



شركة أبو قير للأسمدة و الصناعات الكيماوية

الإسكندرية في ٢٠٢١/٦/٨

السيد الأستاذ / نائب رئيس قطاع الشركات المقيدة
البورصة المصرية
١١، ٨ شارع طلعت حرب
ص.ب ٨٧٢ - رقم بريدي ٢١١١١ الإسكندرية
فاكس رقم : ٤٨٤٥٨٥٥ / ٠٣

تحية طيبة وبعد ،،،

نتشرف بأن نرفق لسيادتكم طيه ترجمة باللغة الإنجليزية لكل من القوائم المالية والإيضاحات المتممة لها عن الفترة المالية المنتهية في ٢٠٢١/٣/٣١ وكذا تقرير الجهاز المركزي للمحاسبات ومراقب حسابات الشركة ورد الشركة على تقرير الجهاز المركزي للمحاسبات ومراقب حسابات الشركة.
مرسل برجاء التفضل بالعلم واتخاذ اللازم.

وتفضلوا سيادتكم بقبول فائق الإحترام والتقدير ،،،

رئيس القطاعات المالية

(ومسئول الإتصال)

محاسب / خالد مصطفى سكر

مدير عام علاقات المستثمرين والإعلام

(ومسئول علاقات المستثمرين)

محاسبة / نرفانا صباح عرابي

الشركة حاصلة على شهادات أيزو ٩٠٠١ - أيزو ١٤٠٠١ - أيزو ١٨٠٠١ - أيزو ١٧٠٢٥



مكتب الإسكندرية : ٩٥ طريق ٢٦ يوليو - برج السلسلة
تليفون : ٤٨٧٧٩٩١١ / ٣ - ٣ / ٤٨٤٧٢٢٩
مكتب القاهرة : ٥ شارع شريف الصغير
تليفون و فاكس : ٢ / ٢٣٩٣٤١٧

تليفون : ٥٦٠٣٠٥٣ / ٣ (سبع خطوط)
فاكس الإدارة : ٥٦٠٣٠٣٢ - ٣
فاكس المشتريات : ٥٦٠٣٠٤٦ / ٣
فاكس التسويق : ٥٦٠٣٠٤٧ / ٣
E-mail : afc@abufqr.com

الإدارة و المصانع :
الطابية خط رشيد - إسكندرية
كيس برید مخصوص
الرقم البريدي : ٢١٩١١
www.abufqr.com

ABU QIR FERTILIZERS
AND CHEMICAL INDUSTRIES CO.
(S.A.E.)

INTERIM FINANCIAL STATEMENTS TOGETHER
WITH REVIEW REPORT
FOR THE NINE-MONTHS PERIOD
ENDED MARCH 31, 2021

**To the Chairman of / Abu Qir Fertilizers and
Chemical Industries Company (S.A.E)**

We have performed the procedures agreed with the company to translate the financial statements of **Abu Qir Fertilizers and Chemicals Industries Company (S.A.E.)**, for the nine-months period ended March 31, 2021 which includes auditors' reports on review of interim financial statements - MAZARS Mostafa Shawki and Accountability State Authority - with the response of company's management to those reports in English. These auditors' reports on review comprise our unqualified review report and Accountability State Authority's qualified review report, both reports were issued on these financial statements and originally issued in Arabic dated May 10, 2021.

We have fulfilled our mission in accordance with the Egyptian Standard on Related Services no. 4400, "Engagements to Perform Agreed-upon Procedures regarding Financial Information".

The attached translated financial statements with auditors' review reports of **Abu Qir Fertilizers and Chemicals Industries Company (S.A.E.)** for the nine-months period ended March 31, 2021 are in conformity with company's financial statements originally issued in Arabic.



ABU QIR FERTILIZERS
AND CHEMICAL INDUSTRIES CO.
(S.A.E.)

INTERIM FINANCIAL STATEMENTS TOGETHER
WITH REVIEW REPORT
FOR THE NINE-MONTHS PERIOD
ENDED MARCH 31, 2021

Abu Qir Fertilizers
And Chemical Industries Co.
(S.A.E.)

Index

<u>Description</u>	<u>Page</u>
Accountability State Authority review report	3
Response of company's management to Accountability State Authority review report	5
MAZARS Mostafa Shawki review report	7
Response of company's management to MAZARS Mostafa Shawki review report	8
Statement of financial position	9
Statement of income	10
Statement of comprehensive income	11
Statement of changes in shareholders' equity	12
Statement of cash flows	13
Explanatory notes to the interim financial statements	14

**Accountability State Authority
Petrochemical Industries Department**

Report on review of interim financial statements

**To the Chairman and the Board of Directors of
Abu Qir Fertilizers and Chemical Industries Company (S.A.E)**

Introduction:

We have reviewed the accompanying financial statements of **Abu Qir Fertilizers And Chemical Industries Company (S.A.E)** subject to law No. 159 of 1981 and its executive regulation for the nine-months period ended March 31, 2021 which comprise the statement of financial position with total assets amounted to EGP 9.667 billion, standalone statement of income with net profit after tax of EGP 2.445 billion, and statements of comprehensive income, changes in shareholders' equity and cash flows for the nine-months period then ended and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the Egyptian Accounting Standards, our responsibility is to make conclusion on financial statements based on our review.

Scope of review:

We conducted our review in accordance with Egyptian Standard on Review Engagements No. (2410) "Review of interim financial statements performed by the independent auditor of the entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these financial statements.

Basis of qualified conclusion:

- Still, our note about the non-completion of registration of some company's lands with area of 2 shares and 4 acres (of which 15 shares, 21 carats, and 1 acre) outside its fence

We repeat the recommendation that the company must register the rest of lands.

- The plastic production costs were overstated by EGP 3.4 million which is the value of fixed costs of the unused energy of the plastic plant, in violation of Egyptian Accounting Standard No. (2) - inventory.

Necessary correction should be made according to the mentioned standard considering the effect on the financial statements as at March 31, 2021.

- Non-conformity of custom authority balance in company's books as at March 31, 2021 with the certificate received from them with a difference of EGP 11 million, of which EGP 621 thousand related to the period from July 2017 till April 2019. In addition, the outstanding balance of custom secretariats (debit) as at March 31, 2021, is amounted to EGP 746 thousand of which EGP 674 thousand is pending until submitting the Euro 1 certificate and outstanding of re-exporting fees since 2017.

The company should study these outstanding balances and make appropriate adjustments accordingly, Considering the effect on the financial statements as at March 31, 2021.

- Other debit balances include outstanding balance amounted to EGP 14.4 million which represents suppliers - debit balances outstanding since 2019 (rejected spare parts), and an amount of EGP one million represents creditors - custom clearance (debit) which is outstanding since 2016 without guarantees to collect that indebtedness.

The company should study and investigate these outstanding balances, considering the effect on the financial statements as at March 31, 2021.

- The company paid an amount of EGP 52.6 million, equivalent to USD 3.341 million, on April 1, 2021, due to the lack of fulfillment of the grant condition related to obtaining the Ministry of Environment certificate and the expiration of the period granted by the bank for The Zero Liquid Discharge Project (ZLD).

The matter should be fulfilled, and necessary procedures should be taken to preserve the company's rights.

Qualified conclusion:

Based on our review, except for the matters stated in the preceding paragraphs, nothing has come to our attention that causes us to believe that the accompanying interim financial statements don't present fairly, in all material respects the financial position of **Abu Qir Fertilizers and Chemical Industries Company (S.A.E)** as at March 31, 2021, and of its financial performance and its cash flows for the nine-months period then ended in accordance with Egyptian Accounting Standards.

Without qualifying our conclusion:

The company did not implement the Financial Supervisory Authority Board of Directors Decision No. 47 of 2020, issued on March 22, 2020, to appeal it to the Administrative Court. And still under observation to date.

Alexandria, On May 10, 2021.

General Manager
Deputy Director of the Department

Acc./ Ehab Fawzi Ahmed Soliman

Undersecretary of the Ministry
Senior Deputy Director of Department

Acc./ Amr Hassan Nafea

Undersecretary of the Ministry
Step - Director of the Department

Acc./ Neazi Mostafa Mahmoud

Represented by/

Acc./ Amr Hassan Nafea



**Abu Qir Fertilizers
And Chemical Industries Co. (S.A.E)
Financial sectors**

*Translation of response on the notes stated
in the report of the Accountability State Authority
Originally issued in Arabic*

**Response on the notes stated in the audit report of the Accountability State Authority
On company's financial statements on March 31, 2021**

Firstly: Notes considered as a qualification by Accountability State Authority:

1. Still, our note about the non-completion of registration of some company's lands with area of 2 shares and 4 acres (of which 15 shares, 21 carats, and 1 acre) outside its fence.

We repeat the recommendation that the company must register the rest of lands.

Response:

- The registration procedures are in process as two requests No. (1075/1000) and (1071/1001) have been submitted to the Real Estate Public Department. And the land which is inside the company's fence is currently and subject to request No. (1071/1001) has been inspected by the Administration of Survey, the rest of the registration procedures are being taken.
2. The plastic production costs were overstated by EGP 3.4 million which is the value of fixed costs of the unused energy of the plastic plant, in violation of Egyptian Accounting Standard No. (2) - inventory.

Necessary correction should be made according to the mentioned standard considering the effect on the financial statements as at March 31, 2021

Response:

- This matter is being studied. And the necessary procedures in this regard will be taken.
3. Non-conformity of custom authority balance in company's books as at March 31, 2021 with the certificate received from them with a difference of EGP 11 million, of which EGP 621 thousand related to the period from July 2017 till April 2019. In addition, the outstanding balance of custom secretariats (debit) as at March 31, 2021, is amounted to EGP 746 thousand of which EGP 674 thousand is pending until submitting the Euro 1 certificate and outstanding of re-exporting fees since 2017.

The company should study these outstanding balances and make appropriate adjustments accordingly, Considering the effect on the financial statements as at March 31, 2021.

Response:

- Customs Authority's account is increased by installments paid to the Customs Authority and is being settled successively by the exchange documents after technical and financial review and after clearance of the company's notes related to them in order to preserve the company's rights.
- Concerning the outstanding balance of custom secretariats (debit), a major part has been settled, and the remained secretariats are being reviewed with the Customs Authority to complete the documents and make the necessary settlements.



**Abu Qir Fertilizers
And Chemical Industries Co. (S.A.E)
Financial sectors**

*Translation of response on the notes stated
in the report of the Accountability State Authority
Originally issued in Arabic*

- 4. Other debit balances include outstanding balance amounted to EGP 14.4 million which represents suppliers - debit balances outstanding since 2019 (rejected spare parts), and an amount of EGP one million represents creditors - custom clearance (debit) which is outstanding since 2016 without guarantees to collect that indebtedness.**

The company should study and investigate these outstanding balances, considering the effect on the financial statements as at March 31, 2021.

Response:

- Concerning suppliers' debt mentioned above, this debt is related to the purchase order No. 271/2016/2017 and amounted to Euro 800 thousand which represents rejected spare parts and were replaced and currently they are being shipped from abroad to the port, we emphasize that rejected goods and deficits are normal in dealing with overseas suppliers and these balances are subsequently settled after the replacements are received.
- Concerning creditors - customs clearance account, these accounts are subsequently settled upon receiving documents and being reviewed and all observations have been fulfilled.

- 5. The company paid an amount of EGP 52.6 million, equivalent to USD 3.341 million, on April 1, 2021, due to the lack of fulfillment of the grant condition related to obtaining the Ministry of Environment certificate and the expiration of the period granted by the bank for The Zero Liquid Discharge Project (ZLD).**

The matter should be fulfilled, and necessary procedures should be taken to preserve the company's rights.

Response:

The company has taken the necessary procedures in this regard, represented as follow:

- On March 18, 2021, a meeting was held with the National Bank of Egypt to extend the granted deadline in which was requested to provide the approval of the EPAP II program of the Egyptian Environmental Affairs Agency.
- On April 8, 2021, the EPAP II program of Egyptian Environmental Affairs was contacted to extend the granted period for the loan and the grant. On April 18, 2021, the program stated that there is no objection to the above in case agreement with the National Bank of Egypt.
- Accordingly, the National Bank of Egypt was contacted and the negotiation in this regard is in process.

- 6. The company did not implement the Financial Supervisory Authority Board of Directors Decision No. 47 of 2020, issued on March 22, 2020, to appeal it to the Administrative Court. And still under observation to date.**

- The subject is considered in front the administrative judiciary at the State Council.

Report on review of interim financial statements

To the Chairman and the Board of Directors of
Abu Qir Fertilizers and Chemical Industries Company (S.A.E)

Introduction:

We have reviewed the accompanying financial position of **Abu Qir Fertilizers and Chemical Industries Company (S.A.E)** as at March 31, 2021 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows for the nine-months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with the Egyptian Accounting Standard no (30) relevant "interim financial statements" and in light of prevailing Egyptian governing laws. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review:

We conducted our review in accordance with Egyptian Standard on Review Engagements No. (2410) "Review of interim financial statements performed by the independent auditor of the entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Egyptian Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not present fairly, in all material respects the financial position of **Abu Qir Fertilizers and Chemical Industries Company (S.A.E)** as at March 31, 2021, and of its financial performance and its cash flows for the nine-months period then ended in accordance with Egyptian Accounting Standards no (30) and in light of prevailing Egyptian governing laws.

Explanatory paragraph:

Without qualifying our opinion, an amount of EGP 52.6 million has been paid representing the grant of Zero Liquid Discharge Project (ZLD) due to the lack of fulfillment of the grant condition related to obtaining the Ministry of Environment certificate and the expiration of the period granted by the National Bank of Egypt to repay the loan in April 2021.

Auditor

Dr. Ahmed Shawki
MAZARS Mostafa Shawki

May 10, 2021.



