EFG Holding Company
(Egyptian Joint Stock Company)

Separate interim financial statements
for the period ended 30 September 2024
&
Review Report

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KPMG

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Review Report

To the Board of Directors of EFG Holding Company

Introduction

We have performed a limited review for the accompanying separate statement of financial position of EFG Holding Company (Egyptian Joint Stock Company) as of 30 September 2024 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 2024 and of its financial performance and its separate cash flows for the nine months then ended in accordance with Egyptian Accounting Standards.

KPMG Hazem Hassan

KPMG Hazem Hassan

KPMG Hazem Hassan
Public Accountants and Consultants
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Cairo, November 20, 2024

EFG Holding company
(Egyptian Joint Stock Company)
Translation of financial statements originally issued in Arabic
Separate statement of financial position

(in EGP Thousands)	Note no.	30/9/2024	31/12/2023
Assets			
Non - current assets			
Investments at fair value through OCI	(13)	1 152 468	1 087 568
Loans to subsidiaries	(11,29)	1 325 600	-
Investment property	(14)	89 334	93 457
Investments in subsidiaries	(15)	6 777 127	6 694 340
Fixed assets	(16)	228 493	225 807
Intangible assets	(17)	7 506	10 793
Total non - current assets		9 580 528	8 111 965
Current assets			
Cash and cash equivalents	(3)	1 803 009	1 351 067
Investments at fair value through profit and loss	(4)	6 590 698	3 944 733
Investments at fair value through OCI	(13)	-	957 547
Due from subsidiaries & related parties	(5)	5 873 237	4 517 674
Other debit balances	(6)	246 630	158 856
Current portion of loans to subsidiaries	(11,29)	331 400	-
Total current assets		14 844 974	10 929 877
Total assets		24 425 502	19 041 842
Equity			
Issued & paid - in capital	(18)	7 298 030	7 298 030
Legal reserve		993 689	972 345
Other reserves		1 757 714	1 530 590
Treasury shares	(18-1)	(399 975)	-
Equity settled share- based payment	(18,21)	341 879	419 947
Retained earnings		1 946 806	985 308
Total equity		11 938 143	11 206 220
Liabilities			
Non - current liabilities			
Deferred tax liabilities	(23)	1 506 167	795 051
Loans from subsidiaries	(12,29)	300 000	-
Total non - current liabilities		1 806 167	795 051
Current liabilities			
Current portion of finance lease liabilities	(27)	-	63 823
Banks' overdraft	(8)	5 974 928	3 748 639
Due to subsidiaries & related parties	(7)	3 695 370	1 921 450
Creditors and other credit balances	(9,29)	559 661	1 042 716
Claims provision	(10)	451 233	263 943
Total current liabilities		10 681 192	7 040 571
Total liabilities		12 487 359	7 835 622
Total equity and liabilities		24 425 502	19 041 842

The accompanying notes and accounting policies from page (6) to page (50) are an integral part of these financial statements and are to be read therewith.

" Review's report attached "

Mona Zulficar
Chairperson

Karim Awad
Group Chief Executive Officer

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EFG Holding Company
(Egyptian Joint Stock Company)
Translation of financial statements originally issued in Arabic
Separate income statement

(in EGP Thousands)	Note no.	2024 For the period from 1/7/2024 to 30/9/2024	2024 For the period from 1/1/2024 to 30/9/2024	2023 For the period from 1/7/2023 to 30/9/2023	2023 For the period from 1/1/2023 to 30/9/2023
Revenues					
Dividends income	(20)	16 567	17 700	1	170 909
Custody activity income		15 526	49 594	6 243	22 701
Net changes in the fair value of investments at fair value through profit and loss	(4)	597 826	2 645 670	42 130	1 184 846
Treasury bills and bonds interest	(13)	39 888	167 417	84 618	240 110
Interest income	(29)	137 216	243 781	29 363	70 791
Gain from sale of fixed asset		-	103	-	-
Other income	(29،24)	42 506	117 260	29 145	88 331
Foreign currencies exchange differences		4 649	335 241	(154)	210 145
Gains on sale / redemptions of financial investments	(25)	-	653	-	22 904
Total revenues		854 178	3 577 419	191 346	2 010 737
Expenses					
Finance cost	(29)	(376 952)	(908 073)	(180 560)	(494 472)
General administrative expenses	(21)	(213 033)	(750 453)	(147 713)	(470 211)
Fixed assets depreciation	(16)	(6 888)	(20 281)	(5 956)	(18 084)
Investment property depreciation	(14)	(1 374)	(4 123)	(1 576)	(4 729)
Intangible assets amortization	(17)	(1 071)	(3 287)	(2 321)	(7 007)
Impairment Loss of Assets	(3)	(2 437)	(2 019)	(420)	(784)
Provisions	(10)	-	(188 750)	-	-
Total expenses		(601 755)	(1 876 986)	(338 546)	(995 287)
Profit (Loss) before tax		252 423	1 700 433	(147 200)	1 015 450
Current income tax		(9 548)	(35 228)	(16 858)	(49 627)
Deferred tax	(23)	(140 108)	(682 691)	(8 808)	(313 748)
Profit (Loss) for the period		102 767	982 514	(172 866)	652 075
Earnings per share (in EGP)	(26)	0.07	0.68	(0.12)	0.45

The accompanying notes and accounting policies from page (6) to page (50) are an integral part of these financial statements and are to be read therewith.

EFG Holding Company

(Egyptian Joint Stock Company)

Translation of financial statements originally issued in Arabic

Separate statement of comprehensive income

(in EGP Thousands)	**2024** For the period from 1/7/2024 to 30/9/2024	**2024** For the period from 1/1/2024 to 30/9/2024	**2023** For the period from 1/7/2023 to 30/9/2023	**2023** For the period from 1/1/2023 to 30/9/2023
Profit (Loss) for the period	102 767	982 514	(172 866)	652 075
Other comprehensive income:				
Investments at fair value through OCI - net change in fair value	(832)	126 335	(21 960)	(70 204)
Tax related to comprehensive income items	188	(28 425)	4 941	15 796
Other comprehensive income	(644)	97 910	(17 019)	(54 408)
Total comprehensive income for the period	102 123	1 080 424	(189 885)	597 667

The accompanying notes and accounting policies from page (6) to page (50) are an integral part of these financial statements and are to be read therewith.

