

**ALUMIL MISR FOR TRADING AND INDUSTRY –
S.A.E
FINANCIAL STATEMENTS
AND AUDITOR'S REPORT
FOR THE YEAR ENDED ON
31 DECEMBER 2020**

INDEPENDENT AUDITOR'S REPORT
ALUMIL MISR FOR TRADING AND INDUSTRY (S.A.E)

Report on the Financial Statements

We have audited the accompanying financial statements of Alumil Misr For Trading and industry – S.A.E., represented in the statements of Financial Position as of 31 December 2020, as well as the related statements of Income, other comprehensive Income, changes in Owners' Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conduct our audit in accordance with Egyptian Standards of Auditing and applicable Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidences about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to a fraud or to an error. In making those risk assessments, the auditor considers internal control that is relevant to the entity's preparation and the fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the evaluation of the overall presentation of the financial statements.

We believe that the audit evidences we have obtained are sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Mohamed A. Zarrouk

Medhat El Salawi - Mohamed M. Zarrouk - Mohie Tabbaa - Refaat Hafez

Hesham Mokhtar - Mohamed El Safoury - Mahmoud Amer

Moomen El Salawi - Mahmoud El Salawi

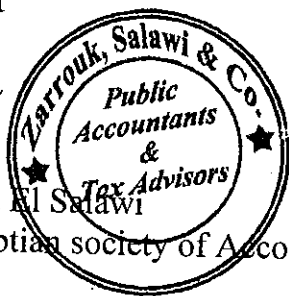
ZARROUK, SALAWI & CO.
PUBLIC ACCOUNTANTS & ADVISORS

Opinion

In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, of the financial position of Alumil Misr For Trading – S.A.E. as of 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with the Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

The company maintains proper accounting records that comply with the laws and the company's articles of association and the financial statements that match with the company's records.

Public Accountant



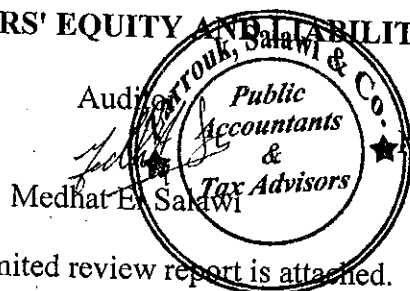
Medhat Mahmoud El Salawi
Fellow of the Egyptian society of Accountants and Auditors
R.A.A. 3554
Zarrouk, Salawi & Co.

Cairo, 11 February 2021

Alumil Misr for Trading and industry- S.A.E.
STATEMENT OF FINANCIAL POSITION
 31 December 2020

in Egyptian pound Translation

ASSETS	<i>Notes</i>	31/12/2020	31/12/2019
NON - CURRENT ASSETS			
Fixed assets – (NET)	3	36 972 179	34 884 273
Projects under construction	4	135 260 706	64 504 512
Long-term investments	5	360 000	330 000
Deferred tax Assets	13	141 199	30 035
Total non - current assets		172 734 084	99 748 820
CURRENT ASSETS			
Inventory	6	43 469 947	39 944 327
Accounts and notes receivable - (NET)	7	92 335 579	42 522 299
Amounts due from related parties	8-A	1 016 625	1 002 975
Debtors and other debit balances	9	10 591 744	8 276 408
Cash on hand and at banks	10	6 604 967	5 604 589
Total current assets		154 018 862	97 350 598
Total assets		326 752 946	197 099 418
OWNERS' EQUITY AND LIABILITIES			
OWNERS' EQUITY			
Paid-up capital	11	6 001 400	6 001 400
Issuance premium		30 334 410	30 334 410
Legal reserve	12	1 000 000	1 000 000
Retained earnings		31 017 666	20 434 848
Net profit for the year		7 501 442	10 839 085
Total owners' equity		75 854 918	68 609 743
NON-CURRENT LIABILITIES			
Long-term installments		1 600 000	4 000 000
Amounts due to related parties – long term	8-B	46 110 482	32 950 482
Non-current part of the loan	16	24 304 057	-
Total non-current liabilities		72 014 539	36 950 482
CURRENT LIABILITIES			
Current part of the loan	16	7 885 664	-
Banks over draft	17	41 898	-
Accounts and notes Payable	14	30 618 383	18 669 885
Creditors and other credit balances	15	9 125 577	5 489 835
Short-term installments		2 400 000	2 400 000
Amounts due to related parties	8-B	125 610 429	61 513 035
Accrued income tax		3 201 538	3 466 438
Total current liabilities		178 883 489	91 539 193
TOTAL OWNERS' EQUITY AND LIABILITIES		326 752 946	197 099 418