**Abu Qir Fertilizers
And Chemical Industries Co. (S.A.E)
Financial sectors**

*Translation of response on the notes stated
in the auditor's report
Originally issued in Arabic*

**Response on the notes stated in the review report of MAZARS Mostafa Shawki
On company's interim financial statements on March 31, 2021**

Without qualifying our opinion, an amount of EGP 52.6 million has been paid representing the grant of Zero Liquid Discharge Project (ZLD) due to the lack of fulfillment of the grant condition related to obtaining the Ministry of Environment certificate and the expiration of the period granted by the National Bank of Egypt to repay the loan in April 2021.

Response:

The company has taken the necessary procedures in this regard, represented as follow:

- On March 18, 2021, a meeting was held with the National Bank of Egypt to extend the granted deadline in which was requested to provide the approval of the EPAP II program of the Egyptian Environmental Affairs Agency.
- On April 8, 2021, the EPAP II program of Egyptian Environmental Affairs was contacted to extend the granted period for the loan and the grant. On April 18, 2021, the program stated that there is no objection to the above in case agreement with the National Bank of Egypt.
- Accordingly, the National Bank of Egypt was contacted and the negotiation in this regard is in process.



Translation of statement of financial position
Originally issued in Arabic

**Abu Qir Fertilizers
And Chemical Industries Co.
(S.A.E.)**

**Statement of financial position as at March 31, 2021
(Amounts expressed in Egyptian pound)**

	Note no.	March 31, 2021 EGP	March 31, 2020 EGP	June 30, 2020 EGP
Assets:				
Non-current asset:				
Fixed assets (net)	(3/2, 3/11/1), (4)	1,022,735,989	724,603,244	1,102,832,505
Projects under construction	(3/3), (5)	370,734,991	532,982,371	231,574,924
Available for sale investments	(3/4/1), (6)	340,978,313	323,501,813	333,501,813
Total non-current assets		1,734,449,293	1,581,087,428	1,667,909,242
Current assets:				
Assets held for sale	(8)	1,494,471	4,272,503	2,160,650
Inventory	(3/6), (9)	1,303,529,564	1,352,423,479	1,276,052,732
Trade receivables and other debtors	(3/7), (10)	708,204,658	655,227,739	441,789,956
Held to maturity investments	(3/4/2), (7)	5,222,702,522	4,335,390,629	5,347,396,728
Cash on hand and at banks	(3/8), (11)	697,059,780	785,121,850	576,327,552
Total current assets		7,932,990,995	7,132,436,200	7,643,727,618
Total assets		9,667,440,288	8,713,523,628	9,311,636,860
Shareholders' equity and liabilities:				
Shareholders' equity:				
Paid up capital	(12/1)	1,892,813,580	1,892,813,580	1,892,813,580
Reserves	(3/14), (12/2)	540,439,612	404,665,044	404,665,045
Retained earnings	(12/3)	2,411,345,793	1,807,366,380	1,807,366,380
Net profit for the period/year	(3/19)	2,444,816,106	2,135,000,466	2,694,886,008
Total shareholders' equity		7,289,415,091	6,239,845,470	6,799,731,013
Non-current liabilities:				
Non-current loans	(3/5), (13)	--	91,082	45,506
Notes payable	(14)	15,749,497	32,930,497	28,635,247
Provisions	(15)	217,696,944	220,219,856	220,300,660
Deferred tax liabilities	(3/17/5), (16)	120,613,377	89,183,600	119,150,639
Grants for financing environmental projects	(3/13), (17/4/3)	--	52,712,050	54,014,819
Total non-current liabilities		354,059,818	395,137,085	422,146,871
Current liabilities:				
Provisions	(3/15), (15)	200,000	157,282	200,000
Trade payables and other creditors	(3/12), (17)	1,432,993,330	1,498,835,215	1,469,948,288
Grants for financing environmental projects	(3/13), (17/4/3)	52,611,836	--	--
Loans installments	(3/5), (13)	91,082	35,567,505	25,605,299
Notes payable	(14)	17,181,000	17,181,000	17,181,000
Creditors - tax authority	(3/12), (17/6)	520,888,131	526,800,071	576,824,389
Total current liabilities		2,023,965,379	2,078,541,073	2,089,758,976
Total liabilities		2,378,025,197	2,473,678,158	2,511,905,847
Total shareholders' equity and liabilities		9,667,440,288	8,713,523,628	9,311,636,860

- The accompanying notes are an integral part of these interim financial statements.
- Review reports is attached.

Chairman and Managing Director
Chemist: Saad Ibrahim Abu El-Maati

Head of Financial Sectors
Khaled Mostafa Sokar



*Translation of statement of income
Originally issued in Arabic*

**Abu Qir Fertilizers
And Chemical Industries Co.
(S.A.E.)**

**Statement of income
For the nine-months period ended March 31, 2021
(Amounts expressed in Egyptian pound)**

	Note no.	Nine-months period from 1/7/2020 till 31/3/2021	Nine-months period from 1/7/2019 till 31/3/2020	Three-months period from 1/1/2021 till 31/3/2021	Three-months period from 1/1/2020 till 31/3/2020
		EGP	EGP	EGP	EGP
Sales	(3/16/1, 19/1)	6,304,711,254	5,808,133,135	2,269,497,890	1,811,234,314
Cost of goods sold	(19/2)	<u>(3,643,920,950)</u>	<u>(3,604,132,076)</u>	<u>(1,202,875,458)</u>	<u>(1,113,135,030)</u>
Gross profit		2,660,790,304	2,204,001,059	1,066,622,432	698,099,284
Revenues from available for sale investments	(3/16/2,7, 19/3)	107,100,848	148,599,750	107,100,848	148,599,750
Credit interests	(3/16/3, 19/4)	25,824,607	46,239,842	6,857,021	13,070,484
Revenues from held to maturity investments	(3/16/4, 19/5)	481,864,504	571,006,242	147,911,837	152,192,874
Other revenues	(19/6)	51,754,857	126,144,790	3,672,442	4,785,443
Gain on sale of fixed assets	(3/2/4, 19/6/4)	1,022,480	1,084,492	52,966	769,492
Foreign currency exchange differences	(3/1, 19/7)	5,112,779	(3,395,659)	3,344,854	(466,806)
Selling and distribution expenses	(3/17, 19/8)	(285,240,492)	(272,784,220)	(102,979,170)	(102,846,970)
Administrative and general expenses	(3/17, 19/9)	(100,091,970)	(110,588,217)	(34,370,310)	(35,384,605)
Board of director's expenses	(3/17)	(1,228,125)	(1,078,125)	(243,750)	(215,625)
Provisions support	(3/15, 15)	—	(12,188,852)	—	(12,188,852)
Provision's settlement	(3/15,15)	2,603,717	100,000	2,603,717	100,000
Financing Expenses	(3/5, 19/10)	<u>(1,383,840)</u>	<u>--</u>	<u>(342,559)</u>	<u>--</u>
Net profit for the period before tax		2,948,129,669	2,697,141,102	1,200,230,328	866,514,469
Income tax	(3/17/5, 19/11)	<u>(503,313,563)</u>	<u>(562,140,636)</u>	<u>(246,905,649)</u>	<u>(171,314,571)</u>
Net profit for the period		2,444,816,106	2,135,000,466	953,324,679	695,199,898
Earnings per share	(3/18, 25)	1.62	1.42	0.63	0.47

- The accompanying notes are an integral part of these interim financial statements.

Chairman and Managing Director
Chemist: Saad Ibrahim Abu El-Maati

Head of Financial Sectors
Khaled Mostafa Sokar



*Translation of statement of comprehensive income
Originally issued in Arabic*

**Abu Qir Fertilizers
And Chemical Industries Co.
(S.A.E.)**

**Statement of comprehensive income
For the nine-months period ended March 31, 2021**

(Amounts expressed in Egyptian pound)

	<u>Nine-months period from 1/7/2020 till 31/3/2021</u>	<u>Nine-months period from 1/7/2019 till 31/3/2020</u>	<u>Three-months period from 1/1/2021 till 31/3/2021</u>	<u>Three-months period from 1/1/2020 till 31/3/2020</u>
	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>	<u>EGP</u>
Net profit for the period	2,444,816,106	2,135,000,466	953,324,679	695,199,898
Items related to other comprehensive income	--	--	--	--
Total comprehensive income for the period	<u>2,444,816,106</u>	<u>2,135,000,466</u>	<u>953,324,679</u>	<u>695,199,898</u>

Chairman and Managing Director
Chemist: Saad Ibrahim Abu El-Maati

Head of Financial Sectors
Khaled Mostafa Sokar



Translation of statement of changes in Shareholders' equity
Originally issued in Arabic

**Abu Qir Fertilizers
And Chemical Industries Co.**
(S.A.E.)

Statement of changes in shareholders' equity
For the nine-months period ended March 31, 2021
(Amounts expressed in Egyptian pound)

	Paid up capital	Legal reserve	Other reserves	Comprehensive income	Retained earnings	Total
	EGP	EGP	EGP	EGP	EGP	EGP
March 31, 2020						
Balance as at July 1, 2019	1,892,813,580	238,120,020	6,105,309	--	4,121,386,977	6,258,425,886
Net profit for period ended March 31, 2020	--	--	--	--	2,135,000,466	2,135,000,466
Cash dividends	--	--	--	--	(2,153,580,882)	(2,153,580,882)
Transferred to reserves	--	157,720,716	2,718,999	--	(160,439,715)	--
Balance as at March 31, 2020	1,892,813,580	395,840,736	8,824,308	--	3,942,366,846	6,239,845,470
March 31, 2021						
Balance as at July 1, 2020	1,892,813,580	395,840,736	8,824,309	--	4,502,252,388	6,799,731,013
Net profit for period ended March 31, 2021	--	--	--	--	2,444,816,106	2,444,816,106
Cash dividends	--	--	--	--	(1,955,132,028)	(1,955,132,028)
Transferred to reserves	--	134,690,076	1,084,492	--	(135,774,568)	--
Balance as at March 31, 2021	1,892,813,580	530,530,812	9,908,801	--	4,856,161,898	7,289,415,091
Note		(3/14, 12/2)		(3/19, 12/3)		

- The accompanying notes are an integral part of these interim financial statements.

Chairman and Managing Director

Chemist: Saad Ibrahim Abu El-Maati

Head of Financial Sectors

Khaled Mostafa Sokar



*Translation of statement of cash flows
Originally issued in Arabic*

**Abu Qir Fertilizers
And Chemical Industries Co.
(S.A.E.)**

**Statement of cash flows
For the nine-months period ended March 31, 2021
(Amounts expressed in Egyptian pound)**

	<u>Note</u>	<u>March 31, 2021</u> <u>EGP</u>	<u>March 31, 2020</u> <u>EGP</u>
<u>First: Cash flows from operating activities:</u>	(3/8), (3/9)		
Cash sales and proceeds from clients		6,428,880,708	6,085,428,532
Cash purchasing and payments to vendors		(3,555,455,479)	(3,685,340,177)
Salaries and wages payments		(478,600,247)	(465,248,562)
Credit interests	(19/3), (19/4)	25,871,374	46,743,042
Tax payments		(689,384,807)	(919,571,817)
Other proceeds		78,796,114	206,791,385
Other payments		(295,294,909)	(243,129,331)
Net cash flows provided from operating activities no. (1)		1,514,812,754	1,025,673,072
<u>Second: Cash flows from investing activities:</u>			
Payments for acquisition of fixed assets (projects under construction)		(128,920,549)	(134,595,462)
Proceeds from investment in other companies		26,611,485	61,768,575
Payments for investment in other companies		(7,576,500)	--
Proceeds from selling of fixed asset		1,709,611	1,238,356
Payments for acquisition of held to maturity investments		(6,920,312,648)	(7,722,289,613)
Proceeds from held to maturity investments		7,027,909,998	8,440,841,425
Returns on held to maturity investments		391,372,001	510,106,860
Returns on Suez Canal certificates		--	9,687,500
Proceeds from Suez Canal certificates		--	250,000,000
Expenses and commissions related to Zero Liquid Discharge Project		--	(3,816,488)
Net cash flows provided from investing activities no. (2)		390,793,398	1,412,941,153
<u>Cash flows from financing activities:</u>			
Re-payment of loans and grants related to Zero Liquid Discharge Project	(12)	(25,525,932)	(33,773,568)
Paid dividends for the period		(1,761,307,469)	(1,930,589,063)
Net cash flows used in financing activities no. (3)		(1,786,833,401)	(1,964,362,631)
Net change in cash and cash equivalents (1) + (2) + (3)		118,772,751	474,251,594
Cash and cash equivalents, beginning of the period		576,327,552	328,751,839
Foreign currency exchange differences effect	(19/6)	1,959,477	(17,881,583)
Cash and cash equivalents, end of the period	(11)	697,059,780	785,121,850

- The accompanying notes are an integral part of these financial statements.

**Chairman and Managing Director
Chemist: Saad Ibrahim Abu El-Maati**

**Head of Financial Sectors
Khaled Mostafa Sokar**



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

*Translation notes of the financial statements
Original issued in Arabic*

(Amounts expressed in thousand Egyptian Pounds)

NOTES INDEX

<u>Note</u>	<u>Description</u>	<u>Pages</u>
1	The company	13
2	Basis of accounting	13
3	Significant accounting policies	14
4	Fixed assets	25
5	Projects under construction	27
6	Available for sale investments	29
7	Held to maturity investments	30
8	Non-current assets held for sale	31
9	Inventory	31
10	Trade receivables and other debit accounts	32
11	Cash on hand and at banks	34
12	Shareholders' equity	35
13	Loans	36
14	Notes payable	37
15	Provisions	37
16	Deferred tax liabilities	38
17	Trade payables and other credit accounts	38
18	Legal and tax position	42
19	Statement of income	43
20	Contingent liabilities	47
21	Operating sectors	48
22	Related parties	49
23	Important contracts with related parties	50
24	Comparative figures	50
25	Earnings per share	51
26	Emergency conditions and subsequence event	51



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

*Translation notes of the financial statements
Original issued in Arabic*

(Amounts expressed in thousand Egyptian Pounds)

(1) The Company:

Company's name:

Company's name is Abu Qir Fertilizers and Chemicals Industries Company S.A.E.