EFG Holding Company

(Egyptian Joint Stock Company)

Translation of financial statements originally issued in Arabic

Separate statement of changes in equity

	Attributable to owners of the Company									
			Other reserves							
(in EGP Thousands)	Issued & paid- in capital	Legal reserve	General reserve	Share premium	Fair value- Investments at fair value through OCI	Revaluation surplus of fixed assets transferred to investment property	Treasury shares	Equity settled share- based payment	Retained earnings	Total equity
Balance as at 31 December, 2023	7 298 030	972 345	158	1 668 624	(152 579)	14 387	-	419 947	985 308	11 206 220
Total comprehensive income										
Profit for the period	-	-	-	-	-	-	-	-	982 514	982 514
Other comprehensive income items	-	-	-	-	97 910	-	-	-	328	98 238
Total comprehensive income	-	-	-	-	97 910	-	-	-	982 842	1 080 752
Transactions with owners of the Company										
Equity settled share- based payment	-	-	-	-	-	-	-	51 146	-	51 146
Transferred to share premimium reserve	-	-	-	129 214	-	-	-	(129 214)	-	-
Transferred to legal reserve	-	21 344	-	-	-	-	-	-	(21 344)	-
Purchasing of Treasury Shares	-	-	-	-	-	-	(399 975)			(399 975)
Balance as at 30 September 2024	7 298 030	993 689	158	1 797 838	(54 669)	14 387	(399 975)	341 879	1 946 806	11 938 143
Balance as at 31 December 2022	5 838 424	867 455	158	1 668 624	(101 905)	15 450	-	289 009	2 304 346	10 881 561
Total comprehensive income										
Profit for the period	-	-	-	-	-	-	-	-	652 075	652 075
Other comprehensive income items	-	-	-	-	(54 408)	-	-	-	-	(54 408)
Total comprehensive income	-	-	-	-	(54 408)	-	-	-	652 075	597 667
Transactions with owners of the Company										
Equity settled share- based payment	-	-	-	-	-	-	-	97 238	-	97 238
Transferred to legal reserve	-	104 890	-	-	-	-	-	-	(104 890)	-
Dividends	1 459 606	-	-	-	-	-	-	-	(1 642 096)	(182 490)
Balance as at 30 September 2023	7 298 030	972 345	158	1 668 624	(156 313)	15 450	-	386 247	1 209 435	11 393 976

The accompanying notes and accounting policies from page (6) to page (50) are an integral part of these financial statements and are to be read therewith.

(in EGP Thousands)	**Note no.**	**For the period ended 30/9/2024**	**For the period ended 30/9/2023**
Cash flows from operating activities			
Profit before tax		1 700 433	1 015 450
Adjustments for :			
Gain from sale fixed assets		(103)	-
Fixed assets depreciation	(16)	20 281	18 084
Investment property depreciation	(14)	4 123	4 729
Intangible assets amortization	(17)	3 287	7 007
Impairment loss on assets		2 019	784
Provisions formed		188 750	-
Provisions used		(1 460)	-
Net changes in the fair value of investments at fair value through profit and loss		(2 645 670)	(1 184 846)
Gains on sale / redemptions of financial investememt		(653)	(22 904)
Interest on treasury bills and bonds		(167 417)	(240 110)
Interest income		(243 781)	(70 791)
Finance cost		908 073	494 472
Foreign currencies exchange differences		(335 241)	(210 145)
Equity settled share- based payment		22 164	27 222
		(545 195)	(161 048)
Change in			
Investments at fair value through profit and loss		-	(3 750)
Due from subsidiaries and related parties		(424 446)	984 761
Other debit balances		(27 076)	(43 401)
Due to subsidiaries and related parties		760 535	437 216
Creditors and other credit balance		(325 710)	(320 663)
Income tax paid		(74 960)	(35 637)
Net cash (used in) provided from operating activities		(636 852)	857 478
Cash flows from investing activities			
Payment to purchase fixed assets		(23 013)	(17 827)
Proceeds from sale fixed assets		150	-
Payments to purchase intangible assets		-	(507)
Proceeds from Interest income		570 263	234 501
Payement for loan to subsidiary		(3 061 321)	(400 922)
Proceeds from loans to subsidiaries		1 429 084	417 062
Proceeds from loans from subsidiaries		1 675 000	-
Payments for loans from subsidiaries		(1 375 000)	-
Payments to purchase Investments at fair value through OCI		(786 198)	(850 368)
Proceeds from sale of Investments at fair value through OCI		1 647 087	341 679
Proceeds from investments in subsidiaries		-	53 900
Net cash provided from (used in) investment activities		76 052	(222 482)
Cash flows from financing activities			
Dividends payout		(142 451)	(105 314)
Payments for Purchasing of Treasury Shares		(399 975)	-
Interest expense paid		(902 719)	(493 917)
Payments for finance lease liabilities		(63 823)	(52 794)
Net cash used in financing activities		(1 508 968)	(652 025)
Net change in cash and cash equivalents during the period		(2 069 768)	(17 029)
Cash and cash equivalents at the beginning of the period	(22)	(2 099 714)	(1 556 430)
Cash and cash equivalents at the end of the period	(22)	(4 169 482)	(1 573 459)

Non-cash transactions:
An amount of EGP Thousands 1 216 708 has been eliminated from both Proceeds from investments in subsidiaries and Paymrnt to purchase investments in subsidiaries. (Note no. 15)

An amount of EGP Thousands 53 795 has been eliminated from both Due to subsidiaries and related parties and Paymrnt to purchase investments in subsidiaries. (Note no. 15-1)

The accompanying notes and accounting policies from page (6) to page (50) are an integral part of these financial statements and are to be read therewith.

