

**IKON INVESTMENT HOLDINGS LTD**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2021**

**IKON INVESTMENT HOLDINGS LTD****FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 2021**

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<b>CONTENTS</b>	<b>PAGES</b>
CORPORATE DATA	2
COMMENTARY OF THE DIRECTORS	3
CERTIFICATE FROM THE SECRETARY	4
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDER	5 - 7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	9
STATEMENT OF CHANGES IN EQUITY	10
STATEMENT OF CASH FLOWS	11
NOTES TO THE FINANCIAL STATEMENTS	12 - 32

# IKON INVESTMENT HOLDINGS LTD

## CORPORATE DATA

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		Date of appointment
<b>DIRECTORS</b>	Resmah Choomka	25 May 2015
	Rajendraprasad Sitaram Somani	28 December 2016
	Nitin Dhawan	28 December 2016
	Shah Ahmud Khalil Peerbocus	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>BANKERS</b>	Standard Chartered Bank (Mauritius) Limited 6 <sup>th</sup> Floor, Standard Chartered Tower Cybercity, Ebene, 72201 Mauritius	
	Absa Bank (Mauritius) Ltd Level 9, Absa Tower 1 Queen Elizabeth II Avenue Port Louis Mauritius	

## **IKON INVESTMENT HOLDINGS LTD**

### **COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2021**

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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 2021.

#### **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 AND DIVIDEND**

The results for the year ended 31 December 2021 are shown in the statement of profit or loss and other comprehensive income and related notes.

The directors do not recommend the payment of any dividend during the year under review.

#### **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.

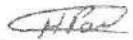
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritius Companies Act 2001. They are also responsible for safeguarding 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 2021.



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**For SANNE Mauritius  
Secretary**

**Registered Office:**

Sanne House  
Bank Street  
TwentyEight, Cybercity  
Ebene 72201  
Mauritius

**Date: 13 May 2022**

## 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 32 which comprise the statement of financial position as at 31 December 2021, 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 2021, 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 **USD342,174** during the year ended 31 December 2021 and as at that date the Company's total liabilities exceeded its total assets by **USD4,202,986**. 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***

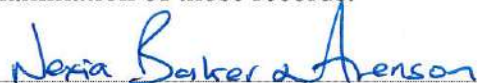
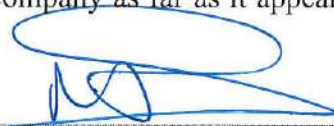
This report is made solely to the Company's shareholder, as a body, in accordance with Section 205 of the Mauritius Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's shareholder, as a body, those matters that we are required to state to them in an auditors' 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****Date: 13 MAY 2022****Nitin Kumar Sobnack FCCA  
Licensed by FRC**



## IKON INVESTMENT HOLDINGS LTD

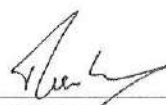
## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Notes	2021 USD	2020 USD
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investment in associated company	5	1,368,866	1,324,840
Share application monies	6	52,398	52,398
		<u>1,421,264</u>	<u>1,377,238</u>
<b>Current assets</b>			
Loans to related parties	11(a)	8,659,000	6,959,000
Receivables and prepayments	7	5,086,436	4,536,168
Cash and cash equivalents		5,754	11,649
		<u>13,751,190</u>	<u>11,506,817</u>
<b>Total assets</b>		<u>15,172,454</u>	<u>12,884,055</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserve</b>			
Stated capital	8	364,450	364,450
Revenue deficit		(4,567,436)	(4,225,262)
		<u>(4,202,986)</u>	<u>(3,860,812)</u>
<b>Current liabilities</b>			
Loans from related parties	11(b)	13,344,500	11,634,500
Loan from third party	12	649,975	649,975
Payables and accruals	10	5,380,965	4,460,392
		<u>19,375,440</u>	<u>16,744,867</u>
<b>Total equity and liabilities</b>		<u>15,172,454</u>	<u>12,884,055</u>

These financial statements have been approved by the Board of Directors on 13 May 2022 and signed on its behalf by:



Director



Director

The notes on pages 12 to 32 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 2021

