

**IKON INVESTMENT HOLDINGS LTD**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2020**

**IKON INVESTMENT HOLDINGS LTD****FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**IKON INVESTMENT HOLDINGS LTD****CORPORATE DATA**

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		<b>Date of appointment</b>
<b>DIRECTORS</b>	Resmah Bibi Mandary Rajendraprasad Sitaram Somani Nitin Dhawan Khalil Peerbocus	25 May 2015 28 December 2016 28 December 2016 24 April 2020
<b>ADMINISTRATOR, SECRETARY &amp; TAX AGENT</b>	SANNE Mauritius Sanne House Bank Street TwentyEight, Cybercity Ebene 72201 Mauritius	
<b>REGISTERED OFFICE</b>	Sanne House Bank Street TwentyEight, Cybercity Ebene 72201 Mauritius	
<b>AUDITORS</b>	Nexia Baker & Arenson Chartered Accountants 5 <sup>th</sup> Floor, C&R Court 49, Labourdonnais Street Port Louis Mauritius	
<b>BANKER</b>	SBM Bank (Mauritius) Ltd 9 <sup>th</sup> Floor, SBM Tower Port Louis Mauritius	

## **IKON INVESTMENT HOLDINGS LTD**

### **COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their commentary and the audited financial statements of **Ikon Investment Holdings Ltd** (the “Company”) for the year ended 31 December 2020.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Company is to hold investments. The Company holds investment in Nile Egypt Plastech Industries S.A.E. ("Nile"), a company having its registered office at 28, Degla St., Off Shehab St., Mohandesseen, Giza, Egypt.

#### **RESULTS**

The results for the year ended 31 December 2020 are shown in the statement of profit or loss and other comprehensive income and related notes.

#### **DIRECTORS**

The present membership of the Board is set out on page 2.

#### **DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS**

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance and cash flows of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors have confirmed that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **AUDITORS**

The auditors, **Nexia Baker & Arenson**, have indicated their willingness to continue in office until the next Annual Meeting.

**CERTIFICATE FROM THE SECRETARY UNDER SECTION 166 (d) OF THE MAURITIUS COMPANIES ACT 2001**

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of **Ikon Investment Holdings Ltd** under the Mauritius Companies Act 2001 for the year ended 31 December 2020.

*Dr Rajabalee*

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**For SANNE Mauritius  
Secretary**

**Registered Office:**

Sanne House  
Bank Street  
TwentyEight, Cybercity  
Ebene 72201  
Mauritius

**Date: 2 July 2021**

## INDEPENDENT AUDITORS' REPORT

**To the shareholder of Ikon Investment Holdings Ltd**

### **Report on the Financial Statements**

#### ***Opinion***

We have audited the financial statements of **Ikon Investment Holdings Ltd** (the Company), set out on pages 8 to 29 which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

#### ***Basis for Opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants (IESBA Code), Code of Ethics for Professional Accountants, and we have fulfilled our other ethical responsibilities in accordance with IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Material Uncertainty Related to Going Concern***

We draw attention to note 18 of the financial statements concerning the Company's ability to continue as going concern. The Company incurred a loss of USD411,075 during the year ended 31 December 2020 and as at that date the Company's total liabilities exceeded its total assets by USD3,860,812. The shareholder of the Company has undertaken to provide financial support to the Company, so as to enable it to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis. Our opinion is not modified in respect of this matter.

#### ***Other Information***

The directors are responsible for the other information. The other information comprises the Commentary of the Directors and the Certificate from the Secretary. The other information does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITORS' REPORT**

**To the shareholder of Ikon Investment Holdings Ltd**

**Report on the Financial Statements (continued)**

### ***Directors' Responsibilities for the Financial Statements***

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and in compliance with the requirements of the Mauritius Companies Act 2001, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also,

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

## INDEPENDENT AUDITORS' REPORT

**To the shareholder of Ikon Investment Holdings Ltd**

**Report on the Financial Statements (continued)**

*Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### *Other Matter*

This report is made solely to the Company's shareholder, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder, as a body, those matters that we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, as a body, for our audit work, for this report, or for the opinions we have formed.