1- Description of business

1-1 Legal status

EFG 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.
The name of the company has been changed to EFG Holding based on the General Assembly's approval on May 24, 2023 and was reflected in the commercial register on June 14, 2023.

1-2 Purpose of the company

- EFG Holding 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-banking financial products, including leasing, micro-finance, factoring, securitization, collection and Sukuk.
- The purpose of the company includes participation in the establishment of companies that 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 19 November 2024.

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).

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

2-3 Use of estimates and judgments

In preparing these 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 reviewed on a 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.

2-4 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.

3- Cash and cash equivalents

	30/9/2024	31/12/2023
Cash on hand	1 138	549
Banks - current accounts*	1 105 775	684 172
Banks - time deposits	698 533	616 764
Checks under collection	--	50 000
Total	1 805 446	1 351 485
Deduct: Impairment loss	(2 437)	(418)
Balance	1 803 009	1 351 067

*Note no (8).

4- Investments at fair value through profit and loss

	30/9/2024	31/12/2023
Mutual fund certificates	6 587 134	3 941 159
Equity securities	3 564	3 574
Balance	6 590 698	3 944 733

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

5- Due from subsidiaries & related parties

	30/9/2024	31/12/2023
EFG- Hermes Advisory Inc.	1 776 629	733 347
Fleming CIIC Holding	29 902	29 387
EFG- Hermes IB Limited	1 699 728	2 516 434
EFG- Hermes IFA Financial Brokerage	9 667	653
EFG- Hermes KSA	14 506	1 789
EFG Hermes Fund Management	136 618	73 601
EFG- Hermes Holding – Lebanon	6 238	3 977
EFG Hermes for digital solutions (EFG-Hermes Private Equity "Previously)	--	1 132
TANMEYA for micro finance	10 781	347
EFG- Hermes USA	--	671
("EFG – Hermes Brokerage Holding Ltd.	1 242 897	520 426
EFG- Hermes Brokerage – UAE LLC.	9 168	10 436
OLT Investment International S.A.B	3 742	636
EFG Hermes FI Limited	113 826	47 277
Beaufort Asset Management Company	7 132	--
EFG Hermes PE Holding LLC	98 734	60 112
EFG- Hermes – UAE Limited Company	--	20 432
EFG Finance Holding	718 849	576 246
EFG- Hermes SP Limited	15 070	--
Hermes portfolio fund management	1 825	1 194
EFG IB Investco Limited	1 351	796
EFG IB Holdco Limited	1 311	771
EFG- Hermes Global CB Holding Limited	1 451	103
EFG Hermes for Sukuk	167	6
EFG Mena Securities Ltd.	632	11
EFG Hermes PE Holdco limited	27 911	--
EFG- Hermes IB Holding Limited	27 212	--
Total	5 955 347	4 599 784
Impairment*	(82 110)	(82 110)
Balance	5 873 237	4 517 674

* The impairment amount deducted represents the impairment in Fleming CIIC Holding and EFG Hermes Fund Management.

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

6- Other debit balances

	30/9/2024	31/12/2023
Accrued revenues	742	21 746
Taxes withheld by others	6 599	4 643
Deposits with others	1 484	1 484
Prepaid expenses	39 649	13 923
Employees advances	7 094	4 106
Down payments to suppliers	179 422	10 837
Sundry debtors	11 640	102 117
Balance	246 630	158 856

7- Due to subsidiaries & related parties

	30/9/2024	31/12/2023
Arab Visual Company	1 251	1 251
Hermes Corporate Finance Co.	8 317	8 491
EFG- Hermes Fixed Income	5 544	5 715
EFG- Hermes Regional Investments Ltd.	351 270	283 324
EFG Hermes securitization	2 643	2 828
EFG- Hermes Syria LTD	7 912	7 912
EFG- Hermes – Lebanon – S.A.L.	267 785	170 726
EFG-Hermes International Securities Brokerage	100 737	201 389
EFG - Hermes Promoting & Underwriting	512 469	45 546
EFG - Hermes Int. Fin Corp	31 798	14 631
EFG- Hermes Private Equity – BVI	1 467	--
EFG securitization	5 621	5 781
Bayonne Enterprises Ltd.	1 976 638	978 770
Hermes securities brokerage	341 094	187 215
EFG Hermes SP Limited	--	6 523
EFG Hermes IB Holding Limited	--	1 348
EFG Hermes USA	41 550	--
EFG- Hermes Brokerage – UAE LLC.	36 380	--
EFG Hermes for digital solutions (EFG-Hermes Private Equity "Previously)	2 894	--
	3 695 370	1 921 450

8- Bank overdraft

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

- A pledged governmental bond contract has been signed to obtain a credit facility. The balance of facility as of 30 September 2024 is EGP Thousands 1 128 046.

9- Creditors and other credit balances

	30/9/2024	31/12/2023
Social Insurance Authority	1 138	990
Accrued expenses	99 985	426 096
Clients' coupons - custody activity	250 606	276 572
Unearned revenues (Note no. 29)	42 956	16 306
Dividends payable prior years	--	142 451
Medical Takaful Insurance Tax	8 900	6 040
Sundry credit balances	138 058	119 210
Tax Authority	18 018	55 051
Balance	559 661	1 042 716

10- Claims provision

	30/9/2024	31/12/2023
Balance at the beginning of the period / year	263 943	243 943
Amounts formed during the period / year	188 750	20 000
Amounts used during the period / year	(1 460)	--
Balance at the end of the period / year	451 233	263 943

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

11- Loans to subsidiaries

Company's name	Currency	Loan Value	Loan date	Maturity date	Balance in 30/9/2024	Balance in 31/12/2023
EFG Corp - Solutions	EGP	550 million	22/7/2024	21/7/2029	550 000	--
Tanmeyah for Microfinance	EGP	200 million	7/8/2024	6/8/2029	200 000	--
EFG Finance Holding	EGP	500 million	26/8/2024	26/8/2029	500 000	--
EFG Finance Holding	EGP	157 million	17/9/2024	16/9/2029	157 000	--
U Consumer finance	EGP	250 million	18/9/2024	17/9/2029	250 000	--
Total					1 657 000	--
Current portion of loans to subsidiaries					331 400	--
Non-current portion of loans to subsidiaries					1 325 600	--
					1 657 000	--