Legal entity:

Abu Qir Fertilizers and Chemicals Industries Company was incorporated according to Ministerial decision no.374 of 1976 under applicable laws (law no. 60 of 1971, law no. 111 of 1975, public sector law no. 97 of 1983 and then law no. 203 of 1991). The company was registered in commercial register under no. 87560 on July 20, 1976. On August 1, 1996, the company was transferred to be under law no. 159 of 1981.

Company's purpose:

Manufacturing all types of fertilizers, chemicals and other related materials or derived from it or materials which are necessary for its manufacturing, packing, purchasing and selling for both domestic and global market and also pursuing the entire operations and activities which are related to mentioned purpose.

Company's duration:

The Company's duration was extended for 30 years starting from July 20, 2006, the date that the company has been reregistered in commercial register according to extraordinary general assembly meeting held on June 10, 2006.

(2) Basis of accounting:

(2/1) Compliance with accounting standards and laws:

Financial statements are prepared in accordance with the Egyptian Accounting Standards and in light of governing laws.

Board of directors approved the financial statements April 26, 2021.

(2/2) Basis of measurement:

The financial statements are presented using the historical cost convention, by assuming continuity assumption except for investments available for sale which is recorded by its fair value.

(2/3) Functional and reporting currency:

The financial statements are prepared in Egyptian pound which is the functional and reporting currency for major activities in the company.

(2/4) Use of estimates and assumptions:

The preparation of financial statements in conformity with Egyptian Accounting Standards requires use of estimates and assumptions that may affect valuation of assets, liabilities, revenues and expenses. Although, these estimates are made based on management's experience and best knowledge of current events and actions, actual results may differ from those estimates.

Estimates and related assumptions are reviewed on a regular basis, and if changes in the estimate relating to the current period, it will be recognized therein, but if related to the annual year and future years, it will be recognized in both.

(3) Significant accounting policies:

A summary of the significant accounting policies is as follows:

(3/1) Translation of foreign currencies and exchange differences policy:

The company's functional and reporting currency is the Egyptian Pound. Transactions denominated in foreign currencies are recorded using the exchange rates prevailing as at the transaction date. Monetary assets and liabilities denominated in currencies other than the Egyptian Pounds are translated using the exchange rates prevailing as at the financial statement date. Revaluation differences are charged to the income statement.

Exchange differences are included in the statement of income. Non-monetary assets and liabilities which were stated at historical cost (or fair value) are translated to Egyptian pounds using the rates prevailing at the date of transaction (or when determining the fair value).



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E.)

Notes to the financial statement as at March 31, 2021

*Translation notes of the financial statements
Original issued in Arabic*

(Amounts expressed in thousand Egyptian Pounds)

(3/2) Fixed assets:

(3/2/1) Reporting and valuation:

Fixed assets are recorded at historical cost less accumulated depreciation and accumulated impairment losses (if there are any indications of impairment in their values). Fixed assets cost include all company's expenditures to acquire the asset until it reaches the company site and be ready for intended use, The cost of assets manufactured internally include cost of direct material, direct labor and its share from other overhead costs until it reaches its site and be ready for intended use in addition to the cost of asset removal at end of its useful life, Components which have difference useful lives are registered separately.

(3/2/2) Subsequent cost after acquisition of assets:

- Any subsequent costs such as replacement parts are capitalized to fixed asset as a separate items as their useful lives differ from the main asset, old replaced or renewed items are removed from accounting records, other repairs and maintenance expenses are charged to the statement of income.
- Major spare parts and backup equipment are capitalized to fixed assets only if these costs are determinable and derive future economic benefits more than one financial year.

(3/2/3) Depreciation:

Fixed assets are depreciated using straight-line method over their estimated useful lives for all assets except lands, Depreciation is charged to the statement of income and is calculated when the asset is rendered ready for its intended purpose according to the following approved rates:

<u>Assets</u>	<u>Dep. Rate</u>
Buildings, construction and facilities	2% - 6%
Buildings for liquid fertilizers	5%
Production equipment and machineries	5% - 11%
Production equipment and machineries – Abu Qir Plant (3)	5%
Production equipment and machineries for liquid fertilizers	6.5%
Machineries for Plastic Bags Plant	4% - 6%
Means of transportation	10% - 20%
Cranes	10%
Tools	7.5% - 10%
Furniture and office equipment	10%
Computers	25%
Photocopiers	17%
Catalyst Abu Qir Plants (1), (2), (3)	10% - 33%

(3/2/4) Gain or loss on sale of fixed assets:

Gain or loss on sale of fixed assets resulting from the difference between net replacement value and net book value of disposed asset after deducting its salvage value, are included in the statement of income.

(3/3) Projects under construction:

All amounts paid to acquire fixed assets are recorded as projects under constructions at cost less any impairment (if any), the asset is transferred to fixed assets when it becomes ready for its intended use and will start to be depreciated.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

*Translation notes of the financial statements
Original issued in Arabic*

(Amounts expressed in thousand Egyptian Pounds)

(3/4) Investments:

(3/4/1) Available for sale investments:

Available for sale investments are stated at fair value and represented as non-current investments, any differences in their fair value are recognized as gain or loss charged directly to other comprehensive income in the Shareholders' equity.

Available for sale investments comprise investments in ownership of Alexandria Fertilizers Company, Helwan Fertilizers Company, and Global Company For Petrochemicals, As these companies do not registered in the stock exchange in an active market and the company couldn't measure its fair value in a reliable way, so they were evaluated at cost and if there is an impairment in its values, their book values will be adjusted accordingly and the differences are stated at reduced by the amount of that decrease which will be stated in the statement of income.

(3/4/2) Held to maturity investments:

Held to maturity investments are investments that have a determined or determinable value and a maturity date, also the company has a capability and intend to keep them till its maturity date. These investments comprise the following:

- Investments in treasury bills:

Investments in treasury bills are stated at paid amount and represented at nominal value after deducting unearned revenues till the financial statements date.

(3/4/3) Investments at fair value through profit or loss:

Investments at fair value through profit and loss are stated and evaluated at fair value, with any resultant gain or loss recognized in the statement of income. Also, any gain or loss from sale these investments are charged directly to the statement of income.

(3/5) Borrowing and the policy followed in borrowing cost treatment:

Borrowing and credit facilities are recognized initially in fair value after deducted any related expenses. These borrowings are represented in balance sheet as current or non-current according to maturity dates.

Borrowing costs are capitalized to related acquired, constructed, or created assets only if capitalization conditions are met otherwise recognized as an expense in the statement of income as incurred.

(3/6) Inventory:

(3/6/1): Finished goods are stated at the lower of cost or net realizable value (Net realizable value is based on estimated selling price less any further costs expected to be incurred on completion and disposal), Ending finished goods have been stated at cost where it is lower than net realizable value, Issued finished goods are evaluated using its book value. In case there is a decline in net realizable value for obsolete or slow motioned inventory under its cost, the difference charged to the income statement to ensure the definition of net realizable value.

(3/6/2): Work in process inventory is stated at cost (till the last production stage reached) or net realizable value whichever is lower, ending work in process inventory in Abu Qir plant (1) is stated at net realizable value where it is lower than cost. but ending work in process inventory in Abu Qir plants (2) and (3) is stated at cost which is lower than their net realizable value.

(3/6/3): Inventory of raw materials, supplies, spare parts, and packaging materials are stated at cost where these materials are used for production which their net realizable value exceeds its cost. Cost of issued materials are stated using weighted average method.



(3/6/4): Inventory of scrap and waste are stated at cost or net realizable value whichever is lower.

(3/6/5): Cost of inventory:

Costs include those expenses incurred in bringing each item to its present location and condition.

(3/6/6): Inventory physical count:

The finished goods and work in process inventory are physically counted at the end of the period, other inventories have been counted by perpetual method during the year under the supervision of the external auditor and the Accountability State Authority.

(3/7) Trade receivables, debtors and other debit balances:

Trade receivables, debtors and other debit balances are stated at their nominal values and reduced by appropriate decline in its values which represent amounts that are expected to be uncollectible.

(3/8) Cash and cash equivalent:

- Cash and cash equivalents are comprised of cash on hand and at banks (current accounts and time deposits).

(3/9) Statement of cash flows:

Statement of cash flows is prepared using the direct method.

(3/10) Operating segments:

Operating segment is defined as unit which participates in business activities that the company could generates revenues and incur expenses. The company reviews on timely bases the performance of operating segments to evaluate its financial performance and make important decisions to reallocate resources for each segment, financial information for each segment should be disclosed separately, not necessarily every part of the entity is an operating segment or part of an operating segment.

(3/11) Impairment of assets:

(3/11/1) Impairment of non-financial assets

At each financial statement date, the Company reviews the carrying amounts of its cash generating units to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the cash-generating unit is estimated to be less than its carrying amount, The carrying amount of the cash-generating unit is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately unless the relevant asset is carried at a revalued amount in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses the carrying amount of the cash-generating unit is increased to the revised estimate of its recoverable amount so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the cash-generating unit in prior years. A reversal of an impairment loss is recognized as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



(3/11/2) Impairment of financial assets:

Financial assets, other than those at fair value through profit or loss (FVTPL) are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

(3/12) Creditors and other credit balances:

Creditors are recorded at historical cost and classified within liabilities for amounts expected to be paid or settled against received goods or services

(3/13) Governmental grants:

Governmental grants related to the acquisition of assets are stated as unearned revenue until fulfilling the grant conditions and when these conditions are met revenue will be recognized in the statement of income over the estimated useful life of the related asset by the same depreciation rate.

(3/14) Legal reserve:

Under corporate law no. 159 of 1981 and the company's articles of association, at least 5% of the annual profits are required to be transferred to legal reserve until this reserve equals at least 50% of the issued capital, whenever legal reserve is decreasing from 50% of the issued capital it is must deduct 5% of the company's annual profits again to be transferred to the legal reserve.

(3/15) Provisions:

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is expected that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

According to the conservatism principle, the company creates income tax provisions in light of actual claims, dispute matters, and probable claims for unexamined years based on prior experience with the tax authority.

Provisions are reviewed at the end of each financial period and restated to reflect management estimates, the amount recognized as a provision should represent the present value of the expected outflows to settle the obligation which represented as current and non-current provisions.

(3/16) Revenue recognition:

(3/16/1) Selling goods:

Sales revenues are recognized when all ownership risks, rewards, and controls are transferred to the client, the actual delivery of sold goods, measurable economic benefits will flow to the company and the cost of these benefits could be reliably measured, for export sales all ownership risks, rewards and controls are transferred to the client according to shipping terms.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

*Translation notes of the financial statements
Original issued in Arabic*

(Amounts expressed in thousand Egyptian Pounds)

(3/16/2) Revenues from available for sale investments:

Revenues from available for sale investments are comprised of dividends received from investing in companies that occurred after the acquisition date and are recognized upon announcement of cash dividends and approval from their general assembly meeting.

(3/16/3) Credit interests:

Credit interest revenues are recognized at statement of income according to bank's declared interest rates at accrual bases.

(3/16/4) Return on treasury bills:

Return on treasury bills is recognized at the statement of income according to amortized cost using the actual interest rate.

(3/16/5) Revenues from investments at fair value through profit or loss:

All revenues of these investments either revaluation or gain on sale of investments are recognized at the statement of income.

(3/17) Expenses:

All operating costs, selling expenses, and general and administrative expenses are recognized and charged to the statement of income as incurred according to accrual basis.

(3/17/1) Debts interests:

Debt interests are recognized in the statement of income by using the actual interest rate.

(3/17/2) Rent expenses:

Rent expenses are recognized in the statement of income using straight-line installments over the rental contract period.

(3/17/3) Social insurance and retirement plan for employees:

The company contributes to the government social insurance system for the benefit of its personnel under the Egyptian social insurance law no. 79 of 1975. Under this law, Company contributions are charged to the statement of income as incurred according to an accrual basis.

(3/17/4) Employees' benefits:

Accumulated actuarial gain or loss are recognized (if any) as a liability against defined employees benefits and charged directly to other comprehensive income, realized benefits are charged to statement of income including modifying, downsizing, or restructuring the employee benefits program as incurred.

(3/17/5) Income tax:

The income tax on profit for the period comprises current tax, and deferred tax, the accrued income tax is directly charged to the statement of income except for items recognized as other comprehensive income in the owners' equity.

Current income tax is (calculated according to the laws and applicable regulations using the prevailing tax prices on the date of the financial statements including any tax differences for previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements, and the corresponding tax basis used in the computation of taxable profit and is accounted for using the financial position method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.



The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates and tax laws that have been enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from how the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(3/18) Earnings per share:

Earnings per share are calculated by dividing the net profit (loss) for the financial period attributable to shareholders of the company by the weighted average of the outstanding shares during the financial period. If share dividend is issued or split during the financial period, the weighted average of the registered shares during the financial period is recalculated as if the issuance of share dividend or shares splitting were done at the beginning of the first period presented.

(3/19) Cash dividend:

The cash dividend is recorded as liabilities upon announcement and being approved by the company's ordinary general assembly meeting.

(3/20) Financial instruments and related risks management:

(3/20/1) Fair value of financial instruments:

The financial instruments represented in balances of cash and banks, debtors, balances due from related parties, certain other debit accounts, creditors, balances due to related parties, and certain other credit accounts. The company measures the fair value of these instruments to ensure that they represent a reasonable estimate of their fair values at the financial position date.

(3/20/2) Foreign currency risk:

Foreign currency risk is represented in foreign currency fluctuations in exchange rates affecting the Company's cash inflow and outflow in foreign currencies and also the exchange differences arising from the translation of monetary assets and liabilities in foreign currencies. The company maintains a reasonable balance of foreign currencies against its liabilities in foreign currencies in order to avoid that risk.

(3/20/3) Liquidity risk:

Liquidity risk represents the Company's inability to settle its financial liabilities on maturity dates. The company inspects its balances at banks daily to ensure that sufficient cash is maintained to meet funding requirements according to short, med, and long-term cash flow.