	Notes	2021 USD	2020 USD
<b>Income</b>			
Interest	11(a)	550,268	516,400
<b>Expenses</b>			
Interest	11(b) & 12	920,309	885,000
Professional fees		10,650	9,200
Licence fees		2,700	2,300
Audit fees		2,124	2,124
Bank charges		685	340
Other charges		-	73
		936,468	899,037
<b>Operating loss for the year</b>		(386,200)	(382,637)
Share of profit/(loss) of associated company	5	44,026	(28,438)
<b>Loss before taxation</b>		(342,174)	(411,075)
Taxation	9	-	-
<b>Loss for the year</b>		(342,174)	(411,075)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified subsequently to profit or loss</i>		-	-
<i>Items that may be classified subsequently to profit or loss</i>		-	-
<b>Total comprehensive loss for the year</b>		(342,174)	(411,075)

The notes on pages 12 to 32 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 2021

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	Stated capital	Revenue deficit	Total
	USD	USD	USD
At 1 January 2020	364,450	(3,814,187)	(3,449,737)
Total comprehensive loss for the year	-	(411,075)	(411,075)
At 31 December 2020	364,450	(4,225,262)	(3,860,812)
Total comprehensive loss for the year	-	(342,174)	(342,174)
At 31 December 2021	<u>364,450</u>	<u>(4,567,436)</u>	<u>(4,202,986)</u>

The notes on pages 12 to 32 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 2021

	Notes	2021 USD	2020 USD
<b>Cash flows from operating activities</b>			
Operating loss for the year		(342,174)	(411,075)
<i>Adjustments for:</i>			
Share of (profit)/ loss of associated company	5	(44,026)	28,438
Interest income	11(a)	(550,268)	(516,400)
Interest expense	11(b)&12	920,309	885,000
<b>Operating loss before working capital changes</b>		(16,159)	(14,037)
Decrease in receivables and prepayments		-	750
Increase in payables and accruals		264	1,001
<b>Net cash used in operating activities</b>		(15,895)	(12,286)
<b>Cash flows from financing activities</b>			
Loan to related parties	11 (a)	(1,700,000)	-
Loan from related parties	11(b)	1,710,000	20,000
<b>Net cash from financing activities</b>		10,000	20,000
<b>Net (decrease)/increase in cash and cash equivalents</b>		(5,895)	7,714
Cash and cash equivalents at beginning of the year		11,649	3,935
<b>Cash and cash equivalents at end of the year</b>		5,754	11,649

The notes on pages 12 to 32 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 2021

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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 in compliance with the Mauritius Companies Act 2001.

##### (b) Basis of measurement

The financial statements are prepared on a historical cost basis except for the fair valuation of financial instruments where applicable.

##### (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) Standards, Amendments to published Standards and Interpretations effective in the reporting period

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after 01 January 2021.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

## IKON INVESTMENT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 3. Accounting policies (continued)

##### (a) Standards, Amendments to published Standards and Interpretations effective in the reporting period (continued)

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the financial statements of the Company.

Covid-19-Related Rent Concessions beyond 30 June 2021 - Amendments to IFRS 16. On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 01 April 2021.

These amendments had no impact on the financial statements of the Company.

##### (b) Standards, Amendments to published Standards and Interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2022 or later periods, but which the Company has not early adopted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IFRS 17 Insurance Contracts

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

Annual Improvements 2018–2020

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

Reference to the Conceptual Framework (Amendments to IFRS 3)

Disclosure of Accounting policies – Amendments to IAS 1 and IFRS Practice Statement 2

# IKON INVESTMENT HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 3. Accounting policies (continued)

(b) Standards, Amendments to published Standards and Interpretations issued but not yet effective (continued)

Definition of Accounting Estimates and disclosure of accounting policies - Amendments to IAS 8  
Deferred tax related to assets and liabilities arising from a single transaction – Amendment to IAS 12.

Where relevant, the Company is still evaluating the effect of these Standards, Amendments to published Standards and Interpretations issued but not yet effective, on the presentation of its financial statements.

(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.

*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.

## IKON INVESTMENT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 3. Accounting policies (continued)

##### (f) Financial instruments

###### Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset 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.

###### Classification and subsequent measurement

###### **Financial assets**

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 amortised 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.

Financial assets measured at amortised cost include loans to related parties, receivables and cash and cash equivalents.