12- Loans from subsidiaries

Company's name	Currency	Loan Value	Loan date	Maturity date	Balance in 30/9/2024	Balance in 31/12/2023
Hermes securities brokerage	EGP	250 million	13/3/2024	12/3/2029	250 000	--
Hermes securities brokerage	EGP	50 million	16/4/2024	15/4/2029	50 000	--
Total					300 000	--
Non-current portion of loans from subsidiaries					300 000	--
					300 000	--

13- Investments at fair value through OCI

	30/9/2024	31/12/2023
Non- current investments		
Equity securities	17 280	17 290
Mutual fund certificates	164 820	99 148
Debt instruments – bond *	970 368	971 130
	1 152 468	1 087 568
Current investments		
Debt instruments – treasury bills	--	957 547
Balance	1 152 468	2 045 115

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

Quoted investments	1 032 706	1 014 659
Non- quoted investments	119 762	1 030 456
	1 152 468	2 045 115

* Note no (8).

14- Investment property

	Buildings
Cost	
Balance as at 1/1/2024	137 437
Total cost as at 30/9/2024	137 437
Total cost as at 1/1/2023	157 640
Total cost as at 30/9/2023	157 640
Accumulated depreciation	
Accumulated depreciation as at 1/1/2024	43 980
Depreciation for the period	4 123
Accumulated depreciation as at 30/9/2024	48 103
Accumulated depreciation as at 1/1/2023	44 139
Depreciation for the period	4 729
Accumulated depreciation as at 30/9/2023	48 868
Net carrying amount	
Net carrying amount as at 30/9/2024	89 334
Net carrying amount as at 30/9/2023	108 772
Net carrying amount as at 31/12/2023	93 457

- Investment property represents the area owned by EFG Holding Company in Nile city building. The fair value of the investment amounted to EGP Thousands 513 600 as of 30 September 2024.

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

15- Investments in subsidiaries

Company's name	Nationality	Share percentage. %	Currency of payment	Carrying amount	
				30/9/2024	**31/12/2023**
EFG- Hermes International Securities Brokerage	Egyptian	99.87	EGP	67 866	64 026
Hermes Securities Brokerage (15-1)	Egyptian	97.58	EGP	249 803	267 138
Hermes Corporate Finance Co.	Egyptian	99.47	EGP	5 976	5 976
EFG - Hermes Promoting & Underwriting	Egyptian	99.88	EGP	71 614	66 038
EFG- Hermes Fixed Income	Egyptian	99	EGP	9 900	9 900
EFG Hermes for digital solutions (EFG-Hermes Private Equity "Previously)	Egyptian	96.3	EGP	1 249	1 249
EFG- Hermes – UAE Limited Company (15-2)	Emirates	100	USD	--	758 619
EFG- Hermes Holding Lebanon – S.A.L.	Lebanon	99	USD	154	154
EFG- Hermes – KSA (15-3)	Saudi	100	USD	--	131 275
EFG- Hermes – Lebanon – S.A.L.	Lebanon	99	USD	27 565	27 565
EFG- Hermes Regional Investments Ltd. (15-3)	Cayman Islands	100	USD	--	399 214
EFG- Hermes Advisory Inc. (15-4)	BVI	100	USD	--	--
Etkan for Inquiry and Collection and Business processes. (15-4), (15-5)	Egyptian	0.002	EGP	--	--
EFG - Hermes Int. Fin Corp (15-4)	Cayman Islands	100	USD	--	--
Bayonne Enterprises Ltd. (15-4)	BVI	100	EGP	--	--
EFG Hermes securitization	Egyptian	99.999	EGP	5 000	5 000
EFG-Direct Investment Fund	Egyptian	64	EGP	640	640
EFG- Hermes IB Limited	Cayman Islands	100	USD	921 560	921 560
EFG – Hermes Brokerage Holding Ltd. (15-3)	Emirates	100	USD	537 449	66 253
EFG – Hermes USA	American	100	USD	16 265	16 265
EFG Finance Holding S.A.E (15-5)	Egyptian	99.82	EGP	724 659	723 957
EFG-Hermes PE Holding	Emirates	100	USD	629 656	629 656
EFG- Hermes Global CB Holding Limited	Cayman Islands	100	USD	575	575
OLT Investment International S.A.B	Bahrain	99.9	BHD	63 720	63 720
EFG Hermes for Sukuk	Egyptian	90	EGP	9 000	9 000
EFG Hermes Fund Management	Egyptian	88.512	EGP	34 129	29 747
Hermes portfolio fund management	Egyptian	78.81	EGP	20 274	18 722
Fleming CIIC Holding	Egyptian	100	EGP	100 000	100 000
Bank NXT- (Arab Investment Bank "Previously)	Egyptian	51	EGP	2 551 049	2 551 049
EFG Hermes IB Holding Limited (15-2)	Emirates	100	EGP	761 364	8 089
EFG Hermes UAE LLC. (15-1)	Emirates	100	EGP	76 367	--
Total				6 885 834	6 875 387
Impairment (15-6)				(108 707)	(181 047)
Balance				6 777 127	6 694 340

(15-1) During the period, ownership of EFG Hermes UAE LLC. Company was transferred from Hermes Securities Brokerage to EFG Holding company, for the purpose of restructuring the subsidiaries.

(15-2) During the period, ownership of EFG- Hermes – UAE Limited Company was transferred from EFG Holding company to EFG Hermes IB Holding Limited, for the purpose of restructuring the subsidiaries.

(15-3) During the period, ownership of both EFG- Hermes – KSA and EFG- Hermes Regional Investments Ltd was transferred from EFG Holding company to EFG – Hermes Brokerage Holding Ltd, for the purpose of restructuring the subsidiaries.