### **Report on Other Legal and Regulatory Requirements**

#### *Mauritius Companies Act 2001*

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

.....  
**Nexia Baker & Arenson**  
**Chartered Accountants**

.....  
**Nitin Kumar Sobnack FCCA**  
**Licensed by FRC**

**Date:**.....

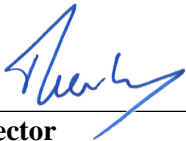


## IKON INVESTMENT HOLDINGS LTD

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	<u>Notes</u>	<u>2020</u> USD	<u>2019</u> USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in associated company	5	1,324,840	1,353,278
Share application monies	6	<u>52,398</u>	<u>52,398</u>
		<u>1,377,238</u>	<u>1,405,676</u>
<b>Current assets</b>			
Loans to related parties	11(a)	6,959,000	6,959,000
Receivables and prepayments	7	4,536,168	4,020,518
Cash and cash equivalents		<u>11,649</u>	<u>3,935</u>
		<u>11,506,817</u>	<u>10,983,453</u>
<b>Total assets</b>		<u><u>12,884,055</u></u>	<u><u>12,389,129</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserve</b>			
Stated capital	8	364,450	364,450
Revenue deficit		<u>(4,225,262)</u>	<u>(3,814,187)</u>
		<u>(3,860,812)</u>	<u>(3,449,737)</u>
<b>Current liabilities</b>			
Loans from related parties	11(b)	11,634,500	11,614,500
Loan from third party	12	649,975	649,975
Payables and accruals	10	<u>4,460,392</u>	<u>3,574,391</u>
		<u>16,744,867</u>	<u>15,838,866</u>
<b>Total equity and liabilities</b>		<u><u>12,884,055</u></u>	<u><u>12,389,129</u></u>

These financial statements have been approved by the Board of Directors on 2 July 2021 and signed on its behalf by:

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Director

The notes on pages 12 to 29 form an integral part of these financial statements  
 Auditors' report on pages 5 to 7.

## IKON INVESTMENT HOLDINGS LTD

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Notes</u>	<u>2020</u> USD	<u>2019</u> USD
<b>Income</b>			
Interest income	11(a)	<u>516,400</u>	<u>516,400</u>
<b>Expenses</b>			
Interest expense	11(b) & 12	885,000	885,000
Professional fees		9,200	9,800
Licence fees		2,300	2,200
Audit fees		2,124	1,962
Bank charges		340	2,624
Other charges		73	789
Expected credit loss	11(a)	-	871,000
		<u>899,037</u>	<u>1,773,375</u>
<b>Operating loss for the year</b>		<b>(382,637)</b>	<b>(1,256,975)</b>
Share of loss of associated company	5	<b>(28,438)</b>	<b>(212,326)</b>
<b>Loss before taxation</b>		<b>(411,075)</b>	<b>(1,469,301)</b>
Taxation	9	-	-
<b>Loss for the year</b>		<b>(411,075)</b>	<b>(1,469,301)</b>
Other comprehensive income			
<b>Total comprehensive loss for the year</b>		<b>(411,075)</b>	<b>(1,469,301)</b>

The notes on pages 12 to 29 form an integral part of these financial statements.  
Auditors' report on pages 5 to 7.

## IKON INVESTMENT HOLDINGS LTD

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

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	<u>Stated capital</u>	<u>Revenue deficit</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
At 1 January 2019	364,450	(2,344,886)	(1,980,436)
Total comprehensive loss for the year	-	(1,469,301)	(1,469,301)
At 31 December 2019	<u>364,450</u>	<u>(3,814,187)</u>	<u>(3,449,737)</u>
Total comprehensive loss for the year	-	(411,075)	(411,075)
<b>At 31 December 2020</b>	<b><u>364,450</u></b>	<b><u>(4,225,262)</u></b>	<b><u>(3,860,812)</u></b>

The notes on pages 12 to 29 form an integral part of these financial statements  
Auditors' report on pages 5 to 7.