###### **Financial assets - Business model assessment**

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintain 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 these 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



## IKON INVESTMENT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 3. Accounting policies (continued)

##### (f) Financial instruments (continued)

##### **Financial assets - Business model assessment (continued)**

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

The Company had no financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

##### **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).

##### **Financial assets - Subsequent measurement and gains and losses**

##### *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.

##### **Financial liabilities**

##### *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, payables and accruals.

## IKON INVESTMENT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 3. Accounting policies (continued)

##### (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.

##### (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) Borrowings

Borrowings are recognised at the proceeds received, net of transaction costs incurred.

##### (m) Payable

Payable is stated at its nominal value.

##### (n) 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.

## IKON INVESTMENT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 3. Accounting policies (continued)

##### (n) Income tax (continued)

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.

##### (o) Impairment

###### *Non-derivative financial assets*

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;

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

- 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 and including 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.

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

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security; or
- the financial asset is more than 90 days past due.

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 end of the reporting period (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.

###### 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.

## IKON INVESTMENT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 3. Accounting policies (continued)

##### (o) Impairment (continued)

##### Measurement of ECLs (continued)

##### *(i) Financial assets measured at amortised cost*

The Company considers evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets are individually assessed for impairment. Those found not to be impaired are then collectively assessed for any impairment that has been incurred but not yet individually identified.

Assets that are not individually significant are collectively assessed for impairment. Collective assessment is carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Company uses historical information on the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions are such that the actual losses are likely to be greater or lesser than suggested by historical trends.

An impairment loss is calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

##### *(ii) Non-financial assets*

At end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

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. 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. 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. 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.



## IKON INVESTMENT HOLDINGS LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 3. Accounting policies (continued)

##### (p) 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 2021

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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.

#### *Impairment of investment in associated company*

The carrying values of the investment in associated company is tested for impairment whenever there is any objective evidence or indication that the investments may be impaired. This determination requires significant judgement. In estimating the recoverable amount of the investments, the Company evaluates, amongst other factors, the future profitability of the subsidiaries, their financial health and near-term business outlook, including factors such as industry and sector performance, changes in technology, and operational and financing cash flows.

#### *Measurement of the expected credit loss (ECL) allowance*

The measurement of the expected credit loss allowance for financial assets measured at amortised cost is an area that requires significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Establishing the number and relative weightings of forward-looking scenarios for each type of debtor segment and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

When using the simplified approach for measurement of expected credit loss for trade receivables, the application of a provision matrix requires significant assumptions and judgements, such as:

- Determining the appropriate groupings of receivables into categories of shared credit risk characteristics;
- Determining the period over which historical loss rates are obtained to develop estimates of expected future loss rates;
- Considering macro-economic factors and adjust historical loss rates to reflect relevant future economic conditions; and
- Calculating the expected credit losses.

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 5. Investment in associated company

	<u>2021</u>	<u>2020</u>
	USD	USD
At beginning of the year	1,324,840	1,353,278
Share of profit/(loss) during the year	<u>44,026</u>	<u>(28,438)</u>
At end of the year	<u><u>1,368,866</u></u>	<u><u>1,324,840</u></u>

Name of associated company	Country of incorporation	Number and type of shares	% holding	At carrying amount	
				<u>2021</u>	<u>2020</u>
				USD	USD
Nile Egypt Plastech Industries S.A.E	Egypt	108,685 equity shares	37%	<u><u>1,368,866</u></u>	<u><u>1,324,840</u></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 undertaking.

The summarised financial statements information of Nile Egypt Plastech Industries S.A.E used in applying the equity method of accounting are as follows:

Year ended		Assets	Liabilities	Revenues	Profit/(Loss)
		USD	USD	USD	USD
31 December 2021	USD	<u><u>11,930,793</u></u>	<u><u>10,686,151</u></u>	<u><u>10,906,640</u></u>	<u><u>118,989</u></u>
31 December 2020	USD	<u><u>10,437,853</u></u>	<u><u>9,202,974</u></u>	<u><u>4,135,473</u></u>	<u><u>(76,860)</u></u>

The directors believe that there is no impairment in the value of the investment in associated company as at 31 December 2021.

## 6. Share application monies

	<u>2021</u>	<u>2020</u>
	USD	USD
At beginning and end of the year	<u><u>52,398</u></u>	<u><u>52,398</u></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.