(3/20/4) Credit risk:

Credit risk represents the Company's inability to collect its financial assets on maturity dates. The company distributes its customers in various sectors with strict credit control. Impairment losses are properly demonstrated with an accurate credit risk assessment.

(3/20/5) Interest rate risk:

Interest rate risk represents the effect of changes in interest rate, which might adversely affect both the bank liabilities which represent loan balances, and the credit interest on bank deposits. To prevent the credit interest risk, the company works on revising its banking plans for getting the best available prices in the market regularly.

(3/20/6) Market risk:

Market risk is represented in the changes in market prices that resulting from changes in foreign exchange rates, interest rates, equity instruments prices, that affect the company's revenues, the company aims to manage those risks within acceptable parameters while maximizing returns.



(3/20/7) Capital management:

The management aims to maintain a strong capital structure to maintain the confidence of investors, creditors, and other stakeholders and to meet future developments while maximizing returns, return on equity is calculated as net profit divided by total shareholders' equity. Management reviews the company's distributions to shareholders and trying to maintain a strong capital structure and maximizing returns. There are no changes in management strategy in this matter during the year also there are no requirements or any external constraints on the company in respect of their management of capital.

(3/21) New issues and Egyptian accounting standards amendments:

On March 18, 2019, The Minister of Investment and International Cooperation has issued decree No. (69) of 2019 to amend some of the Egyptian Accounting Standards that were previously issued by investment minister decree No. (110) of 2015, the decree includes some of the new Egyptian Accounting Standards as well as introducing amendments to certain existing standards this decree was published in Egyptian facts Gazette on April 7, 2019, The Prime Minister then issued a decree No. (1871) of 2020 Postponing the application of Egyptian accounting standards No. (47, 48, 49) to the financial year starting January 2021. And by referring to the Financial Regulatory Authority regarding the start of applying the amendments as the fiscal year starts on July 1, of each year. The Authority stated in its letter of April 4, 2021, that the amendments will be implemented as of July 1, 2021. **Which are as follow:**

(3/21/1) The new Egyptian Accounting Standard No. (47) - Financial Instruments:

(3/21/1/1) A summary of amendments:

- The new Egyptian accounting standard No. (47) - "Financial instruments" supersedes the corresponding issues included in the accounting standard no. (26) - Financial instruments "Recognition and Measurement". Accordingly, the Egyptian accounting standard No. (26) was amended and reissued after canceling the paragraphs pertaining to the issues addressed in the new standard No. (47) and the scope of the amended standard of (26) was specified to deal only with limited cases of hedging accounting according to the choice of the enterprise.
- Pursuant to the requirements of the standard financial assets are stated based on their subsequent measurement whether at amortized cost, fair value through other comprehensive income, or at fair value through profit or loss, in accordance with the enterprise business model for managing financial assets and the contractual cash flow characteristics of the financial assets.
- The incurred loss model was replaced by the expected credit loss model when measuring the impairment of financial assets, which requires measuring the impairment of all financial assets which are stated at amortized cost and financial instruments at fair value through other comprehensive income from their initial recognition date regardless of whether there is any indication of impairment in their values.
- **Based on the requirement of this standard the following standards were amended:**

Egyptian Accounting Standard No. (1): "Presentation of financial statements" as amended in 2019

Egyptian Accounting Standard No. (4): Statement of cash flows

Egyptian Accounting Standard No. (25): Financial Instruments: Presentation

Egyptian Accounting Standard No. (26): Financial Instruments: Recognition and measurement

Egyptian Accounting Standard No. (40) – Financial Instruments: Disclosures



(Amounts expressed in thousand Egyptian Pounds)

(3/21/1/2) The possible impact on the financial statements:

The management is currently assessing the potential impact of implementing the amendments of the standard on the financial statements.

(3/21/1/3) The date of implementation

Standard No. (47) Applies to financial periods beginning on or after January 1, 2021, and early implementation thereof is permitted provided that the amended Egyptian Accounting Standard No. (1), (25), (26), and (40) are to be simultaneously applied.

(3/21/2) The new Egyptian Accounting Standard No. (48) – Revenue from Contract with Customers:

(3/21/2/1) A summary of amendments:

- The new Egyptian Accounting Standard No. (48) – "Revenue from Contract with Customer" shall supersede and repeal both standards Egyptian Accounting Standard No. (8) – "Construction contract" as amended in 2015 and Egyptian Accounting Standard No. (11) – "Revenue" as amended in 2015.
- For revenue recognition, the control model is used instead of the risk and rewards model.
- Incremental costs of obtaining a contract with a customer are recognized as an asset if the enterprise expects to recover those costs, as well as the costs of fulfilling the contract are to be recognized as an asset when certain condones, are met.
- The standard requires that the contract must have a commercial substance for the revenue to be recognized.
- Expanding in presentation and disclosure requirements.

(3/21/2/2) The possible impact on the financial statements:

The management is currently assessing the potential impact of implementing the amendments of the standard on the financial statements.

(3/21/2/3) The date of implementation:

Standard No. (48) Applies to financial periods beginning on/or after January 1, 2020, and early implementation thereof is permitted.

(3/21/3) The new Egyptian Accounting Standard No. (49) – Lease Contract:

(3/21/3/1) A summary of amendments:

- The new Egyptian Accounting Standard No. (49) - Lease Contract shall supersede and repeal standard No. (20) - "Financial Leasing" issued in 2015.
- The standard introduces a single accounting model for the lessor and the lessee where the lessee recognizes the right of use of the leased asset as part of the company's assets and recognizes a liability that represents the present value of unpaid lease payments under the company's liabilities taking into account that the lease contract is not classified in respect of the lessee as operating or finance lease contract.
- As for the lessor, the lease contract will be classified either as an operating lease or a finance lease contract.
- As for finance lease contracts, the assets held under these contracts will be recognized by the lessor in the statement of financial position as amounts receivable with an amount of net investment in the lease contract.
- As for operating lease contracts, the lease payments of these contracts will be recognized by the lessor as income either based on the straight-line method or based on any other regular basis.



(3/21/3/2) The possible impact on the financial statements:

The management is currently assessing the potential impact of implementing the amendments of the standard on the financial statements.

(3/21/3/3) The date of implementation:

This Standard No. (49) Applies to all financial periods beginning on/or after January 1, 2021, and the early implementation thereof is permitted if Egyptian Accounting Standard No. (48) Revenue from Contracts with the Customer is simultaneously applied.

Except for the above-mentioned date of enforcement, standard no. (49) Applies to lease contract that was subjected to finance lease Law No. 95 of 1995 and its amendments and were treated according to Egyptian Accounting Standard No. (20) – "Accounting rules and standard related to financial leasing" as well as the finance lease contracts that arise under the law of No. 176 of 2018 " financial leasing and factoring activities" starting from the beginning of the annual reporting period in which the law of No. 176 of 2018 " financial leasing and factoring activities" was issued which supersede and repeal the law No. (95) of 1995.

(3/21/4) The amended Egyptian Accounting Standard No. (38) – Employees Benefits:

(3/21/4/1) A summary of amendments:

Some paragraphs were introduced and amended in order to amend the accounting rules of amendment and settlements of employees' benefits plan.

(3/21/4/2) The possible impact on the financial statements:

The management is currently assessing the potential impact of implementing the amendments of the standard on the financial statements.

(3/21/4/3) The date of implementation:

This amended standard no. (38) Applies to financial periods beginning on/or after January 1, 2021, and the early implementation thereof is permitted.

(3/21/5) The amended Egyptian Accounting Standard No. (42) - The Consolidated Financial Statements:

(3/21/5/1) A summary of amendments:

Some paragraphs were added related to exclude the investing entities from the consolidation process. This amendment has resulted in introducing amendments to some of the accounting standards related to the subject of the investment entities.

The standards that were amended are as follows:

- ESA 15 – Related Party Disclosures
- ESA 17 – Separate Financial Statements
- ESA 18 – Investments in Associates
- ESA 24 – Income Tax
- ESA 29 – Business Combination
- ESA 30 – periodical Financial Statement
- ESA 44 – Discourse of Interests in Other Entities

(3/21/5/2) The possible impact on the financial statements:

The management is currently assessing the potential impact of implementing the amendments of the standard on the financial statements.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E.)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(3/21/5/3) The date of implementation:

This amended Standard No. (42) Applies to financial periods beginning on/or after January 1, 2021, and the early implementation thereof is permitted. The new or amended paragraphs pertaining to the amended standards concerning the investing entities shall be applied in the effective date of Egyptian Accounting Standard No. (42) "Consolidated Financial Statement" as amended in 2019.

(3/21/6) The amended Egyptian Accounting Standard No. (22) – Earning Per Share:

(3/21/6/1) A summary of amendments:

The scope of Egyptian Accounting Standard No. (22) – "Earning Per Share" was expanded to become mandatory on the separate, consolidated or stand-alone financial statement of all types of firms.

(3/21/6/2) The possible impact on the financial statements:

The management is currently assessing the potential impact of implementing the amendments of the standard on the financial statements.

(3/21/6/3) The date of implementation:

This amended Standard No. (4) Applies to financial periods beginning on/or after January 1, 2021.

(3/21/7) The Egyptian Accounting Standard No. (4) – Statement of Cash Flow:

(3/21/7/1) A summary of amendments:

This standard requires that firms present their disclosures so users can evaluate the changes in liabilities which arise from financing activities, in addition to all changes arise from cash or non-cash flows.

(3/21/7/2) The possible impact on the financial statements:

The management is currently assessing the potential impact of implementing the amendments of the standard on the financial statements.

(3/21/7/3) The date of implementation:

This amended Standard No. (4) Applies to financial periods beginning on/or after January 1, 2021.

(4) Fixed assets (net):

(4/1/1) Fixed assets as at March 31, 2021:

(Amounts in thousands)

Description	Lands, Buildings, construction and facilities	Machinery and equipment	Means of transportation	Tools	Furniture and office equipment	Total
Cost as at July 1, 2020	473,053	2,955,222	48,344	45,221	41,428	3,563,268
Additions and adjustments	1,406	487	3,457	1,145	1,709	8,204
Disposals and adjustments	(50)	(2,246)	(2,275)	(350)	(173)	(5,094)
Cost as at March 31, 2021	474,409	2,953,463	49,526	46,016	42,964	3,566,378
Acc. depreciation as at July 1, 2020	238,519	2,131,703	36,549	29,108	24,556	2,460,435
Depreciation	11,018	68,391	2,862	1,786	2,070	86,127
Disposals acc. depreciation	(50)	(77)	(2,275)	(350)	(168)	(2,920)
Acc. depreciation as at March 31, 2021	249,487	2,200,017	37,136	30,544	26,458	2,543,642
Net book value as at March 31, 2021	224,922	753,446	12,390	15,472	16,506	1,022,736



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(4/1/2) Fixed assets as at March 31, 2020:

(Amounts in thousands)

Description	Lands, Buildings, construction and facilities	Machinery and equipment	Means of transportation	Tools	Furniture and office equipment	Total
Cost as at July 1, 2019	343,386	2,614,020	42,546	36,852	36,752	3,073,556
Additions and adjustments	3,697	126,666	580	5,205	6,270	142,418
Disposals and adjustments	(69)	(46,987)	(128)	(223)	(1,683)	(49,090)
Cost as at March 31, 2020	347,014	2,693,699	42,998	41,834	41,339	3,166,884
Acc. depreciation as at July 1, 2019	231,554	2,102,221	34,475	27,522	23,606	2,419,378
Depreciation	5,246	61,713	1,595	1,432	1,988	71,974
Disposals acc. depreciation	(69)	(46,987)	(128)	(223)	(1,664)	(49,071)
Acc. depreciation as at March 31, 2020	236,731	2,116,947	35,942	28,731	23,930	2,442,281
Net book value as at March 31, 2020	110,283	576,752	7,056	13,103	17,409	724,603

(4/1/3) Fixed assets as at June 30, 2020:

(Amounts in thousands)

Description	Lands, Buildings, construction and facilities	Machinery and equipment	Means of transportation	Tools	Furniture and office equipment	Total
Cost as at July 1, 2019	343,386	2,614,020	42,546	36,852	36,752	3,073,556
Additions and adjustments	136,514	394,410	6,448	8,879	6,649	552,900
Disposals and adjustments	(6,847)	(53,208)	(650)	(510)	(1,973)	(63,188)
Cost as at June 30, 2020	473,053	2,955,222	48,344	45,221	41,428	3,563,268
Acc. depreciation as at July 1, 2019	231,554	2,102,221	34,475	27,522	23,606	2,419,378
Depreciation	7,034	82,658	2,202	2,073	2,703	96,670
Disposals acc. depreciation	(69)	(53,176)	(128)	(487)	(1,753)	(55,613)
Acc. depreciation as at June 30, 2020	238,519	2,131,703	36,549	29,108	24,556	2,460,435
Net book value as at June 30, 2020	234,534	823,519	11,795	16,113	16,872	1,102,833



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(4/2) Fixed assets additions and disposals for the Nine-months period ended March 31, 2021:

Total fixed assets additions and disposals and their adjustments for the nine-months period ended March 31, 2021 amounted EGP 8,204 thousand, and EGP 5,094 thousand respectively as follows:

Description	(Amounts in thousands)	
	Additions and adjustments	Disposals and adjustments
First: Abu Qir Plant (1):		
Business time clock' building	--	50
Establishing a fire network for the reception warehouse and spare parts	1,359	--
Adjustment to reduce ZLD unit's machines with the value of spare parts	--	1,534
Electricity current protection device (UPS)	--	5
Shot hose for filling prilled urea	265	--
Means of transportation, furniture, supplies and tools	6,192	2,777
Total Abu Qir Plant (1)	7,816	4,366
Second: Abu Qir Plant (2):		
Nitrate waste warehouse	47	--
Modified Ring Burner	62	--
Tools	38	--
Furniture and supplies	39	11
Total Abu Qir Plant (2)	186	11
Third: Abu Qir Plant (3)		
Complete pump for motor and Coupling	160	--
Means of transportation, furniture, supplies and tools	42	1
Total Abu Qir Plant (3)	202	1
Fourth: Plastic Bags Plant:		
Adjustment to reduce plastic bags plant's machines with the value of spare parts	--	706
Means of transportation, furniture, and supplies	--	7
Total Plastic Bags Plant	--	713
Fifth: Liquid Fertilizer Plant:		
Furniture and supplies	--	3
Total Liquid Fertilizer Plant	--	3
Total fixed assets additions and disposals for the period	8,204	5,094

Fixed assets include EGP 24.6 million represents value of buildings, roads, machines and furniture related to employees' compound city which is financed by the share of social services and housing association for employees against liability by the same amount stated in credit balances for control purposes, taking into consideration that these assets are not depreciated.