## IKON INVESTMENT HOLDINGS LTD

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		<u>USD</u>	<u>USD</u>
<b>Cash flows from operating activities</b>			
Operating loss for the year		(411,075)	(1,469,301)
<i>Adjustments for:</i>			
Expected credit loss	11(a)	-	871,000
Share of loss of associated company	5	28,438	212,326
Interest income	11(a)	(516,400)	(516,400)
Interest expense	11(b)&12	885,000	885,000
<b>Operating loss before working capital changes</b>		<u>(14,037)</u>	<u>(17,375)</u>
Decrease in receivables and prepayments		750	100
Increase/(decrease) in payables and accruals		1,001	(77)
<b>Net cash used in operating activities</b>		<u>(12,286)</u>	<u>(17,352)</u>
<b>Cash flows from financing activity</b>			
Loan from related parties	11(b)	20,000	20,000
<b>Net cash from financing activity</b>		<u>20,000</u>	<u>20,000</u>
<b>Net increase in cash and cash equivalents</b>		<b>7,714</b>	2,448
Cash and cash equivalents at beginning of the year		<b>3,935</b>	1,487
<b>Cash and cash equivalents at end of the year</b>		<u><u>11,649</u></u>	<u><u>3,935</u></u>

The notes on pages 12 to 29 form an integral part of these financial statements  
Auditors' report on pages 5 to 7.

**IKON INVESTMENT HOLDINGS LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

The Company was incorporated in Mauritius under the Companies Act 2001 on 8 March 2010 as a private company limited by shares and holds a Global Business Corporation issued by the Financial Services Commission. The address of the Company's registered office is Sanne House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Mauritius.

The principal activity of the Company is to hold investments. The Company currently holds investment in Nile Egypt Plastech Industries S.A.E. ("Nile"), an associated company having its registered office at 28, Degla St., Off Shehab St., Mohandesseen, Giza, Egypt. The Company also provides loans to its related parties on a need arising basis.

The financial statements of the Company are presented in United States Dollar ("USD"), the currency of the primary economic environment in which the Company operates.

**2. Basis of preparation****(a) Statement of compliance**

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and comply with Mauritius Companies Act 2001.

**(b) Basis of measurement**

The financial statements are prepared on a historical cost basis.

**(c) Functional and presentation currency**

The Company's functional and presentation currency is USD and all values are rounded to the nearest Dollar. USD is the currency of the primary economic environment in which it operates and the Company's performance is evaluated and its liquidity is managed in USD.

**3. Accounting policies****(a) New standards and amendments – applicable 1 January 2020**

In the current year, the Company has applied the below amendments to IFRS Standards and Interpretations issued by the Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

**IKON INVESTMENT HOLDINGS LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**3. Accounting policies (continued)****(a) New standards and amendments – applicable 1 January 2020 (continued)****Definition of Material – Amendments to IAS 1 and IAS 8**

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of ‘primary users of general purpose financial statements’ to whom those financial statements are directed, by defining them as ‘existing and potential investors, lenders and other creditors’ that must rely on general purpose financial statements for much of the financial information they need.

**Revised Conceptual Framework for Financial Reporting**

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect.

Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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## 3. Accounting policies (continued)

(b) New and revised IFRS Standards in issue but not yet effective (continued)**Amendments to IAS 1 – Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of ‘settlement’ to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

(c) Revenue recognition

Interest income is accounted for in the year in which it is receivable unless collectability is in doubt.

(d) Expense recognition

All expenses are accounted for in the statement of profit or loss and other comprehensive income on the accrual basis.

(e) Foreign currency transactions*Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The financial statements of the Company are presented in United States Dollars (“USD”), which is the functional currency of the Company.

Management has determined the functional currency of the Company to be USD. In making this judgement, management evaluates among other factors, the regulatory and competitive environment, the denomination of subscription/buyback of the fee structure as well as the economic environment in which the financial assets of the Company are invested and in particular, the economic environment of the investors.