Chairman
 Mahmoud Saied Abdelhalem

The Auditor's limited review report is attached.
 The accompanying notes are considered an integrated part of financial statements.

STATEMENT OF INCOME (PROFIT/LOSSES)

For the year ended 31 December 2020

	<i>Notes</i>	<i>31/12/2020</i>	<i>31/12/2019</i>
Net Sales	18	261 219 601	235 320 850
Cost of sales		<u>(202 165 196)</u>	<u>(181 140 570)</u>
Gross profit		59 054 405	54 180 280
Other revenues	19	215 266	114 306
Foreign currency evaluation differences		(7 666 172)	1 687 731
Selling and marketing expenses		(25 247 548)	(14 417 609)
Impairment in inventory		-	(1 259 944)
Decrease in accounts receivable		-	(2 417 390)
Bad Debits		(650 000)	-
General and administrative expenses		(12 731 751)	(22 209 785)
Financing Expenses		(502 270)	-
Fixed Assets Depreciation		<u>(1 880 115)</u>	<u>(1 446 253)</u>
Net profit before Taxes		10 591 815	14 231 336
Income tax		(3 201 537)	(3 466 438)
Deferred tax		111 164	74 187
Net profit for the year after Taxes		<u>7 501 442</u>	<u>10 839 085</u>
Earning per share	20	<u>124,99</u>	<u>180,61</u>

The accompanying notes are considered an integrated part of financial statements.

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2020

	31/12/2020	31/12/2019
Net profit for the year after Taxes	7 501 442	10 839 085
Other comprehensive income	-	-
Total comprehensive income for the year	7 501 442	10 839 085

The accompanying notes are considered an integrated part of financial statements and must read with it.

Alumil Misr for Trading and industry – S.A.E.

in Egyptian pound Translation

STATEMENT OF CHANGES IN OWNERS' EQUITY

For the year ended 31 December 2020

	<i>Paid-up capital</i>	<i>Legal reserve</i>	<i>Issuance premium</i>	<i>Retained earning</i>	<i>Net profit for the year</i>	<i>Total</i>
Balance at 1 January 2019	6 001 400	1 000 000	30 334 410	15 465 683	4 969 165	57 770 658
Transferred to retained earnings	-	-	-	4 969 165	(4 969 165)	-
Net profit for the year 2019	-	-	-	-	10 839 085	10 839 085
Balance at 31 December 2019	6 001 400	1 000 000	30 334 410	20 434 848	10 839 085	68 609 743
Balance at 1 January 2020	6 001 400	1 000 000	30 334 410	20 434 848	10 839 085	68 609 743
Transferred to retained earnings	-	-	-	10 839 085	(10 839 085)	-
Retained Earnings Adjustments	-	-	-	(256 267)	-	(256 267)
Net profit for the year 2020	-	-	-	-	7 501 442	7 501 442
Balance at 31 December 2020	6 001 400	1 000 000	30 334 410	31 017 666	7 501 442	75 854 918