(4/3) Reconsidering the assets estimated useful lives:

- The historical cost of fully depreciated fixed assets and still working amounted to EGP 2.13 billion.
- A committee has been assembled by administrative decision no. 74 of 2020 to reconsider the estimated useful life of fixed assets that were not fully depreciated; the committee has finished its work and concluded that the present virtual life of assets is appropriate.

(4/4) Impairment:

A committee has been assembled by administrative decision no. 74 of 2020 to study and reconsider if there are any indications of impairment in fixed assets' values over their book values that are available to recovery; the committee has finished its work and concluded that there is no impairment considered.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(4/5) Assets temporarily disabled or suspended and restrictions on ownership of assets:

There are no assets neither temporarily disabled or suspended or held for sale except for EGP 1,494 thousand which represents catalyst and control system for Ammonia and compressors in Abu Qir plant (2) and there are no restrictions on ownership of assets at financial position date except for the completion of the registration of some of the company's lands with an area of 2 shares, 4 acres of which about 15 shares, 21 carats, and 1 acre outside the company's fence, the registration procedures for these lands are in process.

(4/6) Contractual commitments to acquisition of fixed assets:

Contractual commitments to acquisition of fixed assets are represented in contracts which have not yet been implemented till March 31, 2021:

Description	(Amounts in thousands)		
	March 31, 2021		
	EGP	EURO	USD
Finishing the administrative headquarters of the company in Cairo	5,392		
Establishing a sewage network for the company	7,130		
Auxiliary HP boiler Replacement for Abu Qir Plant (1)		10	
Zero Liquid Discharge Project - local and foreign components	7,866	651	
Demineralization Project - foreign components		151	
Supplies orders	589	16,497	492

(5) Projects under construction as at March 31, 2021:

Projects under construction amounted EGP 370,735 thousand as at March 31, 2021 which comprise as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
<u>First: Assets components acquisition</u>			
Buildings and constructions	32,910	86,558	25,021
Machinery and equipment	233,271	190,559	90,788
Tools, Furniture, office equipment & Supplies	115	2,105	3,774
Other projects (Abu Qir plants (1) and (3) development and reducing CO2 emissions)	4,904	164,635	2,285
Total assets' components acquisition	271,200	443,857	121,868
<u>Second: Investing expenditures</u>			
Advance payments	19,881	20,477	10,350
Letters of credit	79,654	68,648	99,357
Total investing expenditures	99,535	89,125	109,707
Total projects under construction	370,735	532,982	231,575



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

*Translation notes of the financial statements
Original issued In Arabic*

(Amounts expressed in thousand Egyptian Pounds)

First: Fixed assets components acquisition:

(1) Buildings amounted to EGP 32,910 thousand which comprise as follows:

		(Amounts in thousands)
		March 31, 2021
Description		
<u>(1/1) Abu Qir Plant (1):</u>		
The new administrative headquarters Cairo, garages for winches in the residential city, linking the sewage network project for the plants with the main network and supplying and installing an automatic fire fighting system and the mosque of the administrative building and constructing a cooling tower.		32,597
<u>(1/2) Abu Qir Plant (2):</u>		
Car garage shelter in front of gate 2.		241
Other job orders		72
		32,910

(2) Machinery and equipment amounted to EGP 233,271 thousand which comprise as follows:

		(Amounts in thousands)
		March 31, 2021
Description		
<u>(2/1) Abu Qir Plant (1):</u>		
- The front axle pipes, Leak detection system, the replacement of cooling tower cell, Ammonia gas rotary, and changing the steam toaster and Bfw preheater and Civil protection development project and Oil tank fire networks and syngas water cooler and job orders in workshops.		128,000
<u>(2/2) Abu Qir Plant (2):</u>		
- Heat Exchanger and Nh3 water preheater and Gas compressor cooler and heat exchanger and Cooling tower fire networks and oil tanks.		9,178
<u>(2/3) Abu Qir Plant (3):</u>		
- Heat exchanger and Oven pipes and Complete Hp scrubber.		96,093
		233,271

(3) Furniture and office equipment and tools amounted to EGP 115 thousand which comprise as follows:

		(Amounts in thousands)
		March 31, 2021
Description		
<u>(3/1) Furniture related to Abu Qir Plant (1)</u>		8
<u>(3/2) Other job orders</u>		107
		115



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(4) Other projects amounted to EGP 4,904 thousand which comprise as follows:

Description	(Amounts in thousands)
	March 31, 2021
(4/1) Abu Qir Plant 3 development and reducing CO ₂ emissions	3,465
(4/2) Abu Qir Plant 1 Urea plant development	1,439
	<u>4,904</u>

Second: Investing expenditures:

(1) Advance payments balance amounted to EGP 19,881 thousand which comprise as follows:

Description	(Amounts in thousands)
	March 31, 2021
Renewing electric control system with two elevators in urea and packaging unit in Abu Qir Plant (1)	218
Licenses of reducing CO ₂ emissions project	75
Supply and installation of new automatic fire extinguishing system for 14 buildings and social club	3,879
Designing and supervision of Cairo office preparation and install an emergency exit door	1,463
Manufacturing and replacing the heat exchanger	11,400
Furnishing the administrative building in Cairo	608
Buying a high-pressure washing machine for the transport and lifting equipment sector	98
Supply and installation of surveillance camera for the administrative sector in the plant and the administrative building	299
Study of a project to reduce carbon dioxide emissions at the urea plant (3)	35
Purchase of centrifugal pump and Shell & Tube Exchanger and Manual fire extinguishing device	1,806
	<u>19,881</u>

(2) Letters of credit balance amounted EGP 79,654 thousand which comprise as follows:

Description	(Amounts in thousands)
	March 31, 2021
Engineering and supply of Waste Heat Boiler for Abu Qir Plant (2)	2,158
Buying Ammonia Converter Basket for Abu Qir Plant (1)	9,988
Upgrade for control system for Abu Qir Plant (3)	1,307
Upgrade the speed control system for Abu Qir Plant (1)	5,107
Buying High pressure stripper for Abu Qir Plant (3)	45,528
Buying Containerized Life Support Unit for Abu Qir Plant (1)	3,766
Upgrading control system for Abu Qir (3)	9,488
Buying Gas detection system for Abu Qir Plant (2)	2,312
	<u>79,654</u>



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(6) Available for sale investments:

Available for sale investments balance amounted EGP 340,978 thousand as at March 31, 2021, which comprise as follows:

Description	(million EGP/USD)			Thousands EGP)	
	Paid up capital	Ownership percentage	Total investing amount	Total Paid amount till 31/3/2021	Total Paid amount till 31/3/2021
Alexandria Fertilizers Company (USD)	149.25	15%	22.3875	22.3875	135,912
Helwan Fertilizers Company (USD)	150	17%	25.5	25.5	157,590
El Wadi for Phosphate and Fertilizers Industries (EGP)	400	10%	40	40	40,000
Abu Tartur for Phosphoric Acid Company (USD)	10	9.5%	0.950	0.475	7,476
Total Available for sale investments balance					340,978

(6/1) El Wady for Phosphate and Fertilizers Industries:

On April 13, 2020, Abu Qir Fertilizers company has transferred EGP 10 million in favor of El Wady for Phosphate and Fertilizers Industries according to the board of directors' decision, to complete 100% of the company's contribution in the capital of El Wady for Phosphate and Fertilizers Industries so the total amount paid is EGP 40 Million represents 10% contribution.

(6/2) Abu Tartur for Phosphoric Acid Company:

- On August 26, 2019, the board of directors of Abu Qir Fertilizers company has issued unanimous approval on contribution of Abu Qir fertilizers company in Abu Tartur company for phosphoric Acid (under establishment), as El Wady company should be notified with the proposal of reducing its share in the new company to the lowest possible percentage and redistribute these reduction to other shareholders, provided that a formal power of attorney for founding agent is released to take all necessary measures to establish the new company (Abu Tartur for Phosphoric Acid Company)
- On July 25, 2020, the board of directors of Abu Qir Fertilizers Company has issued unanimous approval no. (94) to pay the amount of USD 237.5 thousand which represents 25% of Abu Qir the investing amount in Abu Tartur Company that has a total share of 9.5% of the company's capital amounted to USD 10 million.
- On December 6, 2020, a Constituent General Assembly meeting was held for Abu Tartur company for phosphoric Acid Company (Private Free Zone Company) at the headquarters of the Ministry of Petroleum and Mineral Resources.
- On January 13, 2021, the board of directors of Abu Tartur company for phosphoric Acid has issued an approval for calling the second installment of 25% of the issued capital and Abu Qir Fertilizers company must pay the amount of USD 237.5 and the payment procedures are being taken.
- On March 7, 2021, the board of directors of Abu Qir Fertilizers Company has issued unanimous approval no. (34) to pay the amount of USD 237.5 thousand which represents the second installment with the rate of 25% of the company's share in the issued capital of the Abu Tartur Company for phosphoric Acid.

(6/3) Global Company for Petrochemical Investments:

- According to the decisions of the ordinary general assembly meeting of the Global Petrochemical Investments Company, held on July 16, 2020, the company received a transfer of USD 45 thousand that represents its share of the company's liquidation, Global Petrochemical Investments Company's registration was removed from the commercial register and the necessary adjustments were made in Abu Qir Fertilizers company's books.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original Issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(7) Held to maturity investments:

Held to maturity investments balance amounted EGP 5,222,703 thousand as at March 31, 2021, which comprise as follows:

(7/1) Treasuring bills is classified as current assets as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Treasury bills			
Nominal value	5,497,925	4,585,075	5,603,350
Deduct: unearned revenues	(234,326)	(212,359)	(215,848)
Deduct: Tax reconciliation	(40,896)	(37,325)	(40,105)
Total treasury bills - recoverable value - current	5,222,703	4,335,391	5,347,397

- Treasury bills balance included an amount of EGP 405 million mortgaged bills for letters of guarantee issued by banks on behalf of the company and in favor of others with the worth of EGP 402 million.

(8) Assets held for sale:

Assets held for sale balance is amounted to EGP 1,494 thousand as at March 31, 2021, which comprises as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Control system – Abu Qir (2)	1,494	2,778	1,495
Mixed Fertilizer factory machines	–	1,495	666
	1,494	4,273	2,161

(9) Inventory:

Inventory balance is amounted to EGP 1,303,529 thousand as at March 31, 2021, which comprises as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Raw materials	293,445	175,267	289,703
Fuel and oil	5,355	4,202	4,225
Spare parts and supplies	777,043	690,748	713,884
Packing materials	22,891	12,470	9,571
Wastes	1,156	888	1,112
Work in process	37,855	78,160	56,520
Finished goods	88,839	212,749	139,705
Inventory with others	35,887	52,490	28,410
Letters of credit	41,000	125,297	32,829
Supplies under construction	58	152	94
	1,303,529	1,352,423	1,276,053



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

- a. Inventory with others as at March 31, 2021, is amounted to EGP 35,887 thousand, which comprise as follows:

Description	Company	(Amounts in thousands)
		March 31, 2021
Platinum networks	Johnson Matte Company	8,848
Rotors (for repairing)	Man Turbo Machine	22,572
Rotors (for repairing)	Siemens Company	1,371
Governor pgpl	Wood Warm Company	63
Rotors	Nuvo Pignene	1,299
Spare Parts	Man Energy	440
Others	Others	1,294
		<u>35,887</u>

- b. Work in process:

Work in process balances as at March 31, 2021, is amounted to EGP 37,855 thousand, can be represented as follows:

	March 31, 2021		June 30, 2020	
	Quantity in ton	Amounts in thousands	Quantity in ton	Amounts in thousands
Ammonia (1)	2,617.07	9,763	2,447.37	9,025
Ammonia (2)	1,977.60	6,314	3,576.50	12,856
Ammonia (3)	6,262.10	21,509	9,767.70	34,308
Nitric Acid	223.423	269	278.08	331
		<u>37,855</u>		<u>56,520</u>

- c. Finished goods:

Finished goods balances as at March 31, 2021, is amounted to EGP 88,839 thousand, can be represented as follow:

	March 31, 2021		June 30, 2020	
	Quantity in ton/ bag	Amounts in thousands	Quantity in ton/ bag	Amounts in thousands
Prilled urea	7,400.11	17,622	30,365.85	75,714
Granular nitrate	66.46	117	342.57	637
Granular urea	31,717.00	69,250	24,729.37	54,903
Liquid fertilizer	882.38	1,392	4,649.01	8,261
Plastic bags	108000.00	458	42,000.00	190
		<u>88,839</u>		<u>139,705</u>

(10) Trade receivables and debit accounts:

Trade receivables and debit accounts amounted to EGP 708,205 thousand as at March 31, 2021 which comprises as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Trade receivables and notes receivable	135,729	80,806	77,466
Sundry debtors	83,191	74,822	63,935
Other debit accounts	453,688	458,542	263,064
Vendors debit balances	35,597	41,058	37,325
	<u>708,205</u>	<u>655,228</u>	<u>441,790</u>



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(10/1) Trade and notes receivable:

Trade and notes receivable balance amounted to EGP 135,729 thousand as at March 31, 2021 which comprises as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Clients - private sector	135,729	80,806	75,765
Notes receivables	--	--	1,701
	<u>135,729</u>	<u>80,806</u>	<u>77,466</u>

(10/2) Sundry debtors:

Sundry debtors balance amounted to EGP 83,191 thousand as at March 31, 2021 which comprises as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Deposits with others	548	571	808
Employees advances	194	376	345
Value added tax authority	81,702	72,493	61,436
Custom authority	747	1,382	1,346
	<u>83,191</u>	<u>74,822</u>	<u>63,935</u>

(10/3) Other debit accounts:

Other debit account balances amounted to EGP 453,688 thousand as at March 31, 2021, which comprise EGP 428,748 thousand, and EGP 24,940 thousand representing debtors and other debit balances respectively as follows:

(10/3/1) Debtors:

	(Amounts in thousands)
	March 31, 2021
Debtors- cars loans and traffic fines	4,154
Residential loans	13,248
Youth and workers housing loans	7,213
Debtors – advances	761
Bamaj Egypt and Samerret Egypt	31,158
Cooperative housing	1,711
Bargas Co.	256
Prepaid expenses	2,022
Water seminar debtors	155
Balances under settlement -Tax authority	24,149
Rakta Company	475
Estimated consumption of platinum	33,028
Tossun project loan	11,277
Helwan Fertilizers Company	78,514
Med gas co.	246
Methanol Project	2,938
The company's contribution to the Methanol Project	1,184
Tax authority	27,182
Funds balances	187,522
Vodafone Company	242
National Papers Co.	400
Accrual Deposits Interests	452
Debtors- Gasoline bills	173
Others	288
	<u>428,748</u>



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

- Debtors include amount of EGP 187,522 thousand related to current accounts, time deposits and treasury bills which is related to (sport and social activities, treatment fund, infrastructure projects, Environment fund, Borg El-Arab project, and Methanol project) against liabilities to these funds stated in other credit balances,
- The statement of cash flow of the company includes inflows and outflows from held to maturity investments amounted to EGP 168 million and EGP 189 million respectively related to Families Treatments and Sporting Activities.
- **Infrastructure projects** represent infrastructure projects outside the company that are being financed by the difference between borrowing interest rate of German development construction bank that granted to Egyptian central bank for Abu Qir Plant (2) and re-borrowing interest rate of Egyptian central bank to the company.
- **Environment fund projects** represent expenses disbursed on environmental works on the surrounding areas of the company that financed by the return of selling carbon certificates which a part of this return is spent on the environmental aspects.
- **Borg El-Arab Project:** represents the collected amount from the employees to finance the project.
- **Methanol Project:** represents the collected amount from the shareholders that available for the Methanol Project's expenditures.

(10/3/2) Other debit balances:

	(Amounts in thousands) March 31, 2021
Value added tax	340
Customs Authority	16,975
Social Insurance Authority	286
Tax authority (real estate tax, withholding tax)	7,339
	24,940

(10/4) Vendors debit balances:

Vendors debit balances amounted to EGP 35,597 thousand as at March 31, 2021 which comprises advance payments and vendors – foreign sector of rejected goods as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Vendors - public sector	487	322	172
Vendors - private sector	11,381	16,934	11,263
Vendors - Foreign sector	23,729	23,802	25,890
	35,597	41,058	37,325

(11) Cash on hand and at banks:

Cash on hand and at banks balances amounted to EGP 697,060 thousand as at March 31, 2021 which comprises as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Time deposits (Three months)	520,489	593,367	465,913
Current accounts with return	176,418	191,330	110,022
Cash on hand	153	425	393
	697,060	785,122	576,328



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

- The short-term time deposits are due to the company's need to keep its time deposits in USD to settle its liabilities in foreign currency.
- Time deposits include an amount of EGP 8,451 thousand equivalent to USD 540 thousand which is reserved by the National Bank of Egypt in exchange of letters of credit.
- Current accounts include an amount of EGP 987 thousand which is reserved by the National Bank of Egypt which is related to Zero Liquid Discharge Project (ZLD) until the final adjustments.

(12) Shareholders' equity:

(12/1) Paid up capital:

The company's authorized capital amounted EGP 3 billion, paid up and issued capital as at March 31, 2021 amounted EGP 1,892,813,580 divided into 1,261,875,720 shares of EGP 1.5 par value each shareholder's structure comprises as follows:

	Ownership percentage	(Amounts in pounds)	
		No. of Shares	Paid up capital
National Investment Bank	24.88%	313,972,680	470,959,020
Egyptian General Petroleum Corporation	19.11%	241,153,540	361,730,310
Industrial Development Authority	12.67%	159,869,040	239,803,560
Misr Insurance Company	3.19%	40,305,635	60,458,453
Ahly Capital Holding Co.	8.11%	102,326,110	153,489,165
Investment Funds and Individuals	10.73%	135,339,633	203,009,449
Nasser Social Bank	5.90%	74,477,970	111,716,955
Holding Company for Chemical Industries	6.52%	82,305,368	123,458,052
Egypt Life Insurance Company	1.93%	24,366,384	36,549,576
Union of Shareholder Employees	4.26%	53,750,000	80,625,000
Egyptian Chemical Industries- Kima	2.70%	34,009,360	51,014,040
	100 %	1,261,875,720	1,892,813,580

(12/2) Reserves:

Reserves balance amounted to EGP 540,440 thousand as at March 31, 2021, which comprise as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Legal reserve	530,531	395,841	395,841
Other reserves	9,909	8,824	8,824
	540,440	404,665	404,665

- The legal reserve has been increased by an amount of EGP 134,690 thousand which represent 5% of net profit for the year 2019/2020.
- The other reserves have been increased by an amount of EGP 1,085 thousand during the period which is derived from dividends for the year 2019/2020, this amount equal total gain on sale of fixed assets during the year ended June 30, 2020, which is transferred according to company's ordinary general assembly decision dated on September 26, 2020.
- Other reserves amounted EGP 9,909 thousand which comprise the following:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Gain on sale of fixed assets	9,876	8,791	8,791
Gain on sale of spare parts and fittings	5	5	5
Environment fund reserve	28	28	28
	9,909	8,824	8,824



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(12/3) Retained earnings:

Retained earnings amounted to EGP 2,411,346 thousand as at March 31, 2021 which comprise the following:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Retained earnings - beginning balance	1,807,366	964,254	964,254
Net profit for the prior year	2,694,886	3,157,133	3,157,133
Cash dividends	(1,955,132)	(2,153,581)	(2,153,581)
Transferred to legal and other reserves	(135,774)	(160,440)	(160,440)
Transferred to retained earnings	603,980	843,112	843,112
Retained earnings – ending balance	2,411,346	1,807,366	1,807,366

Retained earnings amounted to EGP 2,411,346 thousand as at March 31, 2021 include undistributed shareholders' share in profit for year 2019/2020 with amount of EGP 603,980 thousand, other than the transferred balance of previous years that amounted EGP 1,807,366 thousand according to the ordinary general assembly meeting held on September 26, 2020, where this balance is added to the shareholders' equity before the next year's distributions.

(13) Loans:

Loan balance as at March 31, 2021 amounted to EGP 91 thousand which represents the domestic loan balance after completing the payment of the foreign loan which represented 80% of Zero Liquid Discharge Project (ZLD).

Zero Liquid Discharge Project (ZLD) with an estimated cost of USD 24 million has been financed by two loans from the National Bank of Egypt which are represented in a foreign loan to finance 80% of the Zero Liquid Discharge Project (ZLD) and a domestic loan to finance the remaining. There are no guarantees for these loans except for presenting the signature of the borrower's authorized representative on the loan contract, which are as follows:

Description	First loan	Second loan
Amount	USD 16 million including 20% grant under the shadow of Egyptian Environmental Affairs Agency (EEAA) after adding USD 8 million which has been reduced from second loan.	EGP 88 million was reduced by USD 8 million (the extra loan) which is included in first loan and the remaining around EGP 32.4 million under company's control of the exchange started in February, 2016
Withdrawal duration	Two years from signing the loan contract which ends on April 2, 2015, and was extended till June 30, 2015	Three years ending on September 1, 2016
Grace period	One year from the expiry date of the withdrawal period ending on April 2, 2016	Three years ending on September 1, 2016
Installments	Monthly installments (60 equal installment) starting the month after the expiration of withdrawal and grace period considering from May 2016	Monthly installments (60 equal installment) starting the month after the expiration of withdrawal and allowance period considering from October, 2016
Debit interest rate	2% + Libor rate -6 months	1.25% + the price of Corridor lending per year
Grant balance to date after revaluation	USD 3,340 thousand equivalent to EGP 52,612 thousand	--
Loan balance to date after revaluation	All Installments were paid	EGP 91 thousand
Paid loan installments	All installments were paid	54 installments were paid
Current loan and Grant installments	EGP 52,612 thousand (Grant)	EGP 91 thousand (Loan)



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

Balance of loans as at March 31, 2021 is represented as follows:

Description	Balance as at 1/7/2020	Paid loan installments	Revaluation exchange rate	(Amounts in thousands)	
				Balance as at 31/3/2021	Balance as at 31/3/2020
Foreign currency loan (USD)	25,423	(25,423)	--	--	35,385
Local currency loan (EGP)	228	(137)	--	91	274
Total loans	25,651	(25,560)	--	91	35,659
Current loans installments	25,605			91	35,568
Non-current installments	46			--	91

With respect to the loan in local currency, only EGP 912 thousand were used for this loan and the rest of the loan was cancelled.

(14) Notes payable:

Notes payable amounted to EGP 32,930 thousand as at March 31, 2021 which is represented as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Current notes payable	17,181	17,181	17,181
Non-current notes payable	15,749	32,930	28,635
	32,930	50,111	45,816

Notes payable comprise as follows:

Notes payables with total amount of EGP 32,930 thousand are represented in outstanding 23 deferred crossed checks (with amount of EGP 1,432 thousand per check and last matured in February 2023) payable to Egyptian Natural Gas Company GASCO related to the settlement of fines and compensation related to excess consumption of natural gas during years 2012, 2013, and 2016.

(15) Provisions:

Total non-current and current provisions balance are amounted to EGP 217,897 thousand and EGP 200 thousand respectively as at March 31, 2021 which is represented as follows:

Description	Balance as at 1/7/2020	Additions	Provisions used	Provisions settled by income	Balance as at 31/3/2021
First: Income tax provisions:					
Corporate tax	165,023	--	--	--	165,023
Sales tax	47,341	--	--	(2,604)	44,737
Real-state tax	2,011	--	--	--	2,011
Stamp tax	426	--	--	--	426
Total income tax provisions	214,801	--	--	(2,604)	212,197
Other provisions:					
Lawsuit	200	--	--	--	200
Labor tax differences	5,500	--	--	--	5,500
Total other provisions	5,700	--	--	--	5,700
Total provisions	220,501	--	--	(2,604)	217,897
Total current provisions	200				200
Total non-current provisions	220,301				217,697

- The disposal amounted to EGP 2,604 thousand represents a settlement in sales tax provision concerns a dispute in production input for the period from January 1995 till March 1996 this is due to the Administrative Court issuing their final ruling in case no. 40927/69 in favor of the company.
- Current provisions represent labor lawsuits, which are usually do not last more than a fiscal period.
- Non-current provisions represent tax lawsuits that do last more than a fiscal year.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(16) Deferred tax liabilities:

Deferred tax liabilities balance is amounted to EGP 120,613 thousand as at March 31, 2021 which is represented as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Balance at the beginning of the period – (liability)	(119,151)	(79,338)	(79,338)
Deferred tax of the period – (expenses)	(1,462)	(9,846)	(39,813)
Balance at the end of the period – (liability)	(120,613)	(89,184)	(119,151)

(17) Trade payables and other credit accounts:

Trade payables and other credit accounts amounted to EGP 1,432,993 thousand (excluding tax authority account) as at March 31, 2021 which comprise as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Trade payables	488,597	496,155	483,901
Sundry creditors	31,258	42,100	27,551
Distribution creditors	1,526	1,481	1,481
Other credit accounts	752,438	683,469	757,665
Clients - credit balances	159,174	275,630	199,350
	1,432,993	1,498,835	1,469,948

(17/1) Trade payables:

Trade payables balance amounted to EGP 488,597 thousand as at March 31, 2021, which comprises as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Vendors - public sector	17,461	15,525	14,243
Vendors - private sector	459,149	463,121	455,015
Vendors - foreign sector	11,987	17,509	14,643
	488,597	496,155	483,901

(17/2) Sundry creditors:

Sundry creditors balance amounted to EGP 31,258 thousand as at March 31, 2021, which comprises as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Insurances for others	15,762	21,182	20,698
Tax authority (Value Added Tax)	3,929	18,641	--
Public Authority for Social Insurance	11,025	1,948	6,571
Customs authority	542	329	282
	31,258	42,100	27,551

(17/3) Distribution creditors:

Distribution creditor's balance amounted to EGP 1,526 thousand as at March 31, 2021, which comprises as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Shareholders' profit share	1,290	1,290	1,290
Employees' profit share	236	191	191
	1,526	1,481	1,481

- Shareholders' profit share balance as of March 31, 2021, amounted to EGP 1,290 thousand which will be transferred to the Tax Authority following article 147 of law no. 91 of 2005.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(17/4) Other credit accounts:

Other credit accounts amounted to EGP 752,438 thousand as at March 31, 2021 which comprise EGP 746,906 thousand representing creditors, and EGP 5,532 thousand representing other credit balances respectively as follows:

(17/4/1) Creditors:

Description	(Amounts in thousands)
	March 31, 2021
Private insurance fund	1,347
Supplementary pension fund	1,792
Cost of constructing company's buildings	24,596
Family treatment fund against treasury bills and current account	77,308
Housing Loan Fund	6,573
Sports Professions Syndicate	135
Social services fund subscription	430
Reserved amounts to finance pensions fund	6,005
Proceeds from Employees profits (Toson Land)	479
Syndicate of agriculture – fee	2,497
Trade union committee fund	909
Carbon Co. and environment fund deposits	4,728
Comprehensive health insurance	17,182
Estimated unearned returns for treasury bills related to funds	6,246
Medgas Co.	150
Reserved amounts for employees' funds	5,060
Death cases fund	180
Transportation companies VAT	3,891
Credit balance for employees (tax reconciliations)	35,606
Bonus for external missions	440
Methanol Project	3,530
Gas reconciliation differences	18,556
Sales tax related to the dispute of letters of credit for Abu Qir plant (3)	53,485
Training and rehabilitation fund	224,685
Wages and trusts due	42,331
Work dropouts' dues (out of work employees)	1,791
Reserved amounts to finance residential city's additions	1,656
Bamaj company - fine	24,895
Fees under settlement	1,452
Contributions to confront covid-19	484
Shareholders employees' union	541
Bonus of company's representative in Alexandria and Helwan co.	12,867
Alexandria Fertilizers Company – rents	3,742
Applied stamp	318
Accrued donations	3,922
Club and sport activities against treasury bills and current accounts	98,250
Carried forward	688,059



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

Description	(Amounts in thousands)
	March 31, 2021
Brought forward	688,059
Infrastructure fund against deposits and current accounts	3,669
Deposits under settlements	856
Collections for road maintenance	3,034
Auto loan fund	6,576
General Authority for Financial Supervision- Development fee	102
Collections for guarding railway crossing	375
Creditors – fixed assets purchase	37,517
Checks not submitted for disbursement	764
Helwan Company	152
Creditors - products transportation expenses	5,019
Air liquid Co.	340
Others	443
	746,906

Creditor's accounts include:

- EGP 224,685 thousand represents liability to Rehabilitation and Training Fund in the Directorate of Manpower and Immigration, a lawsuit no. 7234/2007 (holistic civil) was raised in front of Northern Cairo Elementary court, the case has been suspended on May 31, 2012, until the determination of case No. 46 of year 28, it's still considered in front of the judiciary till financial statements date.
- EGP 98,250 thousand represents liability to sport activity and club against their treasury bills and current account at banks at financial statements date.
- EGP 3,669 thousand represents liability to infrastructure fund against its time deposits and current account at banks at financial statements date.
- EGP 4,728 thousand represents liability to environment fund against its time deposits and current account at banks at financial statements date.
- EGP 77,308 thousand represents liability to treatment fund against its treasury bills and current account at banks at financial statements date.

Total collected revenues from Carbon company in favor of environment fund till March 31, 2021, are amounted to EGP 18,345 thousand, in addition to the return of investing these amounts amounted to EGP 4,372 thousand and Total expenditures of these revenues related to environmental aspects are amounted to EGP 17,989 thousand which are represented as follows:

Description	(Amounts in thousands)
	March 31, 2021
Environmental monitoring stations and devices.	2,798
Bank expenses	7
Constructing Rakta canal's bridge and its purification	670
Garbage disposal	860
Medical clinic (9)	144
Rehabilitations of Ali Maher road	2,175
Carried forward	6,654



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

Description	(Amounts in thousands)
	March 31, 2021
Brought forward	6,654
Schools' rehabilitation and restoration project	569
Planting the surrounding roads	250
Occasion's hall development in employees' compound city	244
Purchasing insecticide spraying motors and combating reed	300
Zero Liquid Discharge equipment-Al'amia	200
Developing environmental projects in Alexandria	226
Zero Liquid Discharge project in Edfina	46
Purchasing charcoal oven	115
Medical caravans	894
Tools and machines	1,230
Fire engines, ambulances, and medical equipment	3,261
Waste recycle plant	4,000
	17,989

- Certificates for the period from January 1, 2013, till September 18, 2015, have been offered to be sold by Carbon Company till there is a price in the market that covers its cost.
- Some of the certificates for the period from January 11, 2019, till December 31, 2020, have been delivered to The World Bank during November 2020, The company's share in the certificates' revenue for the nine-month period ended March 31, 2021, which is amounted to EGP 20,908 thousand (equivalent to USD 1.34 million) was included in the statement of income as other revenues.

(17/4/2) Other credit balances:

Other credit balances amounted to EGP 5,532 thousand as at March 31, 2021, which comprises as follows:

	(Amounts in thousands)
	March 31, 2021
Borg El-Arab project	5,327
Orange installments debtors	202
Others	3
	5,532

(17/4/3) Grants to finance environmental projects:

Grant of Zero Liquid Discharge project:

The grant is to finance the Zero Liquid Discharge project (Z.L.D), grant balance as at March 31, 2021, is amounted to EGP 52,612 thousand (equivalent to USD 3.34 million) representing 20% of the total financing amount received for that project, the value of the grant has been re-evaluated on March 31, 2021, noting that grant balance was being classified as non-current financing sources in the statement of financial position till December 31, 2020.

And due to the lack of fulfillment of the grant condition related to obtaining the Ministry of Environment certificate and the expiration of the period granted by the bank to repay the loan and obtain the certificate, the company paid to the National Bank of Egypt the total grant balance on April 1, 2021, Accordingly, the grant balance was reclassified on March 31, 2021, after re-evaluation as the current liabilities.

**Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)****Notes to the financial statement as at March 31, 2021***Translation notes of the financial statements
Original issued in Arabic***(Amounts expressed in thousand Egyptian Pounds)****(17/5) Client's credit balances:**

The clients' credit balances (down payments) as at March 31, 2021 are amounted to EGP 159,174 thousand which comprise as follows:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Clients - public sector	1,704	1,222	4,824
Clients - private sector	6,902	5,406	44,454
Clients - foreign sector	150,568	269,002	150,072
	159,174	275,630	199,350

(17/6) Tax authority:

Tax authority's credit balance as at March 31, 2021 amounted to EGP 520,888 thousand which comprise as follow:

	(Amounts in thousands)		
	March 31, 2021	March 31, 2020	June 30, 2020
Tax authority – payroll tax	4,950	18,405	22,983
Withholding tax, stamp, and real state tax	1,538	2,454	2,418
Tax authority – corporate tax	514,400	505,941	551,423
	520,888	526,800	576,824

(18) Legal and tax position as at March 31, 2021:**(18/1) Tax position:****Corporate Tax:**

1. For the years 1989/1992 the tax disputes are in front of Administrative judiciary.
2. For the year 2001/2002 the tax disputes are in front of the Administrative judiciary.
3. For the year 2005/2006 the tax disputes are in front of Administrative Judiciary.
4. For the years 2006/2008 the tax disputes are in front of Administrative Judiciary.
5. For the year 2014/2015 company's accounts were inspected by tax authority.
6. For the years 2015/2018 the dispute of tax inspection is in progress.

The "9A form - reservation " which was received from the Tax Authority was verified in the company's records with the company's right to object in the legal times by letters and legal procedures concerning this matter, and this to reserve all the company's rights till the settlement.

Payroll tax:

1. For year of 2005, the dispute is in front of Administrative Judiciary.
2. Company's accounts were inspected by Tax Authority till year 2015.

Sales Tax:

1. For years from January 1994 till June 2003 the tax disputes are in front of Administrative Judiciary, excluding the period from January 1995 to March 1996 as the Administrative Judiciary judged in favor of the company.
 2. For period from July 2005 till December 2009, tax disputes are in front of Administrative Judiciary.
 3. Company's accounts were inspected by tax authority till 2015/2016.
- In light of the issuance of Law No. 9 of 2005 which related to deduction of sales tax on capital goods, an amount of EGP 53.5 million was reserved in sub account and this amount is related to sales tax on machines of Abu Qir plant (3) only and offset by the same value of (creditors balances in the statement of financial position) until final settlement with the tax authority.

Value added tax:

The company is obligated to implement Law No. 67 of 2016 regarding value added tax.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

Stamp tax:

1. For period from January 2001 till July 2004, tax dispute is in front of Administrative Judiciary.
2. Company's accounts were inspected by tax authority till 2018.

Real state tax:

- Annual tax assessment was made in accordance with law of real state tax promulgated by Law No. 196 of 2008 and amended by Law No. 117 of 2014.
- A claim was received to increase the annual assessment of the company's real estate tax, and it is currently being discussed with the real estate tax department in Alexandria.

(18/2) Legal position:

The company raised some lawsuits against others represent labor lawsuits, in other hand there are some lawsuits against the company, lawsuit provision is created according to company's Legal Affairs Sector point of view.

Name	Lawsuit's subject	Company's requests in lawsuits	Provision according to Legal Affairs sector opinion (EGP)	Notes
Ahmed Nasr Wahba	Accruals after work dropout	Reject the case	200,000	The appellate was rejected on November 11, 2020. And the appeal was made in cassation, and it is scheduled for May 24, 2021
Total			200,000	

Within cases raised by others against the company claim No. 2694 of 2015 raised by Petro Trade Company concerning gas prices differences from January 1, 2012 till December 1, 2012 as well as penalties for delaying payments of gas prices differences from January 1, 2012 till August 31, 2014 and postponed till February 16, 2021. In this regard, the company's legal view is that fines for delaying payment of gas prices differences from January 1, 2012 and the legal benefits related to them should not be recognized because they revolve with the original debt and that the conclusion of the reconciliation and settlement agreement on August 31, 2014 is independent of the gas supply contract as it is a private contract and private restricts the general and was edited to settle the differences between Abu Qir Fertilizers and petrol companies (EGAS - Gasco - Petro Trade) the creation of the provision will be considered when returned to the court and decide on the defense of the company regarding the unconstitutionality of approvals and decisions to increase the price of natural gas retroactively, in this regard, the decision of the Board of Directors, No. (46) on April 21, 2015 is unanimously approved not to create provision pending to the end of the judgment of the Court.

(19) Statement of Income:

(19/1) Sales for the nine-months period ended March 31, 2021, is amounted to EGP 6,304,711 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Sales revenues	6,274,824	5,778,756	7,842,576
Sold services (included sale of casual products)	44,221	42,473	54,568
Revenues - operation for others	48	1,040	3,852
Sold wastes	1,140	1,766	2,033
Deduct: Sale of casual products	(15,522)	(15,902)	(21,294)
	6,304,711	5,808,133	7,881,735



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(19/2) Cost of goods sold for the nine-months period ended March 31, 2021 is amounted to EGP 3,643,921 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Raw materials and supplies	3,085,374	3,196,204	4,240,158
Salaries, wages and benefits	348,110	342,320	552,765
Operating fixed assets depreciation	75,752	59,488	79,796
Other manufacturing expenses	80,677	100,192	129,454
Re-evaluation of finished goods	50,865	(79,132)	(6,088)
Re-evaluation of un-finished goods	18,665	962	22,603
Deduct:			
Sale of casual products	(15,522)	(15,902)	(21,294)
	3,643,921	3,604,132	4,997,394

(19/3) Available for sale investments revenues for the nine-months period ended March 31, 2021 is amounted to EGP 107,101 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Alexandria Fertilizers Co.	29,216	68,632	68,632
Helwan Fertilizers Co	77,885	79,968	79,968
Total	107,101	148,600	148,600

- Alexandria Fertilizer Company's investment revenues of EGP 29,216 thousand pounds equivalent to USD 1.866 million represents the company's share in the distribution of profits for the year 2020 with a distribution rate of 15% of the total shareholders' share of USD 12,438 million according to the decision of the ordinary general assembly of Alexandria Fertilizer Co. on March 9, 2021.
- Helwan Fertilizer Company's investment revenues of EGP 77,885 thousand pounds equivalent to USD 4,964 million represents the company's share in the distribution of profits for the year 2020 with a distribution rate of 17% of the total shareholders' share of USD 29,200 million according to the decision of the ordinary general assembly Helwan Fertilizer Co. on March 24, 2021.

(19/4) Credit interest for the nine-months period ended March 31, 2021 is amounted to EGP 25,825 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Realized interest	25,373	45,641	54,792
Unrealized interest	452	599	499
	25,825	46,240	55,291



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(19/5) Return on held to maturity investments for the nine-months period ended March 31, 2021 is amounted to EGP 481,865 thousand which comprise as returns on treasury bills and credit interests on the Suez Canal certificates:

(19/5/1) the Suez Canal certificates was withdrawn in September 2019, and their returns are as follows:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Realized interest	--	7,564	7,564
Unrealized interest	--	--	--
	<u>--</u>	<u>7,564</u>	<u>7,564</u>

(19/5/2) Return on treasury bills for the nine-months period ended March 31, 2021 is amounted to EGP 481,865 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Realized return	277,382	376,816	525,832
Unrealized return	204,483	186,626	200,525
	<u>481,865</u>	<u>563,442</u>	<u>726,357</u>

(19/6) Other revenues for the nine-months period ended March 31, 2021 is amounted to EGP 51,755 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Rent revenues	8,921	9,025	12,015
Compensation revenues	402	97,390	97,857
Sundry revenues	42,432	19,730	28,210
	<u>51,755</u>	<u>126,145</u>	<u>138,082</u>

(19/6/1) Rent revenues for the nine-months period ended March 31, 2021 is amounted to EGP 8,921 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Land Leased to Alexandria Fertilizers Co.	7,597	7,763	10,340
Water Pump Sub-Station, land, tanks, and cafeteria	678	701	922
Land Leased to Air Liquid Co., Medical Gases Co. and Med Gas Co.	646	561	753
	<u>8,921</u>	<u>9,025</u>	<u>12,015</u>



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(19/6/2) Compensation and penalties revenues for the nine-months period ended March 31, 2021 is amounted to EGP 402 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Vendors, and shipping companies	399	1,273	1,721
Misr insurance	2	96,010	96,029
Other compensation revenues	1	107	107
	402	97,390	97,857

(19/6/3) Sundry revenues for the nine-months period ended March 31, 2021 is amounted to EGP 42,432 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Carbon	20,931	17,971	17,971
Sundry revenues (Gain on sale of scrap, raw materials, supplies and others)	21,501	1,759	10,239
	42,432	19,730	28,210

- Sundry revenues include EGP 19,969 thousand represent correction for pricing error in receipt voucher No. (4626) dated on June 23, 2020, which related to 28.57 tons of formaldehyde, according to what was presented in the company's ordinary assembly meeting held on September 26, 2020.

(19/6/4) Capital gain for the nine-months period ended March 31, 2021 is amounted to EGP 1,022 thousand represented in selling scrap iron, devices, vehicles spare parts and cranes.