(15-4) The company owns investment in subsidiary with amount less than one EGP thousand as follows:

- EFG- Hermes Advisory Inc. with amount by EGP 6.
- Etkan for Inquiry and Collection and Business processes with amount by EGP 100.
- EFG - Hermes Int. Fin Corp with amount by EGP 16.
- Bayonne Enterprises Ltd. with amount by EGP 6.

(15-5) 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, it has full control of the operational and financial policies and EFG Finance Holding S.A.E Co. is considered a subsidiary.

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

(15-6) Impairment items represent in EFG Hermes Fund Management, Fleming CIIC Holding and EFG-Hermes Fixed Income.

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

16- Fixed assets

	Land*	Buildings*	Office furniture & equipment	Computer Equipment	Vehicles & transportation means	Fixtures	Total
Cost							
Balance as at 1/1/2024	18 597	244 160	44 821	132 531	17 713	7 561	465 383
Additions during the period	--	--	1 579	12 018	8 024	1 392	23 013
Disposals during the period	--	--	(194)	(1 051)	--	--	(1 245)
Total cost as at 30/9/2024	18 597	244 160	46 206	143 498	25 737	8 953	487 151
Balance as at 1/1/2023	18 597	244 160	39 972	118 564	13 913	6 848	442 054
Additions during the period	--	--	4 385	8 929	3 800	713	17 827
Total cost as at 30/9/2023	18 597	244 160	44 357	127 493	17 713	7 561	459 881
Accumulated depreciation							
Accumulated depreciation as at 1/1/2024	--	88 644	33 522	96 699	14 044	6 667	239 576
Depreciation during the period	--	5 897	3 095	9 549	1 456	284	20 281
Accumulated depreciation for disposal	--	--	(194)	(1 005)	--	--	(1 199)
Accumulated depreciation as at 30/9/2024	--	94 541	36 423	105 243	15 500	6 951	258 658
Accumulated depreciation as at 1/1/2023	--	80 782	29 477	85 721	13 092	6 184	215 256
Depreciation during the period	--	5 896	3 017	8 130	672	369	18 084
Accumulated depreciation as at 30/9/2023	--	86 678	32 494	93 851	13 764	6 553	233 340
Net carrying amount							
Net carrying amount as at 30/9/2024	18 597	149 619	9 783	38 255	10 237	2 002	228 493
Net carrying amount as at 30/9/2023	18 597	157 482	11 863	33 642	3 949	1 008	226 541
Net carrying amount as at 31/12/2023	18 597	155 516	11 299	35 832	3 669	894	225 807

* 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 Holding Company and both True Finance Lease Company (Emirates NBD Leasing Company previously) and EFG Corp -Solutions (Note no. (27)).

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

17- Intangible assets

	Software license
Cost	
Balance as at 1/1/2024	49 529
Total cost as at 30/9/2024	49 529
Balance as at 1/1/2023	48 985
Additions during the period	507
Total cost as at 30/9/2023	49 492
Accumulated amortization	
Accumulated amortization as at 1/1/2024	38 736
Amortization during the period	3 287
Accumulated amortization as at 30/9/2024	42 023
Accumulated amortization as at 1/1/2023	30 102
Amortization during the period	7 007
Accumulated amortization as at 30/9/2023	37 109
Net carrying amount	
Net carrying amount as at 30/9/2024	7 506
Net carrying amount as at 30/9/2023	12 383
Net carrying amount as at 31/12/2023	10 793

18- Share capital

- The company's authorized capital amounts EGP 6 billion and issued capital amounts EGP Thousands 3 843 091 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 Thousands 3 843 091 to EGP Thousands 4 611 709 distributed on 922 341 868 shares with an increase amounting to EGP Thousands 768 618 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's retained earnings presented in December 31, 2020 financial statements. The required procedures had been taken to register the increase in the Commercial Register.
- On September 28, 2021, the Company's General Assembly approved the increase in issued capital from EGP Thousands 4 611 709 to EGP 4 865 353 Thousands representing an increase of EGP Thousands 253 644 distributed on 50 728 803 shares having a par value of EGP 5 per share. The issuance of the capital increase shares were financed from the share premium reserve for the purpose of the Remuneration & Incentive Program of the Employees, Managers & Executive Board Members of the Company and its subsidiaries. The commercial register was updated and the issued shares were allocated under the Remuneration & Incentive Program of the Employees of the Company, and the Beneficiary of the program will be entitled to attend the Ordinary and Extraordinary General Shareholders of the Company and to vote on its resolutions upon the transfer of ownership of the Granted Shares to the Beneficiary.
- The company's General Assembly approved in its session held on May 19, 2022 to increase the company's issued capital from EGP Thousands 4 865 353 to EGP Thousands 5 838 424 distributed on 1 167 684 806 shares with an increase amounting to EGP Thousands 973 071 by issuing 194 614 135 shares with par value EGP 5 through the issuance of one free share for every five shares. This increase is transferred from the company's retained earnings presented in December 31, 2021 financial statements. The required procedures had been taken to register the increase in the Commercial Register.
- The company's General Assembly approved in its session held on May 24, 2023 to increase the company's authorized capital from EGP 6 billion to EGP 30 billion and increase the company's issued capital from EGP Thousands 5 838 424 to EGP Thousands 7 298 030 distributed on 1 459 606 008 shares with an increase amounting to EGP Thousands 1 459 606 distributed on 291 921 202 shares with par value EGP 5 through the issuance of one free share for every four shares. This increase is transferred from the company's retained earnings presented in December 31, 2022 financial statements. The required procedures had been taken to register the increase in the Commercial Register.

18-1 Treasury Shares

The company's board of directors approved in its session held on May 22, 2024, to purchase a number of 25 million shares of the company's shares and the company has purchased a number of 23 713 000 shares from Egyptian stock exchange market at cost of EGP thousand 399 975.