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 7. Receivables and prepayments

	2021	2020
	USD	USD
Interest receivable (See note 11 (a))	5,077,876	4,527,608
Other receivable	5,085	5,085
Prepayments	3,475	3,475
	<u>5,086,436</u>	<u>4,536,168</u>

## 8. Stated capital

	2021	2020
	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 2021

### 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 2021, the Company had accumulated tax losses of **USD78,042** (2020: USD78,698) 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 2023	15,886
31 December 2024	15,445
31 December 2025	17,315
32 December 2026	13,237
32 December 2027	16,159
	<u>78,042</u>



**IKON INVESTMENT HOLDINGS LTD**
**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**
**9. Taxation (continued)**
**(iii) Tax reconciliation**

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

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Loss before taxation	<u>(342,174)</u>	<u>(411,075)</u>
Income tax @ 15%	<u>(51,326)</u>	<u>(61,661)</u>
Impact of:		
Share of (profit)/loss of associated company	<u>(6,604)</u>	<u>4,266</u>
Expenses disallowed	<u>55,506</u>	<u>55,410</u>
	<u>(2,424)</u>	<u>(1,985)</u>
Deferred tax asset not recognised	<u>2,424</u>	<u>1,985</u>
Tax charge for the year	<u>-</u>	<u>-</u>

**10. Payables and accruals**

	<u>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
Interest payable on loans from related parties (see note 11 (b))	<u>5,264,259</u>	<u>4,356,950</u>
Interest payable on loan from third party	<u>113,370</u>	<u>100,370</u>
Accruals	<u>3,336</u>	<u>3,072</u>
	<u>5,380,965</u>	<u>4,460,392</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>2021</u>	<u>2020</u>
	<u>USD</u>	<u>USD</u>
At beginning of the year	<u>6,959,000</u>	<u>6,959,000</u>
Loan granted during the year	<u>1,700,000</u>	<u>-</u>
At end of the year	<u>8,659,000</u>	<u>6,959,000</u>

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 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	2021			2020		
			Interest receivable	Principal	Carrying amounts	Interest receivable	Principal	Carrying amounts
			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 Interest	1,767,078	2,000,000	1,464,000	1,617,078	2,000,000	1,464,000
See note below			-	1,250,000	915,000	-	1,250,000	915,000
			<u>1,945,210</u>	<u>3,250,000</u>	<u>2,379,000</u>	<u>1,795,210</u>	<u>3,250,000</u>	<u>2,379,000</u>
Nile Egypt Plastech Industries S.A.E	Associate company	8% p.a	3,132,666	6,280,000	6,280,000	2,732,398	4,580,000	4,580,000
			<u>5,077,876</u>	<u>9,530,000</u>	<u>8,659,000</u>	<u>4,527,608</u>	<u>7,830,000</u>	<u>6,959,000</u>

The Company has extended unsecured loans as follows:

- (i) Elan Incorporated FZE and Kompozit – Praha s.r.o. (the "Borrowers") are related companies having common shareholder as the Company, that is, Time Technoplast Limited. All the loans extended by the Company to the Borrowers are unsecured and interest bearing at a rate of 7.5% per annum as per the terms of the respective loan agreements entered between the Company and the Borrowers except for a loan amounting to USD1,250,000 extended by the Company to Kompozit – Praha s.r.o. which is unsecured, interest free and repayable as agreed between parties. Total interest income for the year amounted to **USD550,268**. An expected credit loss of USD871,000 was recognised on the loan receivable from Kompozit - Praha s.r.o during the year 2019.
- (ii) Nile Egypt Plastech Industries S.A.E. ("Nile"), is the associated company having its registered office at 28, Degla St., Off Shehab St., Mohandesseen, Giza, Egypt. The loan extended by the Company to Nile is unsecured and interest bearing at a rate of 8% per annum as from 1 January 2012 as per the terms of the loan agreement entered between the Company and Nile. Interest income for the year on the loan to Nile amounted to **USD400,268**.