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**3. Accounting policies (continued)****(e) Foreign currency transactions (continued)***Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of the period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

**(f) Financial instruments**

Financial instruments carried on the statement of financial position include loans to related parties, receivables, cash and cash equivalents, loans from related parties, loan from third party and payables and accruals. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

*Financial assets measured at amortised cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order 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. The Company includes in this category loans to related parties, receivables and cash and cash equivalents.

*Financial liabilities measured at amortised cost*

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Company includes in this category loans from related parties, loan from third party and payables and accruals.

**(g) Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank. Cash equivalents are short term and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant amount of change in value.

**(h) Stated capital**

Ordinary shares are classified as equity.



## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**3. Accounting policies (continued)****(i) Related parties**

Related parties are individuals and companies where the individual or Company has the ability, directly or indirectly, to control the other party in making financial and operating decisions.

**(j) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. At the time of the effective payment, the provision is deducted from the corresponding expenses.

**(k) Deferred taxation**

Deferred taxation is provided, using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Currently enacted tax rates are used to determine deferred tax. The principal temporary difference arises from tax losses carried forward. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

**(l) Loans receivable**

Loans receivable are financial assets with fixed or predeterminable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans receivables are measured at amortised cost using the effective interest method, less any expected losses.

**(m) Income tax**

Income tax expense comprises current and deferred tax. Income tax is recognised in statement of profit or loss and other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at end of the reporting period, and any adjustment to tax payable in respect of previous period.

**IKON INVESTMENT HOLDINGS LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**3. Accounting policies (continued)****(n) Investment in associated company**

Associate is the entity over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associate are accounted for using the equity method of accounting and are initially recognized at cost.

The Company's share of its associate's post acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income, and its share of post acquisition movements in reserves is recognised in reserves. The cumulative post acquisition movements are adjusted against carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is charged to the statement of profit or loss and other comprehensive income.

**4. Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The future accounting estimates will by definition, seldom equal to the actual results.

Where applicable, the notes to the financial statements set out areas where management has applied a higher degree of judgement that have a significant effect on the amounts recognised in the financial statements, or estimations and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

*Determination of functional currency*

The determination of the functional currency of the Company is critical since recording transaction and exchange differences arising therefrom are dependent on the functional currency selected. The directors have considered these factors and have determined that the functional currency of the Company is USD.

**IKON INVESTMENT HOLDINGS LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**4. Critical accounting estimates and judgements (continued)***Going concern*

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholder of the Company. The directors have received confirmation from the shareholder that this support will be forthcoming over the next twelve months. They, therefore, believe that it is appropriate for the financial statements to be prepared on the going concern basis.

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

## 5. Investment in associated company

	<u>2020</u>	2019
	USD	USD
At beginning of the year	1,353,278	1,565,604
Share of loss during the year	<u>(28,438)</u>	<u>(212,326)</u>
At end of the year	<u>1,324,840</u>	<u>1,353,278</u>

Name of associated company	Country of incorporation	Number and type of shares	% holding	At carrying amount	
				<u>2020</u>	2019
				USD	USD
Nile Egypt Plastech Industries S.A.E	Egypt	108,685 equity shares	37%	<u>1,324,840</u>	<u>1,353,278</u>

The Company, as required by International Accounting Standards 28, is preparing financial statements under the equity method of accounting for its investment in associated undertakings.

The summarised financial statements information of Nile Egypt used in applying the equity method of accounting are as follows:

Year ended		<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Losses</u>
		USD	USD	USD	USD
31 December 2020	USD	<u>10,437,853</u>	<u>9,202,974</u>	<u>4,135,473</u>	<u>(76,860)</u>
31 December 2019	USD	<u>11,367,151</u>	<u>10,504,649</u>	<u>6,005,302</u>	<u>(573,855)</u>

The directors believe that there is no impairment in the value of the investment in associated company.