(19/7) Foreign currency exchange differences gains (losses) for the nine-months period ended March 31, 2021 is amounted to EGP 5,113 thousand against currency differences losses amounted to EGP 3,396 thousand during the same period of the previous year and are as follows:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Currency exchange differences			
Banks	1,959	(17,618)	(1,141)
Other monetary assets and liabilities	3,154	14,222	11,762
Net charged to statement of income	5,113	(3,396)	10,621

(19/8) Selling and distribution expenses for the nine-months period March 31, 2021 is amounted to EGP 285,240 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Salaries and wages	94,418	84,996	139,054
Packing materials	72,181	71,296	101,495
Fixed assets depreciation	3,552	5,570	7,882
Other selling expenses	115,089	110,922	147,999
	285,240	272,784	396,430



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(19/9) **Administration and general expenses** for the nine-months period ended March 31, 2021 is amounted to EGP 100,092 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Salaries, wages and benefits	46,852	43,286	68,506
Fixed assets depreciation	3,324	2,643	3,488
Other administrative and general expenses	49,916	64,659	81,319
	<u>100,092</u>	<u>110,588</u>	<u>153,313</u>

(19/10) **Financing expenses** for the nine-months period ended March 31, 2021 is amounted to EGP 1,384 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Financing Expense – Loan	219	--	--
Financing Expense – Grant	1,165	--	--
	<u>1,384</u>	<u>--</u>	<u>--</u>

(19/11) **Income tax** for the nine-months period ended March 31, 2021 is amounted to EGP 503,314 thousand which comprise the following:

	(Amounts in thousands)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Income tax	514,400	434,738	524,829
Deferred tax	1,463	9,846	39,813
Tax on treasury bills	96,373	102,800	135,280
Tax on dividends	10,710	14,860	14,860
Tax settlements	(119,632)	(103)	(986)
	<u>503,314</u>	<u>562,141</u>	<u>713,796</u>

- The tax due represents the tax payable less the previous deducted from third parties (tax on treasury bills, tax on dividends, withholding tax,) based on certificates supported by others.
- Income tax includes EGP 119,632 thousand related to the settlement of tax authority account according to "9A form – reservation" which received in August 2020, in addition to tax return settlements for the year 2019/2020.

(19/11) - The company contributes to the supplementary pension fund, private insurance and service fund within miscellaneous service expenses to achieve loyalty to the company and to overcome the problems of employment work dropout outside the company. The company also contributes to finance employee's treatment fund and their families and pensioners (by the proceeds from road maintenance, transportations companies and 4% from transportation invoices starting from the year 2019/2020 and time deposit return of EGP 6 million for social services and housing for employees in light of previous laws in accordance with the Board of Directors Decision No. 94 on November 27, 2008).

- The company records the contribution of employees from their share in annual profits to finance their funds within the credit balances, any disbursement that occurs during the period is under the supervision and control of the company.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original Issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(20) Contingent liabilities:

- On March 19, 2015, the Company received a claim from Petrotrade - Petroleum Trading Service Co. for delayed interests owed by the company till the date of the claim with an amount of EGP 37.9 million on the amounts paid after the grace period (from January 1, 2014, till December 31, 2014) which amounted to EGP 187.7 million.
- On April 5, 2015, and April 8, 2015, Abu Qir responded to both Petrotrade - Petroleum Trading Service Co. and the Egyptian Natural Gas Holding Company (EGAS) by stating that the claim of Petrotrade - Petroleum Trading Service Co. is completely free of truth and reality, and the agreement of reconciliation and settlement of August 31, 2014, between Abu Qir Fertilizers and GASCO company that was signed by the companies (EGAS) and Petrotrade, It was clarified in the response that the benefit of the delay they claimed is not valid because it is subject to lawsuit No. 3988 for 2013 (civil North Cairo primary) in accordance with the reconciliation agreement and settlement which dated August 31, 2014, pending the court's judgment.
- The matter was submitted to the company's board of directors on April 21, 2015, and council decision no. 46 was unanimously approved that no provision will be made in this regard pending the court's judgment.
- The outstanding letters of guarantee issued by banks on behalf of the company and in favor of others as at March 31, 2021, have amounted to EGP 402 million which are covered by treasury bills that amounted to EGP 405 million.

(21) Operating segments:

The operating segment is one of the entity's elements that participate in the business in which the entity can earn revenues and incur expenses. The results of the operating segments are regularly reviewed by the chief executive officer of the company's operating decision-making to make decisions about the resources to be allocated to the segment and assess its performance. Separate financial information on these operating segments is available, and not necessarily every part of the entity is an operating segment or part of an operating segment.

Operating sectors:

Company's operating sectors comprise as follows:

- Abu Qir Plant (1)
- Abu Qir Plant (2)
- Abu Qir Plant (3)
- Others
- Liquid Fertilizers Plant
- Ammonia and nitric acid
- Plastic Bags Plant

First: Operating sectors - assets and liabilities:

Description	(Amounts in thousands)						Total
	Abu Qir Plant (1)	Abu Qir Plant (2)	Abu Qir Plant (3)	Liquid fertilizer	Plastic Bags Plant	Others	
Sectors' assets	841,036	208,748	235,354	7,609	100,724	--	1,393,471
Unassigned assets	--	--	--	--	--	8,273,486	8,273,486
Total assets	841,036	208,748	235,354	7,609	100,724	8,273,486	9,666,957
Sectors' liabilities	--	--	--	--	--	2,377,919	2,377,919
Total liabilities	--	--	--	--	--	2,377,919	2,377,919



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

Second: Operating sectors - Net profit:

(Amounts in thousands)

	Abu Qir Plant (1)	Abu Qir Plant (2)	Abu Qir Plant (3)	Liquid fertilizer	Ammonia	Plastic bags Plant	Others	Total
Sales	1,930,372	1,906,375	2,182,284	31,664	243,383	10,633	--	6,304,711
Costs of goods sold	(1,105,185)	(1,052,718)	(1,226,582)	(14,035)	(236,443)	(8,958)	--	(3,643,921)
Gross profit	825,187	853,657	955,702	17,629	6,940	1,675	--	2,660,790
Revenues from available for sale investments	--	--	--	--	--	--	107,101	107,101
Credit interests and Revenues from held to maturity investments	--	--	--	--	--	--	507,689	507,689
Other revenues	--	--	--	--	--	--	51,755	51,755
Gain on sale of fixed assets	--	--	--	--	--	--	1,022	1,022
Foreign currencies differences (Gain)	--	--	--	--	--	--	5,113	5,113
Selling and distribution expenses	(86,478)	(94,628)	(94,162)	(2,747)	(7,225)	--	--	(285,240)
Administrative and general expenses	(22,202)	(29,856)	(24,290)	(560)	--	--	(23,184)	(100,092)
B.O.D's expenses	--	--	--	--	--	--	(1,228)	(1,228)
Provision's settlement	--	--	--	--	--	--	2,604	2,604
Financing expenses	--	--	--	--	--	--	(1,384)	(1,384)
Net profit before tax	716,507	729,173	837,250	14,322	(285)	1,675	649,488	2,948,130
Income tax for the year	(122,324)	(124,487)	(142,938)	(2,445)	--	(286)	(110,834)	(503,314)
Net profit for the year	594,183	604,686	694,312	11,877	(285)	1,389	538,654	2,444,816

- The unassigned sectors' assets in the first report represent in investments available for sale and current assets.
- The unassigned sectors' liabilities in the first report represent in current and non-current liabilities.
- The other revenues in the second report represent in investment revenues, credit interests, return of held to maturity investments (treasury bills and Suez Canal certificates), capital gain and other revenues.



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(22) Related parties:

Related parties' transactions are conducted on the same basis as applied to external parties according to the terms granted by the boards of directors, the most important transactions are represented as follows:

(Amounts in thousands)					
Description	Sharing percentage	Relationship	Transactions	Balance as at 31/3/2021	Balance nature
National Bank of Egypt (represented by El-Ahly Capital Holding Co.)	8.11%	Shareholder	Local and foreign current accounts, time deposits and treasury bills (Debit balance)	474,525	Included in cash and held to maturity investments
			Insurance coverage (insurance's volume)	28,461	Included in other expenses
			Compensations	94	Included in other revenues
Misr Insurance Co.	3.19%	Shareholder	Debit balances	9	Included in other debtors
			Credit balances	4	Included in other creditors
Egyptian Natural Gas GASCO – Petro trade (Subsidiary to Egyptian General Petroleum Corporation)	19.11%	Vendor Subsidiary to shareholder	Gas supply (consumption's volume)	2,876,921	Included in raw materials cost
			Notes payable	32,930	Included in current and noncurrent liabilities
			Credit balances (legal suit)	279,913	Included in other creditors
			Credit balances (gas consumption)	163,987	Included in other creditors
			Services and other transactions (transaction's volume)	11,730	Included in sales revenues
			Dividends	30,743	Included in investment revenues, other debtors and other creditors
Alexandria Fertilizers Co.	15%	Invested in	Credit balances (rents)	3,742	Included in other creditors
			Selling packing materials	6,900	Included in sales revenues
			Debit balances (clients)	532	Included in other debtors
			Debit balances	34	Included in other debtors
			Selling packing material	7,469	Included in sales revenues
Helwan Fertilizers Co.	17%	Invested in	Debit balances (Unpaid dividends)	78,515	Included in investment revenues, other debtors and other creditors
			Debit balances (clients)	162	Included debit balances



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(23) Important Contract with related parties:

An insurance coverage contract with Misr Insurance Company on the company's factories (engineering - fire and explosion - loss of revenue etc.) with an annual value amounted to EGP 36 million.

A contract for supplying natural gas to the company's factories with the Egyptian Natural Gas Company - GASCO, one of the companies affiliated to the Egyptian General Petroleum Corporation, which is supplied to the company's factories for USD 4.5 per million thermal units.

Lease contracts with the Alexandria Fertilizers Company that include the land on which the factory is located, a vacant lot, a land on which a water pumping station is built, and a residential building (the company's administrative headquarters). And an ammonia shipment contract to use the onshore and offshore facilities for our company to export quantities of ammonia produced by Alexandria Fertilizers Company.

(24) Comparative figures:

Financial statements for the nine-months period ended March 31, 2021 represent third quarter of financial year (2020/2021) and was compared with the financial statements of comparative period (the nine-months period ended March 31, 2020) and the financial statements for the year ended June 30, 2020.

The separation of cash at banks and investment balances that related to employees' funds and other projects within the debit balances, and the changing in accounting treatment for plastic bags inventory resulted in amendments in the comparative figures in cash balances, investment balances, debtors, the inventory of packing materials, cost of production, and selling and distribution expenses, Accordingly, the comparative figures in statements of financial position, income and cash flows were amended as follows:

Description	(Amounts in thousands)				Statement
	March 31, 2020		June 30, 2020		
	Before amendment	After amendment	Before amendment	After amendment	
Packing material inventory	500	12,470	438	9,571	Statement of financial position
Work in process inventory	90,359	78,160	65,842	56,520	
Finished Goods inventory	212,519	212,749	139,516	139,705	
Trade receivables and debit accounts	493,795	655,228	295,896	441,790	
Held to maturity investments	4,484,943	4,335,391	5,481,723	5,347,397	
Cash on hand and at banks	797,002	785,122	587,896	576,328	
Cost of goods sold	3,619,546	3,604,132	--	--	Statement of income
Gross profit	2,188,587	2,204,001	--	--	
Selling and distribution expenses	257,371	272,784	--	--	
Credit interests	566,537	46,743	--	--	Statement of cash flows
Other proceeds	208,748	206,791	--	--	
Other payments	246,348	243,129	--	--	
Returns on held to maturity investments	--	510,107	--	--	
Proceeds from returns on Suez Canal certificates	--	9,688	--	--	
Cash and cash equivalents, beginning of the period	403,129	328,752	--	--	
Cash and cash equivalents, end of the period	797,002	785,122	--	--	



Abu Qir Fertilizers and Chemical Industries Co. (S.A.E)

Notes to the financial statement as at March 31, 2021

Translation notes of the financial statements
Original issued in Arabic

(Amounts expressed in thousand Egyptian Pounds)

(25) Earnings per share:

	(Amounts in pounds)		
	Nine-months period ended March 31, 2021	Nine-months period ended March 31, 2020	The year ended June 30, 2020
Net profit for the period / year	2,444,816,106	2,135,000,466	2,694,886,008
Deduct:			
Share of social and sports activity	36,838,840	33,700,708	42,594,964
Share of training and rehabilitation fund	24,437,936	21,339,160	26,938,015
Employees profit share	313,661,204	273,313,052	344,828,185
Board of directors' share	19,890,000	19,890,000	26,520,000
Basic earnings attributable to shareholders	2,049,988,126	1,786,757,546	2,254,004,844
No. of shares	1,261,875,720	1,261,875,720	1,261,875,720
Earnings per share	1.62	1.42	1.79

(26) Emergency conditions and subsequent events (Corona virus Pandemic – COVID -19):

Due to the current critical situation countries are going through as a result of the outbreak of the new epidemic of corona virus (Covid-19) resulted in necessary measures that have taken to prevent the spread of the epidemic, which has economic and financial impacts, **which comprise as follows:**

- The decrease of average export prices in the foreign market through period from July 1, 2020 till December 31, 2020, and its impact on export sales. Noting that export prices have been reformed through the quarter of the fiscal year 2020/2021.
- The decrease of free sale prices in the local market as a result of the decrease in global prices.
- The decrease of banks interest rate by 3.5%, and its impact on the return on cash investments.
- The extra burden which the company suffers resulting from what was spent on the cleaning, disinfection, and medical equipment to prevent the epidemic spread.
- The company's management is currently evaluating the impact related to the epidemic and taking all precautionary procedures to maintain operational and marketing activities and protect employees, suppliers, and customers in light of the available information .These events may affect the future financial statements and at the current time it is hard to specify the amount of impact, as the size of impact differs according to the expected extend and the period of ending these events and its impact.