note 31-6). The impairment value is to be charged to the income statement for every investment individually.

31-3-4 Investment property

Investment property is measured at cost on initial recognition.
Subsequent to initial recognition investment property is measured at cost less accumulated depreciation and impairment loss, if any. Investment property is depreciated on a straight line basis over is useful life. The estimated useful life of investment property is 33.3 years.

31-4 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.
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 Company'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 profit or loss.

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.

31-5 Financial instruments

31-5-1 Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

31-5-2 Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an instrument-by-instrument basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

31-5-3 Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

31-5-4 Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

31-5-5 Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

31-5-6 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

31-5-7 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial 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 in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

31-5-8 Offsetting

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

31-5-9 Derivative financial instruments and hedge accounting

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates and interest rates and certain derivatives and non-derivative financial liabilities as hedges of foreign exchange risk on a net investment in a foreign operation.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

The Company designates only the change in fair value of the spot element of forward exchange contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts (forward points) is separately accounted for as a cost of hedging and recognised in a costs of hedging reserve within equity.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in the hedging reserve and the cost of hedging reserve is included directly in the initial cost of the non-financial item when it is recognised.

For all other hedged forecast transactions, the amount accumulated in the hedging reserve and the cost of hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or,

For other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

Net investment hedges

When a derivative instrument or a non-derivative financial liability is designated as the hedging instrument in a hedge of a net investment in a foreign operation, the effective portion of, for a derivative, changes in the fair value of the hedging instrument or, for a non-derivative, foreign exchange gains and losses is recognised in OCI and presented in the translation reserve within equity. Any ineffective portion of the changes in the fair value of the derivative or foreign exchange gains and losses on the non-derivative is recognised immediately in profit or loss. The amount recognised in OCI is reclassified to profit or loss as a reclassification adjustment on disposal of the foreign operation.

31-6 Impairment

31-6-1 Non-derivative financial assets

Financial instruments and contract assets

The Company recognises loss allowances for Expected Credit Loss (ECLs) on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI;
- contract assets.

The Company also recognises loss allowances for ECLs on loans receivables.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and
- Other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. unless it can be rebutted.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due unless it can be rebutted.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

31-6-2 Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

31-6-3 Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract such as a default or being more than 90 days past due;
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- The disappearance of an active market for a security because of financial difficulties.

31-6-4 Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

31-6-5 Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

31-6-6 Non-financial assets

- At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than, investment property, contract assets 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 recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.
- Impairment losses are recognised 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 amortisation, if no impairment loss had been recognised.

31-7 Cash and cash equivalents

For the purpose of preparing the statement of cash flows, cash and cash equivalents includes the balances, whose maturity do not exceed three months from the date of acquisition and the balances included cash on hand, current accounts, time deposits with banks & treasury bills.

31-8 Interest-bearing borrowings

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 income statement over the period of the borrowings on an effective interest basis.

31-9 Provisions

Provisions are recognized when the Company has a legal or constructive current obligation as a result of a past event and it's probable that a flow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Provisions are reviewed at the financial position date and amended (when necessary) to represent the best current estimate.

31-10 Legal reserve

The Company's statutes provides for deduction of a sum equal to 5% of the annual net profit for formation of the legal reserve. Such deduction will be ceased when the total reserve reaches an amount equal to half of the Company's issued capital and when the reserve falls below this limit, it shall be necessary to resume

31-11 Share capital

31-11-1 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.

31-11-2 Re-purchase and reissue of ordinary shares (treasury shares)

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.

31-12 Derivative financial instruments

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financial and investment activities. In accordance with its treasury policy, the Company does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments. Derivatives are recognized initially at fair value; attributable transaction costs are recognized in income statement when incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are accounted for as described below.

Cash flow hedges

Changes in the fair value of the derivative hedging instrument designated as a cash flow hedge are recognized directly in equity to the extent that the hedge is effective. To the extent that the hedge is ineffective, changes in fair value are recognized in income statement.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs. When the hedged item is a non-financial asset, the amount recognized in equity is transferred to the carrying amount of the asset when it is recognized. In other cases the amount recognized in equity is transferred to income statement in the same period that the hedged item affects income statement.

Fair value hedges

Changes in the fair value of a derivative hedging instrument designated as a fair value hedge are recognized in profit or loss. The hedged item also is stated at fair value in respect of the risk being hedged, with any gain or loss being recognized in income statement.

31-13 Revenues

31-13-1 Gains (losses) on sale of investments

Gain (loss) resulted from sale of investments are recognized on transaction date and measured by the difference between cost and selling price less selling commission and expenses.

31-13-2 Dividend income

Dividend income is recognized when declared.

31-13-3 Custody fees

Custody fees are recognized when provide service and issue invoice.

31-13-4 Interest income

Interest income is recognized on time proportion basis to take into account effective yield on the asset.

31-14 Expenses

31-14-1 Borrowing costs

Borrowing costs are recognized as expenses in the income statement when incurred on an effective interest basis.

31-14-2 Employees' pension

The Company 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 Company's liability is confined to the amount of its contribution. Contributions are charged to income statement using the accrual basis of accounting.

31-14-3 Income tax

Income tax on the income statement for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the financial position date, and any adjustment to tax payable in respect of previous years.

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

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

31-15 Earnings per share

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS 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.

31-16 Profit sharing to employees

The Company pays 10% of its cash dividends as profit sharing to its employees provided that it will not exceed total employees annual salaries. Profit sharing is recognized as a dividend distribution through equity and as a liability when approved by the Company's shareholders.

31-17 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in EAS 49.

31-17-1 As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

fixed payments, including in-substance fixed payments;

variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

amounts expected to be payable under a residual value guarantee; and the exercise price under a purchase option that the Comapny is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low – value assets and short-term leases, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

31-17-2 As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies EAS 11 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in EAS 47 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.
The Company recognises lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other revenue'.