(b) Loans from related parties

	2021 USD	2020 USD
At beginning of the year	11,634,500	11,614,500
Received during the year	1,710,000	20,000
At end of the year	<u>13,344,500</u>	<u>11,634,500</u>

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 11. Related party transactions (continued)

(b) Loans from related parties (continued)

The details of the loans taken from related parties are as follows:

Name of related parties	Relationship	Interest rate	2021		2020	
			Interest Payable USD	Principal USD	Interest Payable USD	Principal USD
Time Technoplast Limited	Shareholder	8% p.a	4,899,011	11,715,000	4,052,551	10,215,000
GNXT Investments Holdings Pte Ltd	Common shareholder	4% p.a	81,258	679,500	58,409	469,500
Elan Incorporated FZE	Common shareholder	4% p.a	283,990	950,000	245,990	950,000
			<u>5,264,259</u>	<u>13,344,500</u>	<u>4,356,950</u>	<u>11,634,500</u>

- (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 **USD846,460** (2020: USD817,200).
- (ii) The loan from GNXT Investments Holdings Pte Ltd is unsecured, carries interest at 4% per annum and is repayable on demand. Interest expense for the year amounted to **USD22,849** (2020: 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** (2020: USD38,000).

## 12. Loan from third party

	2021 USD	2020 USD
At beginning and end of the year	<u>649,975</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** (2020: USD13,000).

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 13. Financial instruments

(a) 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.

	At amortised cost USD	Total carrying amounts USD
<b>31 December 2021</b>		
<u>Financial assets</u>		
Loans to related parties	8,659,000	8,659,000
Receivables	5,082,961	5,082,961
Cash and cash equivalents	5,754	5,754
	<u>13,747,715</u>	<u>13,747,715</u>
<u>Financial liabilities</u>		
Loans from related parties	13,344,500	13,344,500
Loan from third party	649,975	649,975
Payables and accruals	5,380,965	5,380,965
	<u>19,375,440</u>	<u>19,375,440</u>
	At amortised cost USD	Total carrying amounts USD
<b>31 December 2020</b>		
<u>Financial assets</u>		
Loans to related parties	6,959,000	6,959,000
Receivables	4,532,693	4,532,693
Cash and cash equivalents	11,649	11,649
	<u>11,503,342</u>	<u>11,503,342</u>

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 13. Financial instruments (continued)

(a) Fair values (continued)

	At amortised cost USD	Total carrying amounts USD
31 December 2020		
<u>Financial liabilities</u>		
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>

(b) Currency profile

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

	2021		2020	
	Financial assets USD	Financial liabilities USD	Financial assets USD	Financial liabilities USD
United States Dollars (USD)	<u>13,747,715</u>	<u>19,375,440</u>	<u>11,503,342</u>	<u>16,744,867</u>

Investment in associated company, share application monies and prepayments amounting to **USD1,576,718** (2020: USD1,353,278), **USD52,398** (2020: USD52,398) and **USD3,475** (2020: USD3,475) 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.



# IKON INVESTMENT HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 14. Financial risk management (continued)

#### (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 2021, the bank balance stood at **USD5,754** (2020: USD11,649) 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.

#### (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>2021</u> <u>USD</u>	<u>2020</u> <u>USD</u>
Loans to related parties	8,659,000	6,959,000
Receivables	5,082,961	4,532,693
Cash and cash equivalents	5,754	11,649
	<u>13,747,715</u>	<u>11,503,342</u>

## IKON INVESTMENT HOLDINGS LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**14. Financial risk management (continued)****(b) Credit risk (continued)**

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 end of the reporting period that has not been reflected in the published ratings, the Company supplements this by reviewing available press and regulatory information about counterparties.

The financial assets of the Company that are subject to the ECL model are its loans to related parties and receivables.

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. and Nile Egypt Plastech Industries S.A.E

**(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:

	2021		2020	
	Within 1	More than	Within 1	More than
	year	year	year	year
	USD	USD	USD	USD
Loans from related parties	13,344,500	-	11,634,500	-
Loan from third party	649,975	-	649,975	-
Payables and accruals	5,380,965	-	4,460,392	-
	<b>19,375,440</b>	<b>-</b>	<b>16,744,867</b>	<b>-</b>

# IKON INVESTMENT HOLDINGS LTD

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 14. Financial risk management (continued)

#### (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

On 24 February 2022, Russian Federation launched a full-scale invasion into Ukraine sovereign state. The potential impacts from the emerging Ukraine and Russian conflict remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. The extent of these impacts on the Company are unclear at this stage.

### 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 **USD342,174** (2020: USD411,075) during the year ended 31 December 2021 and at that date, the Company's total liabilities exceeded its total assets by **USD4,202,986** (2020: USD3,860,812). 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.