19- Contingent liabilities & commitments

The Company guarantees its subsidiaries – EFG-Hermes International Securities Brokerage, Hermes Securities Brokerage and EFG- Hermes Jordan– against the credit facilities granted from banks and EFG- Hermes Brokerage – UAE against the Letters of Guarantee granted from banks amounting to AED Thousands 93 670 (equivalent to EGP Thousands 1 232 004).

20- Dividend income

	2024		2023	
	For the period from 1/7/2024 to 30/9/2024	**For the period from 1/1/2024 to 30/9/2024**	**For the period from 1/7/2023 to 30/9/2023**	**For the period from 1/1/2023 to 30/9/2023**
Income from investments at fair value through OCI	16 567	17 691	--	15 396
Income from investments at fair value through profit and loss	--	9	1	1 513
Income from investments in subsidiaries	--	--	--	154 000
Total	16 567	17 700	1	170 909

21- General administrative expenses

	2024		2023	
	For the period from 1/7/2024 to 30/9/2024	**For the period from 1/1/2024 to 30/9/2024**	**For the period from 1/7/2023 to 30/9/2023**	**For the period from 1/1/2023 to 30/9/2023**
Wages , salaries and similar items*	123 060	346 586	90 523	274 612
Consultancy	12 992	31 126	5 710	25 358
Travel , accommodation and transportation	6 261	14 738	3 416	10 839
Leased line and communication	12 826	31 459	7 952	16 821
Rent and utilities expenses	6 212	16 553	6 671	14 584
Other expenses	51 682	309 991	33 441	127 997
Total	213 033	750 453	147 713	470 211

***Share-based payments**.

The Company introduced an Employees Share Ownership plan (ESOP) in accordance with the shareholder's approval at the extraordinary general assembly meeting by issuing free shares representing 5.5% of the issued capital of the Company granted to employees, managers and executive board members of the Company and its subsidiaries.

The duration of this program is five years starting as of 1 January 2021 till 31 December 2025, the vesting period is 3-4 years starting from 1 January 2021 till 31 December 2024. The beneficiary entitled to shares granted to 4 equal installments.

The equity instruments for share-based payment are recognized at fair value on the grant date and are recorded in the income statement with a corresponding increase in equity. The value of expenses charged to the income statement during the first nine months of 2024 amounted EGP Thousands 22 164 in return for an increase in shareholders' equity by the same amount.

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

Equity instruments during the period/year represent the following:

	For the period ended 30/9/2024 Number of shares	**For the year ended 31/12/2023 Number of shares**
Shares granted at the beginning of the period /year	68 057 297	56 204 722
Free shares distributed during the period /year	--	13 657 274
Shares forfeited to employees of the holding company	--	(707 616)
Shares forfeited to employees of subsidiary companies	(3 024 810)	(1 097 083)
Shares exercised during the period/year	(17 014 321)	--
Total at the end of the period /year	48 018 166	68 057 297

22- 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 year ended 30/9/2024	**For the year ended 31/12/2023**
Cash and cash equivalents as presented in the statement of financial position	1 805 446	1 351 485
Banks overdraft	(5 974 928)	(3 748 639)
Effect of exchange rate changes	--	297 440
Cash and cash equivalents (adjusted)	(4 169 482)	(2 099 714)

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

23- Deferred tax liabilities

Deferred tax liabilities are attributable to the following:

	30/9/2024	31/12/2023
	Liability (Asset)	**Liability (Asset)**
(A) Deferred tax		
Fixed assets' (depreciation)	3 448	4 773
Investment property (depreciation)	8 581	6 319
Intangible assets (amortization)	7 373	(6 668)
Investment property (revaluation reserve)	(1 867)	(1 867)
Foreign currencies exchange differences	122 716	47 286
Investments at fair value	1 186 294	594 011
Net deferred tax liabilities	1 326 545	643 854

(B) Deferred tax recognized directly in equity	**30/9/2024**	**31/12/2023**
Investments at fair value through OCI *	179 622	151 197
Balance	1 506 167	795 051

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

24- Other income

Other income item presented in the income statement includes the value of rental for some affiliated companies, (Note 29) also includes the value of rental spaces owned by the Company in Nile City building.

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

25- Gains on sale / redemptions of investments

	2024		2023	
	For the period from 1/7/2024 to 30/9/2024	**For the period from 1/1/2024 to 30/9/2024**	**For the period from 1/7/2023 to 30/9/2023**	**For the period from 1/1/2023 to 30/9/2023**
Investments at fair value through OCI	--	653	--	--
Investments in subsidiaries	--	--	--	22 904
Total	--	653	--	22 904

26- Earnings per share

	2024		2023	
	For the period from 1/7/2024 to 30/9/2024	**For the period from 1/1/2024 to 30/9/2024**	**For the period from 1/7/2023 to 30/9/2023**	**For the period from 1/1/2023 to 30/9/2023**
Profit (Loss) for the period	102 767	982 514	(172 866)	652 075
Weighted average number of shares	1 448 269	1 448 269	1 459 606	1 459 606
Earnings per share (EGP)	0.07	0.68	(0.12)	0.45

27- Finance lease liabilities

	30/9/2024	**31/12/2023**
Current portion of finance lease liabilities	--	63 823
Total	--	63 823

* Note no. (16).

28- Tax status

- As to Income Tax, for the years from the start of operations until 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 years 2020/2023 have not been inspected yet.
- As to Salaries Tax, the parent company's books had been examined till 2022 and all the disputed points have been settled with the Internal committee and as to years 2023 till August 2024, the company paid tax till and 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 been inspected and appealed on some disputed items and as to years 2021/2023 have not been inspected yet.
- As to Property Tax, for Smart Village building, the company paid tax till December 31, 2024 and as for Nile City building, the company paid tax till December 31, 2024.