## 6. Share application monies

	<u>2020</u>	2019
	USD	USD
At beginning and end of the year	<u>52,398</u>	<u>52,398</u>

Share application monies represent funds remitted to Nile Egypt Plastech Industries S.A.E, a company incorporated in Egypt, for the acquisition of equity shares. At end of the reporting period, shares have not yet been issued against the application monies.

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**7. Receivables and prepayments**

	<u>2020</u>	<u>2019</u>
	USD	USD
Interest receivable (See note 11 (a))	4,527,608	4,011,208
Other receivable	5,085	5,085
Prepayments	3,475	4,225
	<u>4,536,168</u>	<u>4,020,518</u>

**8. Stated capital**

	<u>2020</u>	<u>2019</u>
	USD	USD
<u>Issued and fully paid up</u>		
<i>Ordinary shares of USD1 each</i>		
At beginning and end of the year	<u>364,450</u>	<u>364,450</u>

In accordance with the Company's Constitution, the main rights and obligations attached to the ordinary shares are as follows:

- rights to attend and exercise one vote at meetings of members generally and class meetings of the ordinary shares;
- right to receive any dividend or distribution; and
- be entitled, on a winding up, to share in the assets of the Company available for distribution.

**9. Taxation**

(i) Income tax

The Company holds a Category 1 Global Business License for the purpose of the Mauritius Financial Services Act 2007. Pursuant to the enactment of the Finance Act 2018, with effect as from 1 January 2019, the deemed tax credit has been phased out, through the implementation of a new tax regime. Companies which had obtained their Category 1 Global Business Licence on or before 16 October 2017, including the Company, have been grandfathered and would benefit from the deemed tax credit regime up to 30 June 2021.

Accordingly, the Company is entitled to a foreign tax credit equivalent to the higher of the actual foreign tax suffered or 80% of the Mauritian tax ("Deemed tax credit") on its foreign source income resulting in an effective tax rate on net income of up to 3%, up to 30 June 2021. Further, the Company is exempted from income tax in Mauritius on profits or gains arising from sale of securities. In addition, there is no withholding tax payable in Mauritius in respect of payments of dividends to Shareholders or in respect of redemptions or exchanges of

**IKON INVESTMENT HOLDINGS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**9. Taxation (continued)**

(i) Income tax (continued)

The Company is entitled to either (a) a foreign tax credit equivalent to the actual foreign tax suffered on its foreign income against the Company's tax liability computed at 15% on such income, or (b) a partial exemption of 80% of some of the income derived, including but not limited to interest income and foreign source dividends, subject to meeting certain conditions, which includes;

- a) The Company carries out its core income generating activities in Mauritius;
- b) The Company employs, directly or indirectly, an adequate number of suitably qualified persons to conduct its core income generating activities; and
- c) The Company incurs a minimum expenditure proportionate to its level of activities.

The Company will also need to demonstrate that its central management and control is in Mauritius.

Gains or profits arising from sale of units or securities are tax-exempt in the hands of the Company in Mauritius. Dividends and redemption proceeds paid by the Company to its shareholders do not attract withholding tax.

The foregoing is based on the taxation laws and practices currently in force in Mauritius and may be subject to change.

The Company has received tax residence certificates from the Mauritian authorities to the effect that it is a tax resident of Mauritius, which are renewable on an annual basis subject to meeting certain conditions and which are eligible to obtain benefits under the Mauritius-India double tax treaties.

- (ii) At 31 December 2020, the Company had accumulated tax losses of **USD78,698** (2019: USD84,254) and is therefore not liable to income tax. The accumulated tax losses are available for net off against taxable income arising in the forthcoming years.