The accompanying notes are considered an integrated part of financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	<i>Notes</i>	31/12/2020	31/12/2019
OPERATING ACTIVITIES			
Net profit before taxes		10 591 815	14 231 336
<i>Adjustments:</i>			
Fixed assets Depreciation		1 880 115	1 446 253
Capital gains		(202 076)	(80 000)
Impairment in inventory		-	1 259 944
Decrease in account receivables		-	2 417 390
Foreign currency evaluation differences		7 666 172	(1 687 731)
Adjustments on Retained Earnings		(256 267)	-
		<u>19 679 759</u>	<u>17 587 192</u>
Changes in:			
Inventory		(3 525 620)	(9 965 040)
Accounts and notes receivable		(49 813 280)	(5 397 009)
Amounts due from related parties		(13 650)	(1 350)
Debtors and other debit balances		(2 315 336)	(13 690 525)
Accounts and notes payable		11 948 498	(5 603 428)
Creditors and other credit balance		3 635 743	(1 624 567)
Amounts due to related parties		64 097 394	27 609 776
Paid income tax		(3 466 438)	(1 099 022)
Net cash flows generated from operating activities		<u>49 411 870</u>	<u>7 816 027</u>
INVESTING ACTIVITIES			
(Payments) to purchase fixed assets		(4 150 945)	(891 916)
Receipts From Sale of fixed assets		385 000	80 000
Projects under construction		(70 756 194)	(36 233 707)
Short-term installments		-	(3 247 516)
Long-term installments		(2 400 000)	4 000 000
Net cash flows (used in) investing activities		<u>(76 952 139)</u>	<u>(36 293 139)</u>
FINANCING ACTIVITIES			
Bank overdraft		41 898	-
Amounts due to related parties – long term		13 130 000	27 933 925
Current part of the loan		7 885 664	-
Non-current part of the loan		27 599 827	-
Paid from loan		(3 295 770)	-
Net cash flows generated from financing activities		<u>45 361 619</u>	<u>27 933 925</u>
Change in cash and cash equivalents		8 666 550	(543 187)
Foreign currency evaluation differences		(7 666 172)	1 687 731
Cash and cash equivalents at beginning of the year		5 604 589	4 460 045
Cash and cash equivalents at the end of the year		<u>6 604 967</u>	<u>5 604 589</u>

NON-MONATERY TRANSACTIONS

The investments in the fellow companies (Alumil Egypt Co. for aluminum machinery & accessories) had been increased by an amount of 30 000 EGP through the related parties.

The accompanying notes are considered an integrated part of financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

1. ACTIVITIES

Alumil Misr for Trading – S.A.E. was formed under the provision of law No. 159 for the year 1981 and its executive regulations, in accordance with the certificate of incorporation no. 1050 in 4 June 2007 issued from The General Authority for Investment and Free Zones.

Duration: 25 Years starting from 20/02/2007 to 19/02/2032

The purpose of the company:

- _ Trading, importing, exporting, supplying and commercial agencies.
- _ Establishing and operating a factory to manufacture aluminum bars and its accessories in all forms and kinds (except for manufacturing aluminum).
- _ Painting and fixing aluminum bars, and aluminum paints (with electrostatic).

Headquarter Office: 104, Omar Ibn El-Khattab St., Misr El-Gdeeda.

Company's factory location: land no.76 1st zone (el-motawreen) – north expansions – 6th of October – Giza.

Currency: Egyptian pound.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared according to the Egyptian Accounting Standards, based on the following accounting policies .

a) Basis of Measurement

The financial statements are prepared at a historical cost convention except for the assets and liabilities which are measured at fair value, According to the EAS and regarding the related Egyptian standards and laws.

b) Using Estimations and Assumptions

The financial statements have been prepared in accordance with to the Egyptian Accounting Standards which require the management to use personal judgment and to make estimations and assumptions that affect the reported amounts of assets and liabilities, also the reported amounts of revenue and expenses, These estimations and assumptions depend on the historical experience and on other factors, the management sees it reasonable under the circumstances and the current events, which are considered the basis in determining the book value of the assets and liabilities, and the actual results that may differ from these estimations.