29- Related party transactions

The related parties transactions are represented in the following:

- Other income item an amount of EGP Thousands 29 248 which represents the value of rental spaces for some affiliated companies.
- Interest income item presented in the income statement includes an amount of EGP Thousands 56 039, representing the interest on subordinated loan to EFG Corp - Solutions, an amount of EGP Thousands 9 389 to TANMEYA for micro finance, an amount of EGP Thousands 4 491 to U for consumer finance company, and an amount of EGP Thousands 16 511 to EFG Finance Holding.
- Finance cost item presented in the income statement includes an amount of EGP Thousands 68 226 represent the interest on subordinated loan from Hermes securities brokerage, an amount of EGP Thousands 11 998 from EFG Corp - Solutions, an amount of EGP Thousands 7 744 from EFG SMEs, and an amount of EGP Thousands 1 352 to TANMEYA for micro finance.
- The company grants support loans to some companies for the purpose of providing financial leverage (Note no. 11).
- Creditors and other credit balances item includes an amount of EGP Thousands 16 790 presented the unearned revenue which the value of rental spaces for some subsidiaries companies (Note no. 9).
- Loans from subsidiaries item presented in the statement of financial position as at 30 September 2024 by amount of EGP Thousands 300 000 is the value of loans from Hermes securities brokerage Company (note 12).

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

Measurement of fair value

- Countless group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
- When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.
  • Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
  • Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
  • Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.
- Valuation techniques include net present value and discounted cash flow models, comparison with similar instruments for which observable market prices exist and other valuation models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premiums used in estimating discount rates, bond and equity prices, foreign currency exchange rates.
- The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position:

30 September 2024

Financial assets	Note no	Level 1	Level 2	Level 3	Total
Mutual fund certificates	(4,13)	62 338	--	6 689 616	6 751 954
Equity securities	(4,13)	1 159	--	19 685	20 844
Debt instruments	(13)	970 368	--	--	970 368
		1 033 865	--	6 709 301	7 743 166

31 December 2023

Financial assets	Note no	Level 1	Level 2	Level 3	Total
Mutual fund certificates	(4,13)	43 527	--	3 996 780	4 040 307
Equity securities	(4,13)	1 168	--	19 696	20 864
Treasury bills	(13)	--	957 547	--	957 547
Debt instruments	(13)	971 130	--	--	971 130
		1 015 825	957 547	4 016 476	5 989 848

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

30- Classification of financial assets and financial liabilities

30 September 2024

Financial assets	**Note no**	**Amortized Cost**	**FVTPL**	**FVTOCI**
Mutual fund certificates	(4,13)	--	6 587 134	164 820
Equity securities	(4,13)	--	3 564	17 280
Debt instruments	(13)	--	--	970 368
Cash and cash equivalents	(3)	1 803 009	--	--
Due from subsidiaries and related parties	(5)	5 873 237	--	--
Other debit balances	(6)	246 630	--	--
Loans to subsidiaries	(11,29)	1 657 000	--	--
		9 579 876	6 590 698	1 152 468
Financial Liabilities				
Banks overdraft	(8)	5 974 928	--	--
Due to subsidiaries and related parties	(7)	3 695 370	--	--
Creditors and other credit balances	(9,29)	559 661	--	--
Loans from subsidiaries	(12,29)	300 000	--	--
		10 529 959	--	--

31 December 2023

Financial assets	**Note no**	**Amortized Cost**	**FVTPL**	**FVTOCI**
Mutual fund certificates	(4,13)	--	3 941 159	99 148
Equity securities	(4,13)	--	3 574	17 290
Treasury bills	(13)	--	--	957 547
Debt instruments	(13)	--	--	971 130
Cash and cash equivalents	(3)	1 351 067	--	--
Due from subsidiaries and related parties	(5)	4 517 674	--	--
Other debit balances	(6)	158 856	--	--
		6 027 597	3 944 733	2 045 115
Financial Liabilities				
Banks overdraft	(8)	3 748 639	--	--
Due to subsidiaries and related parties	(7)	1 921 450	--	--
Finance lease liabilities	(27)	63 823	--	--
Creditors and other credit balances	(9,29)	1 042 716	--	--
		6 776 628	--	--

31- 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.

32/1 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 Thousands 10 714 091 and EGP Thousands 3 634 122 respectively. The Company's net exposure in foreign currencies as at the financial position date are as follows:

	Surplus (deficit) EGP Thousands
USD	7 030 414
EURO	3 770
AED	51 155
GBP	(5 962)
CHF	493
SAR	99

The company has used the prevailing exchange rates to reevaluate assets and liabilities at financial position date as disclosed in note (34-1-1) "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 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.

32/2 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.

32/3 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.

32/4 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.

32/5 Financial instruments' fair value

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

32/6 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.

32- Important events:

- On March 6, 2024, the Central Bank of Egypt decided to raise the overnight deposit and lending rates by 600 basis points to reach 27.25% and 28.25%, respectively. Also, the credit and discount rate was raised by also 600 points to reach 27.75 with allowing the use of a flexible exchange rate driven by market mechanisms, which led to an increase in the average official exchange rate of US dollars during the first week of the Central Bank's decision date, to reach between 49 to 50 EGP/USD.

33- Significant accounting policies applied

34-1 Basis of preparation

34-1-1 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.

34-2 Property, plant, and equipment

34-2-1 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.

34-2-2 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.

34-2-3 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.

34-2-4 Re-classification to investment property

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

34-2-5 Intangible assets

Intangible assets are recorded at historical cost less accumulated amortization and any impairment losses (note 34-5), intangible assets are amortized using the straight-line method and are recognized in profit or loss over their estimated useful lives.

34-3 Investments

34-3-1 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 34-5). The impairment value is to be charged to the income statement for every investment individually.

34-3-2 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.

The profits or losses resulting from the disposal of the Investment property (calculated as the difference between the net proceeds from the disposal of the property and the net book value of it) in the profits or losses.

34-4 Financial instruments

34-4-1 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.

34-4-2 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.

34-4-3 Financial assets – Business model assessment

The Company assesses 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.

34-4-4 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.

34-4-5 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.

34-4-6 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.

34-4-7 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.

34-4-8 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.

34-4-9 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.

34-5 Impairment

34-5-1 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.