Up to financial year ending:

	USD
31 December 2021	16,815
31 December 2022	15,886
31 December 2023	15,445
31 December 2024	17,315
32 December 2025	13,237
	<u>78,698</u>

**IKON INVESTMENT HOLDINGS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9. Taxation (continued)**

(iii) Tax reconciliation

A reconciliation of the income tax expense based on accounting profit and the actual income tax expense is as follows:

	<u>2020</u>	<u>2019</u>
	USD	USD
Loss before taxation	<u>(411,075)</u>	<u>(1,469,301)</u>
Income tax @ 15%	<b>(61,661)</b>	(220,395)
Impact of:		
Share of loss/(profit) of associated company	<b>4,266</b>	31,849
Expenses disallowed	<b>55,410</b>	185,949
	<u>(1,985)</u>	<u>(2,597)</u>
Deferred tax asset not recognised	<b>1,985</b>	2,597
Tax charge for the year	<u><u>-</u></u>	<u><u>-</u></u>

**10. Payables and accruals**

	<u>2020</u>	<u>2019</u>
	USD	USD
Interest payable on loans from related parties (see note 11 (b))	<b>4,356,950</b>	3,484,950
Interest payable on loan from third party	<b>100,370</b>	87,373
Accruals	<b>3,072</b>	2,068
	<u><b>4,460,392</b></u>	<u>3,574,391</u>

**11. Related party transactions**

During the year, the Company entered into the following related party transactions. All the transactions were on arm's length basis. The nature, volume of transactions and balances with the related parties are as follows:

(a) Loans to related parties

	<u>2020</u>	<u>2019</u>
	USD	USD
At beginning of the year	<b>6,959,000</b>	7,830,000
Expected credit loss	<u>-</u>	<u>(871,000)</u>
At end of the year	<u><b>6,959,000</b></u>	<u>6,959,000</u>

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
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## 11. Related party transactions (continued)

(a) Loans to related parties (continued)

The details of the loans to related parties are as follows:

Name of related	Relationship	Interest rate	2020			2019		
			Interest receivable	Principal	Carrying amount	Interest receivable	Principal	Carrying amount
			USD	USD	USD	USD	USD	USD
Elan Incorporated	Common shareholder	7.5% p.a	178,132	-	-	178,132	-	-
Kompozit – Praha s.r.o.	Common shareholder	7.5% p.a	1,617,078	2,000,000	1,464,000	1,467,078	2,000,000	1,464,000
			-	1,250,000	915,000	-	1,250,000	915,000
			<u>1,795,210</u>	<u>3,250,000</u>	<u>2,379,000</u>	<u>1,467,078</u>	<u>3,250,000</u>	<u>2,379,000</u>
Nile Egypt Plastech Industries S.A.E	Associate company	8% p.a	2,732,398	4,580,000	4,580,000	2,365,998	4,580,000	4,580,000
			<u>4,527,608</u>	<u>7,830,000</u>	<u>6,959,000</u>	<u>4,011,208</u>	<u>7,830,000</u>	<u>6,959,000</u>

The above loans are repayable on mutual agreement.

<u>Kompozit – Praha s.r.o.</u>	2020 USD	2019 USD
At beginning of the year	2,379,000	3,250,000
Expected credit loss	-	(871,000)
At end of the year	<u>2,379,000</u>	<u>2,379,000</u>

(b) Loans from related parties

	2020 USD	2019 USD
At beginning of the year	11,614,500	11,594,500
Received during the year	20,000	20,000
At end of the year	<u>11,634,500</u>	<u>11,614,500</u>

Name of related	Relationship	Interest rate	2020		2019	
			Interest Payable	Principal	Interest Payable	Principal
			USD	USD	USD	USD
Time Technoplast Limited	Shareholder	8% p.a	4,052,551	10,215,000	3,235,351	10,215,000
GNXT Investments Holdings Pte Ltd	Common Shareholder	4% p.a	58,409	469,500	41,609	449,500
Elan Incorporated FZE	Common Shareholder	4% p.a	245,990	950,000	207,990	950,000
			<u>4,356,950</u>	<u>11,634,500</u>	<u>3,484,950</u>	<u>11,614,500</u>



## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**11. Related party transactions (continued)**(b) Loans from related parties (continued)