These estimations and assumptions are reviewed on a going basis. Any differences in accounting estimates are recognized in the year that had been reviewed only. If the effect is on the year had been reviewed and on the future years, then the differences are recognized in this year and in the future years.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES – Continued**c) Fixed Assets**

- Fixed assets are recorded at historical cost at the date of acquisition, including all expenditures on the asset until the asset is ready for usage.
- When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately in income to its recoverable amount.
- Gains and losses of the disposals are determined by comparing proceeds with the carrying amount of the asset and are included in income statement.
- Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.
- The cost of major renovations is included in the carrying amount of the asset when it is probable that the future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset or the estimated useful life of the renovation, whichever is less.
- When replacing any major components of the fixed assets, they are accounted for as separate fixed assets because their estimated useful lives differ from the estimated useful life of the original asset and the renewed or the replaced assets' value are disposed from accounting records.

d) Depreciation

Depreciation is calculated using the straight line method, over their estimated useful lives. Depreciation of an asset begins when it is ready for usage.

- a) The estimated useful lives of the fixed assets for the calculation of depreciation are as follows:

Building	10	Years
Lease-hold improvements	5	Years
Computers	5	Years
Vehicles	5	Years
Furniture	5	Years
Tools	5	Years
Show room	5	Years

e) Projects under constructions

This item is represented in the amount that are spent in the construction or in the purchase of fixed assets until they are ready for use, then the cost is transferred to the fixed assets. Projects under construction are measured using the cost after deducting the accumulated of impairment in value, no depreciation is charged until the project is completed and transferred to the fixed assets.

f) In associates investments

Associates are the subsidiaries of the parent company and there is no direct control over the company. Investments in associates are carried at cost and if there is any impairment in value, the carrying amount of the impairment loss is adjusted to the statement of income for each investment.

g) Inventory

Inventory is valued at the lower of average cost or net realizable value. The cost is determined by using the weighted average method.

h) Foreign Currencies

Transactions in foreign currencies are recorded in Egyptian pounds at the rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

2. SIGNIFICANT ACCOUNTING POLICIES – Continued**i) Revenue Recognition**

Revenue represents the company's issued bills for the sold goods during the year. Credit interest is recorded on a timely basis taking into consideration the target interest rate on the asset.

j) Cash and Cash Equivalents

The statement of cash flows is prepared using the indirect method. Cash and cash equivalents in the statement of cash flows consist of cash on hand, bank balances, bank over drafts and time deposits due within three months from the balance sheet date.

k) Accounts, Notes Receivable and Other Debtors

Accounts and notes receivable, and debtors are recorded with its nominal value net of an allowance for any uncollectible amounts (allowance for doubtful debts) These anticipated uncollectible amounts are included in the light of its best assessment in the statement of income.

l) Creditors and Suppliers

Creditors and suppliers are recorded at cost on the balance sheet date.

m) Taxation

Taxation is provided in accordance to the Egyptian fiscal tax regulations.

n) Deferred Tax

Deferred taxes are recognized on temporary differences arising between the carrying amount of assets and liabilities in the balance sheet, and the tax base of assets and liabilities. Deferred tax is measured at enacted tax rates expected to apply when the deferred tax asset is realized or liability is settled. Deferred income tax asset is recognized the extent that is probable future income will be subjected to tax in which the asset can be used to reduce the deferred income tax with the portion predicted of the unutilized asset within the future years.

Alumil Misr for Trading and Industry – S.A.E.
NOTES TO THE FINANCIAL STATEMENTS
 31 December 2020