34-5-2 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.

34-5-3 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.

34-5-4 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.

34-5-5 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.

34-5-6 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.

34-6 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.

34-7 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.

34-8 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.

34-9 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

34-10 Share capital

34-10-1 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.

34-10-2 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.

34-11 Revenues

34-11-1 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.

34-11-2 Dividend income

Dividend income is recognized when declared.

34-11-3 Custody fees

Custody fees are recognized when provide service and issue invoice.

34-11-4 Interest income

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

34-12 Expenses

34-12-1 Borrowing costs

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

34-12-2 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.

34-12-3 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.

34-13 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.

34-14 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.

34-15 Employees benefits

34-15-1 Share based payments

Equity settled transactions

For equity-settled share-based payment transactions, the company measure the services received, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted. The fair value of those equity instruments is measured at grant date.

Vesting conditions, other than market conditions, are taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognized for services received as consideration for the equity instruments granted are based on the number of equity instruments that eventually vest. Hence, on a cumulative basis, no amount is recognized for services received if the equity instruments granted do not vest because of failure to satisfy a vesting condition.

The company recognize an amount for the services received during the vesting period based on the best available estimate of the number of equity instruments expected to vest and revise that estimate, if necessary, if subsequent information indicates that the number of equity instruments expected to vest differs from previous estimates. On vesting date, the entity shall revise the estimate to equal the number of equity instruments that ultimately vested.

34-16 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.

34-16-1 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 Company 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.

34-16-2 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 recognizes lease payments received under operating leases as income on a straight- line basis over the lease term as part of 'other revenue'.

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

35-New Editions and Amendments to Egyptian Accounting Standards:

- On 6 March 2023, the Prime Minister's Decree No. (883) of 2023 was issued amending some provisions of the Egyptian accounting standards, and on 3 March 2024, another decision was issued by the Prime Minister No. (636) of 2024 amending some other provisions of the Egyptian accounting standards.
- On October 23, 2024, the Prime Minister issued Decision No. 3527 of 2024, which introduces and adds the new Egyptian Accounting Standard No. (51) titled "Financial Statements in Hyperinflationary Economies."

and the following is a summary of the most important of those amendments:

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
Egyptian Accounting Standard No. (50) "Insurance Contracts"	1- This standard determines the principles of recognition of insurance contracts falling within the scope of this standard, and determines their measurement, presentation, and disclosure. The objective of the standard is to ensure that the company provides appropriate information that truthfully reflects those contracts. This information provides users of the financial statements with the basis for assessing the impact of insurance contracts on the company's financial position, financial performance, and cash flows. 2- Egyptian Accounting Standard No. (50) replaces and cancels Egyptian Accounting Standard No. 37 "Insurance Contracts".	Management is currently evaluating the potential impact on the financial statements from the application of the standard.	Egyptian Accounting Standard No. (50) is effective for annual financial periods starting **on or after July 1, 2024**, and if the Egyptian Accounting Standard No. (50) shall be applied for an earlier period, the company should disclose that fact.

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	3- Any reference to Egyptian Accounting Standard No. (37) in other Egyptian Accounting Standards to be replaced by Egyptian Accounting Standard No. (50). 4- The following Egyptian Accounting Standards have been amended to comply with the requirements of the application of Egyptian Accounting Standard No. (50) "Insurance Contracts", as follows: − Egyptian Accounting Standard No. (10) "Fixed Assets ". − Egyptian Accounting Standard No. (23) "Intangible Assets". − Egyptian Accounting Standard No. (34) " Investment property".		
Accounting Interpretation No. (2) "Carbon Reduction Certificates"	Carbon Credits Certificates: Are financial instruments subject to trading that represent units for reducing greenhouse gas emissions. Each unit represents one ton of equivalent carbon dioxide emissions, and are issued in favor of the reduction project developer (owner/non-owner), after approval and verification in accordance with internationally recognized	The management is currently studying the financial implications of applying the accounting interpretation to the Company's financial statements.	The application starts on or after the first of January 2025, early adaption is allowed.

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	standards and methodologies for reducing carbon emissions, carried out by verification and certification bodies, whether local or international, registered in the list prepared by the Financial Regulatory Authority "FRA" for this purpose. Companies can use Carbon Credits Certificates to meet voluntary emissions reduction targets to achieve carbon trading or other targets, which are traded on the Voluntary Carbon Market "VCM".		
The new Egyptian Accounting Standard No. (51) "Financial Statements in Hyperinflationary Economies."	1- This standard must be applied to financial statements, including consolidated financial statements for any entity whose functional currency is in an economy classified as hyperinflationary. 2- This standard applies to financial statements, including independent and individual financial statements for any entity whose functional currency is in an economy classified as hyperinflationary. It also applies to any group that has foreign operations, including branches, subsidiaries, sister	The impact on the financial statements has not yet been determined until the application date is specified.	A decision will be issued by the Prime Minister or an authorized representative to specify the start and end dates for the financial period(s) during which this standard must be applied when the functional currency is the local currency, taking into account the following: (a) This standard must be applied to the financial statements of the entity starting from the beginning of the financial period in

New or reissued standards	Summary of the most significant amendments	Potential impact on the financial statements	Effective date
	companies, joint ventures, or others in an economy classified as hyperinflationary. 3- This standard requires the adjustment of financial statements prepared in the currency of a hyperinflationary economy, aiming to provide useful information about the financial position of the entity, its performance, and changes in its financial position for a wide range of users to make economic decisions based on a fair presentation of the financial statements.		which the economy is classified as hyperinflationary. Comparative figures presented in the financial statements must be adjusted in accordance with the requirements of this standard. (b) As an exception to the requirements of paragraph 39 of Egyptian Accounting Standard No. 1, personal estimates may be used when applying this standard for accounting for foreign operations, such as branches, subsidiaries, sister companies, or joint ventures, to determine whether the economy is hyperinflationary. (c) This standard must be applied to all entities whose functional currency is the currency in which the economy has been classified as hyperinflationary.