- (i) The loan from shareholder is unsecured and carries an interest of 8% per annum payable half yearly. The loan is repayable on demand. Interest expense for the year amounted to **USD817,200** (2019: USD817,200).
- (ii) The loan from GNXT Investments Holdings Pte Ltd is unsecured, carries interest at 4% per annum and is repayable on demand. The additional loan of USD20,000 is unsecured and interest free. Interest expense for the year amounted to **USD16,800** (2019: USD16,800).
- (iii) The loan from Elan Incorporated FZE is unsecured and carries interest at the rate of 4% per annum. The tenor of the loan shall be one year renewable with mutual consent of both parties and repayment by the Borrower within one year shall be allowed. Interest expense for the year amounted to **USD38,000** (2019: USD38,000).

**12. Loan from third party**

	<u>2020</u>	<u>2019</u>
	USD	USD
At beginning and end of the year	<u><b>649,975</b></u>	<u>649,975</u>

The above loan from Pace (Mid East) International FZE is unsecured and carries interest at the rate of 2% per annum. The tenor of the loan shall be one year renewable with the mutual consent of both parties and prepayment by the Borrower is allowed. Interest expense for the year amounted to USD13,000 (2019: USD13,000).

Fair values

The carrying amounts of loans to related parties, receivables, cash and cash equivalents, loans from related parties, loan from third party and payables and accruals approximate their fair values.

	<u>At amortised cost</u>	<u>Total carrying amounts</u>
	USD	USD
<b>31 December 2020</b>		
<u>Financial</u>		
Loans to related parties	<b>6,959,000</b>	<b>6,959,000</b>
Receivables	<b>4,532,693</b>	<b>4,532,693</b>
Cash and cash equivalents	<b>11,649</b>	<b>11,649</b>
	<u><b>11,503,342</b></u>	<u><b>11,503,342</b></u>

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**13. Financial instruments**Fair values (continued)Financial liabilities

Loans from related parties	11,634,500	11,634,500
Loan from third party	649,975	649,975
Payables and accruals	4,460,392	4,460,392
	<u>16,744,867</u>	<u>16,744,867</u>

At  
amortised  
cost

Total  
carrying  
amounts

USD

USD

31 December 2019

Financial assets

Loans to related parties	6,959,000	6,959,000
Receivables	4,016,293	4,016,293
Cash and cash equivalents	3,935	3,935
	<u>10,979,228</u>	<u>10,979,228</u>

At  
amortised  
cost

Total  
carrying  
amounts

USD

USD

31 December 2019

Financial liabilities

Loans from related parties	11,614,500	11,614,500
Loan from third party	649,975	649,975
Payables and accruals	3,574,391	3,574,391
	<u>15,838,866</u>	<u>15,838,866</u>

**IKON INVESTMENT HOLDINGS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**13. Financial instruments (continued)**

(b) Currency profile

The currency profile of the Company's financial assets and liabilities is summarised as follows:

	2020		2019	
	Financial assets	Financial liability	Financial asset	Financial liability
	USD	USD	USD	USD
United States Dollars (USD)	<b>11,503,342</b>	<b>16,744,867</b>	10,979,228	15,838,866

Investment in associated company, share application monies and prepayments amounting to **USD1,324,840** (2019: USD1,353,278), **USD52,398** (2019: USD52,398) and **USD3,475** (2019: USD4,225) respectively have not been included in financial assets.,

**14. Financial risk management**

The Company is exposed to various risks in relation to its financial instruments. The main types of risks are market risk, credit risk and liquidity risk.

The Company's risk management is carried out under policies approved by the Board of Directors and focuses on securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

(a) Interest rate risk

The Company's exposure to interest rate risk on its bank balance is limited and the interest thereon is fixed interest rates. At 31 December 2020, the bank balance stood at **USD11,649** (2019: USD3,935) and no interest income was earned during the year under review. A change in the market interest rate would not impact on the Company's operating cash flows.