in Egyptian pound Translation

3. FIXED ASSETS (NET)

	Land	building	Lease-hold improvements	Showroom	Computers & software	Vehicles	Furniture	Tools	Total
Cost									
At 1 January 2019	29 979 740	1 315 345	2 272 633	1 214 256	1 333 145	1 285 877	440 327	79 116	37 920 439
Additions during the year	-	-	-	-	317 033	286 842	265 532	22 509	891 916
Disposals	-	-	-	-	-	(83 000)	-	-	(83 000)
At 31 December 2019	29 979 740	1 315 345	2 272 633	1 214 256	1 650 178	1 489 719	705 859	101 625	38 729 355
Depreciation									
At 1 January 2019	-	142 496	1 058 411	-	550 774	492 038	207 240	30 870	2 481 829
Charge for the year	-	131 535	421 775	242 851	284 688	241 270	108 254	15 880	1 446 253
Disposals	-	-	-	-	-	(83 000)	-	-	(83 000)
At 31 December 2019	-	274 031	1 480 186	242 851	835 462	650 308	315 494	46 750	3 845 082
Net book value									
At 31 December 2019	29 979 740	1 041 314	792 447	971 405	814 716	839 411	390 365	54 875	34 884 273
Cost									
At 1 January 2020	29 979 740	1 315 345	2 272 633	1 214 256	1 650 178	1 489 719	705 859	101 625	38 729 355
Additions during the year	-	-	2 374 288	-	186 723	908 333	670 329	11 272	4 150 945
Disposals	-	-	-	-	-	(398 807)	-	-	(398 807)
At 31 December 2020	29 979 740	1 315 345	4 646 921	1 214 256	1 836 901	1 999 245	1 376 188	112 897	42 481 493
Depreciation									
At 1 January 2020	-	274 031	1 480 186	242 851	835 462	650 308	315 494	46 750	3 845 082
Charge for the year	-	131 535	618 078	242 851	309 351	343 994	214 622	19 684	1 880 115
Disposals	-	-	-	-	-	(215 883)	-	-	(215 883)
At 31 December 2020	-	405 566	2 098 264	485 702	1 144 813	778 419	530 116	66 434	5 509 314
Net book value									
At 31 December 2020	29 979 740	909 779	2 548 657	728 554	692 088	1 220 826	846 072	46 463	36 972 179

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

4. Projects under construction

	<i>31/12/2020</i>	<i>31/12/2019</i>
Factory buildings under construction	80 251 553	55 319 744
Machines under preparation and installation	55 009 153	9 184 768
	<u>135 260 706</u>	<u>64 504 512</u>

5. Investments In associates

	<i>Contribution Percentage</i>	<i>No. of shares</i>	<i>31/12/2020</i>	<i>31/12/2019</i>
Alumil misr for manufacturing aluminum bars and accessories	1%	330	360 000	330 000
			<u>360 000</u>	<u>330 000</u>

6. INVENTORY

	<i>31/12/2020</i>	<i>31/12/2019</i>
Aluminum bars	16 162 975	29 204 682
Aluminum accessories	16 659 302	9 402 255
Goods in transit	10 647 670	1 337 390
	<u>43 469 947</u>	<u>39 944 327</u>

7. ACCOUNTS AND NOTES RECEIVABLES

	<i>31/12/2020</i>	<i>31/12/2019</i>
Accounts receivable	49 139 004	32 293 686
Notes receivable	45 656 513	12 688 551
Impairment in accounts and notes receivable	(2 459 938)	(2 459 938)
	<u>92 335 579</u>	<u>42 522 299</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

8. RELATED PARTIES TRANSACTIONS

Regarding the preparation of financial statements, the party is considered a party if it has the ability to control or it has an effective direct or indirect influence in taking financial and operating decisions or vice versa. In case the company and the other party were under a joint venture control from individuals or other companies.

Transactions with Related Parties included in financial statements are as follows :

8.A AMOUNTS DUE FROM RELATED PARTIES

	Relation Type	Transaction Nature	Amounts of transactions		Balances in	
			31/12/2020	31/12/2019	31/12/2020	31/12/2019
Egyptian Company for Aluminum Trading	Shareholder	Financing	13 650	1 350	1 016 625	1 002
			<u>13 650</u>	<u>1 350</u>	<u>1 016 625</u>	<u>1 002</u>

8.B AMOUNTS DUE TO RELATED PARTIES

	Relation Type	Transaction Nature	Amounts of transactions		Balances in	
			31/12/2020	31/12/019	31/12/2020	31/12/019
Alumil Aluminum - S.A	Associates	Purchases	64 097 394	27 609 772	125 610 429	61 513 035
Alumil Misr for industry	Shareholder	Financing	13 160 000	27 933 925	46 110 482	32 950 482
			<u>77 257 394</u>	<u>55 543 697</u>	<u>171 720 911</u>	<u>94 463 517</u>

9. DEBTORS AND OTHER DEBIT BALANCES

	31/12/2020	31/12/2019
Suppliers - advance payments	6 313 430	4 900 338
Deposits With others	509 720	406 720
Custodies and advances	277 416	267 765
Withholding Tax - debit	1 778 693	1 279 677
Guarantee checks - suppliers	1 162 500	1 162 500
Prepaid expenses	549 985	259 408
	<u>10 591 744</u>	<u>8 276 408</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

10 CASH ON HAND AND AT BANKS

	31/12/2020	31/12/2019
Cash on hand	32 400	23 251
Bank current accounts :-		
Banks – EGP	6 013 052	5 440 935
Banks – Foreign currency	559 515	140 404
	<u>6 604 967</u>	<u>5 604 590</u>

11. CAPITAL

	31/12/2020	31/12/2019
Authorized Capital	<u>20 000 0000</u>	<u>20 000 0000</u>
Issued capital (Distributed on 60,014 shares instead of 20,000 shares in 31/12/2016 with Par value 100 L.E. per share)	6 001 400	6 001 400
Paid-up capital	<u>6 001 400</u>	<u>6 001 400</u>

#	Name	Nationality	Description	No. of shares	Par value in EGP
1	Egyptian Company for Aluminum Trade	Egyptian	Founder	29 357	2 935 700
2	Mr. Athnasus Pananoas	Greek	Founder	50	5 000
3	Alumil Misr for Manufacturing Aluminum & Accessories	Egyptian	Founder	30 607	3 060 700
				60 014	6 001 400

- In accordance with the extra ordinary general assembly held on 11/7/2017. It is agreed on issued capital increase by EGP 500,000. Shares are to be issued at a fair value amounted EGP 1564.44. The excess over the par value represents the additional paid in capital value which would increase the company's capital to EGP 2,500,000 and the additional paid in capital to EGP 7,322,200. The full amount was paid in cash by a bank deposit certificate and the increase was registered in the company's commercial register on 30/7/2017.
- In accordance with the decree of the Board of Directors meeting held on 30/7/2017, the issued capital increase by EGP 570,000 was approved. Shares are to be issued at a fair value amounted EGP 1564.44. The excess over the par value represents the additional paid in capital value which would increase the company's capital to EGP 3,070,000 and the additional paid in capital to EGP 8,347,308. The full amount was paid in cash by a bank deposit certificate and the increase was registered in the company's commercial register on 15/8/2017.
- In accordance with the decree of the Board of Directors meeting held on 16/8/2017, the issued capital increase by EGP 1,930,000 was approved. Shares are to be issued at a fair value amounted EGP 100 per share which would increase the company's capital to EGP 5,000,000. The full amount was paid in cash by a bank deposit certificate and the increase was registered in the company's commercial register on 29/8/2017.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

- In accordance with the decree of the Board of Directors meeting held on 30/8/2017, the issued capital increase by EGP 501,400 was approved. Shares are to be issued at fair value amounted EGP 1564.44. The excess over the par value represents the additional paid in capital value which would increase the company's capital to EGP 5,501,400 and the additional paid in capital to EGP 7,342,702. The full amount was paid in cash by a bank deposit certificate and the increase was registered in the company's commercial register on 9/10/2017.
- In accordance with the decree of the Board of Directors meeting held on 10/10/2017, the issued capital increase by EGP 500,000 was approved. Shares are to be issued at a fair value amounted to EGP 1564.44. The excess over the par value represents the additional paid in capital value which would increase the company's capital to EGP 6,001,400 and the additional paid in capital to EGP 7,322,200. The full amount was paid in cash by a bank deposit certificate and the increase was registered in the company's commercial register on 24/10/2017.

12. LEGAL RESERVE

In accordance with the company's Article of Association 5% of the net profit for the year is transferred to the statutory reserve. The company may decide to discontinue these transfers when the statutory reserve reaches 50 % of the issued share capital.