The Company has amounts due from Elan Incorporated FZE, Kompozit – Praha s.r.o. and Nile, the terms of which are elaborated in Note 11(a). The Company is not exposed to risks associated with the fluctuation in interest rates on its loans receivable, since they are fixed interest bearing loans.

The Company is not exposed to changes in market interest rates on its financial liabilities that is on its borrowings from Time Technoplast Limited, GNXT Investments Holdings Pte Ltd, Elan Incorporated FZE and Pace (Mid East) International FZE which are at fixed interest rates.

**IKON INVESTMENT HOLDINGS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**14. Financial risk management (continued)**

(b) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments it has entered with the Company.

None of the Company's financial assets are secured by collateral or other credit enhancements.

The credit risk for the bank balances is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

At the end of the reporting period, the Company had the following exposure to credit risk:

	<u>2020</u> USD	<u>2019</u> USD
Loans to related parties	<b>6,959,000</b>	6,959,000
Receivables	<b>4,532,693</b>	4,016,293
Cash and cash equivalents	<b>11,649</b>	3,935
	<u><b>11,503,342</b></u>	<u>10,979,228</u>

The Company monitors changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Company supplements this by reviewing available press and regulatory information about counterparties.

The only financial asset of the Company subject to the ECL model is its loans to related parties.

Based on an assessment on its recoverability, the Company has not accounted for expected credit loss on the loan receivable from Kompozit - Praha s.r.o.

The movement in allowance for loss in respect of loans to related parties during the year was as follows:

	<u>Expected credit loss</u> USD
At beginning of the year	<b>871,000</b>
Net measurement of loss allowance	-
At end of the year	<u><b>871,000</b></u>

**IKON INVESTMENT HOLDINGS LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**14. Financial risk management (continued)**

(c) Liquidity risk

The Company manages its liquidity needs by carefully monitoring all its cash inflows and outflows. The Company maintains sufficient cash to meet its liquidity requirements and the financial support of its shareholder and related companies is sought where necessary.

The contractual maturities of the Company's financial liabilities are as follows:

	2020		2019	
	Within 1 year USD	More than year USD	Within 1 year USD	More than year USD
Loans from related parties	11,634,500	-	11,614,500	-
Loan from third party	649,975	-	649,975	-
Payables and accruals	4,460,392	-	3,574,391	-
	<u>16,744,867</u>	<u>-</u>	<u>15,838,866</u>	<u>-</u>

(d) Political, economic and social risks

Political, economic and social factors, changes in countries' laws, regulations and the status of those countries' relations with other countries may adversely affect the value of the Company's assets.

(e) Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns to the shareholder and benefits of other stakeholders.

**15. Contingent liabilities**

The Company has no material litigation claims outstanding, pending or threatened against it, which could have a material adverse effect on the Company's financial position or results.

**16. Events after the reporting period**

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the financial statements for the year ended 31 December 2020.

**IKON INVESTMENT HOLDINGS LTD****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**17. Holding company**

The directors consider Time Technoplast Limited, a quoted company incorporated in India, as the Company's holding company.

**18. Going concern**

The financial statements are prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company incurred a loss of **USD411,075** (2019: USD1,469,301) during the year ended 31 December 2020 and at that date, the Company's total liabilities exceeded its total assets by **USD3,860,812** (2019: USD3,449,737). The validity of the assumption depends on the continued financial support of the shareholder of the Company. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.

**19. Impact of covid-19**

The recent outbreak of Coronavirus, a virus causing potentially deadly respiratory tract infections originating in China and spreading in various jurisdictions, may negatively affect economic conditions regionally as well as globally, disrupt operations situated in countries particularly exposed to the contagion or otherwise impact the Company. Governments in affected countries are imposing travel bans, quarantines and other emergency public safety measures. Those measures, though temporary in nature, may continue and increase depending on developments in the virus' outbreak. The directors are monitoring the situation closely. Risk mitigating actions are being taken.

The board of directors are of the view that the significant doubt associated with the current uncertainties related to the COVID-19 virus currently does not result in a material uncertainty related to such events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements are prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.