13. DEFERRED TAX

	31/12/2020		31/12/2019	
	<i>Asset</i>	<i>Liability</i>	<i>Asset</i>	<i>Liability</i>
Fixed assets (net book value)	141 199	-	30 035	-
Net deferred tax asset / (liability)	<u>141 199</u>	<u>-</u>	<u>30 035</u>	<u>-</u>

14. ACCOUNTS AND NOTES PAYABLE

	31/12/2020	31/12/2019
Accounts payable	1 986 368	2 079 114
Notes payable	28 632 015	16 590 771
	<u>30 618 383</u>	<u>18 669 885</u>

15. CREDITORS AND OTHER CREDIT BALANCES

	31/12/2020	31/12/2019
Accounts receivable – Advance payments	5 372 452	2 911 186
Accrued expenses	393 087	1 487 722
Accrued takaful contribution expense	1 241 835	587 510
Tax authority – Payroll Tax	553 487	226 690
Withholding Tax – Suppliers	511 823	381 563
Tax authority – Value Added Tax	560 213	(225 519)
Social insurance authority	492 680	120 683
	<u>9 125 577</u>	<u>5 489 835</u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 2020

16. LONG –TERM LOANS

On 14 March 2020 Alumil company for trading and industry had signed a medium term financing contract with Cairo bank amounted to L.E 40 million and this finance had been granted in order to refinance the documentary credit relating to the paint importing production line amounted to 2.560 million Euro in addition to financing taxes and customs related to documentary credit. Loan is used in installments covering the documentary credit documents with the direct transferring to the foreign supplier.

Residual value of the loan is used after settlement the production line amount with all related taxes and customs, with maximum 14% of the asset amount.

Time Duration, Settlement and Grace period

Loan time duration is five years including the grace period which is six months starting from the first payment to the foreign supplier – availability period is four months from credit approval on 14/3/2020, Funding principal amount is settled on equal quarter installments with total of 19 quarter installments, the first installment is accrued at the first day following the end of the grace period on 15/9/2020.

Guarantees

The company is obliged to provide a guarantee that it will not disposing of the project or the funded asset, according to the contract.

The company should assure that all the financial and commercial documents, cash deposits, Cairo bank certificate deposits, valuable minerals, cash, inventories, and other transferred cash either it is currently deposits or it will be deposits in the future to the bank is considered as frozen cash cover mortgaged under control of the Cairo bank as guarantee to cover the financing settlement related to the contract until fully paid with no need for any additional procedure.

	<i>31/12/2020</i>	<i>31/12/2019</i>
Loan amount	35 485 491	
Non-current part of the loan	27 599 827	-
Paid from the loan	(3 295 770)	-
Current part of the loan	7 885 664	
	32 189 721	-

17. BANKS OVER DRAFT

On 14 March 2020 Alumil Company for trading and industry had signed facilitating contract with credit current account with Cairo bank with maximum L.E 10 million the facilitating period ends on 30 November 2020.

Facilitates purpose

The facilitate issued to refinance 100% of importing transaction for raw materials , accessories , aluminum bars and spare parts relating to its activities represented in documentary credits, import documents collecting fees.

Settlement

150 days from date of document trading including supplier facilitate.

	<i>31/12/2020</i>	<i>31/12/2019</i>
Cairo bank –over draft	41 898	-
	41 898	-

NOTES TO THE FINANCIAL STATEMENTS

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18. SALES

	<i>31/12/2020</i>	<i>31/12/2019</i>
Aluminum net Sales	210 675 058	187 568 174
Accessories net Sales	61 347 335	49 931 329
	<u>272 022 393</u>	<u>237 499 503</u>
Allowed Discount	(10 802 792)	(2 178 653)
	<u>261 219 601</u>	<u>235 320 850</u>

19. OTHER REVENUES

	<i>31/12/2020</i>	<i>31/12/2019</i>
Credit interests	13 190	34 306
Capital gain	202 076	80 000
	<u>215 266</u>	<u>114 306</u>

20. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit for the year available to number common shareholders during the year as follows:

	<i>31/12/2020</i>	<i>31/12/2019</i>
Net profit for the year	7 501 442	10 839 085
Shares Number	60 014	60 014
Earnings per Share	<u>124,99</u>	<u>180,61</u>

21. TAX POSITION**First: Corporate income tax**

- The company submits its income tax returns on the legal due basis.
- The company has been inspected since the beginning of the activity till 2012, adjustments were made with the tax authority and the differences were settled .

Second: Payroll tax

- The company makes payments under the account of the payroll tax.
- The company has been inspected since the beginning of the activity till 2013, adjustments were made with the tax authority and the differences were settled .

Third: Stamp Tax

- The company has not received any templates for stamp taxes up till now.

Fourth: Value added Tax

- the company was inspected from the beginning of activity till 31 December 2017, adjustments were made with the tax authority and the differences were settled .
- There are no disputes with tax and social insurance authority.

Fifth: Withholding tax

- The company wasn't inspected from the beginning of activity up till now.

Sixth: Social Insurance

- The Company makes payments under the account of Social Insurance Authority.

NOTES TO THE FINANCIAL STATEMENTS

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22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The financial instruments are represented in the company's monetary assets and liabilities. The monetary assets include bank balances, accounts receivable, and items with monetary nature in the debtors and other debit balances section.

The monetary liabilities includes Accounts and notes payable and monetary items in creditors and other credit balances section.

Generally, the company's management follows certain financial risk management's policies as the carrying amount of the company's assets and liabilities are not materially different from their fair value at the balance sheet date.

a) Credit risk

Credit risk represents the risk of the inability of the company's clients to settle their liabilities due to the company at the date of maturity.

The company mitigates this risk by performing regular follow up with their debtors.

b) Foreign currency risk

Foreign currency risk represents the risk from fluctuation of foreign currency exchange rates which affect the cash inflows and outflows in foreign currencies, as well as the valuation of assets and liabilities in foreign currencies.

c) Liquidity Risk

Liquidity risk represents the risk of the company's disability to meet its obligations as they come due. According to the company's policy's, it seeks keeping an appropriate liquidity level to reduce such risks.

In general, the company's financial risk management's policies work for reducing the negative effects of these risks on the company's financial performance.

23. COMPARATIVE FIGURES

The prior year figures were re-presented to match current years presentation.

NOTES TO THE FINANCIAL STATEMENTS

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24 SIGNIFICANT EVENTS**Corona (covid-19) Pandemic**

The Corona (covid-19) pandemic has spread in most geographic areas around the world, causing a disturbance in economic activity.

The financial institutions, both local & international, have declared full provisions of different sorts of support and back-ups around the world in order to face the possible negative effects of this pandemic. The company has taken all the needed procedures concerning the company's activities, employees. The company's management has taken all necessary procedures needed in order to guarantee the company's activities going concern.

The followed procedures included: working from home as much as possible, taking all necessary precautions needed to guarantee the employees safety during the pandemic. In this unclear business environment, the performance of the company had been affected by a decrease in prices and sales volume during within the current period compared to the same period in 2019. The company is planning to make a primary study in order to review and evaluate the potential risks which are related to the supply chain of raw materials, human resources, current inventory levels and to insure of the continuity operating the company's utilities with no interruptions.

The company will take into consideration, the potential impact due to current economic changes in determining financial and non-financial assets amounts, and this is considered to be the best management's assumption based on the current provided information.

The company's management will make an evaluation of its ability in continuity according to the going concern basis. The management believes that it has the potential and the sufficient resources to keep going in the coming future. Moreover, the company doesn't have any major doubts in its ability to continue according to the going concern basis.

- **Postponing the implementation of the new Egyptian Accounting Standards (EAS)**

On 18/3/2019, the minister of Investment and International Cooperation has released decision no. (69) for the year 2019, to add and to adjust some Egyptian Accounting Standards (EAS) that have been authorized by the minister of Investment no. (110) for the year 2015 that these standards are to be applied starting from the beginning of 1/1/2020, and regarding the current circumstances of the Corona (covid-19) pandemic and its effects on the economic, financial aspects, the Egyptian Accounting Standards committee has been held and agreed upon postponing the application of the adjustments referred to above, on the periodic financial statements, therefore the application of the Egyptian Accounting Standards has been postponed for the year starting 2021, according to the decision of the prime minister no (1874) for the year 2020.