

Ikon Investment Holdings Ltd

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2023

Ikon Investment Holdings Ltd**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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Ikon Investment Holdings Ltd

CORPORATE DATA

| | | Date of appointment |
|---|---|----------------------------|
| DIRECTORS | Resmah Choomka | 25 May 2015 |
| | Rajendraprasad Sitaram Somani | 28 December 2016 |
| | Nitin Dhawan | 28 December 2016 |
| | Shah Ahmud Khalil Peerbocus | 24 April 2020 |
| ADMINISTRATOR, SECRETARY & TAX AGENT | Apex Financial Services (Mauritius) Ltd Apex House Bank Street TwentyEight, Cybercity Ebene 72201 Republic of Mauritius | |
| REGISTERED OFFICE | Apex House Bank Street TwentyEight, Cybercity Ebene 72201 Republic of Mauritius | |
| AUDITORS | Nexia Baker & Arenson Chartered Accountants 5 th Floor, C&R Court 49, Labourdonnais Street Port Louis Republic of Mauritius | |
| BANKERS | State Bank of Mauritius Level 9 SBM Tower 1 Queen Elizabeth II Avenue Port Louis Republic of Mauritius | |

Ikon Investment Holdings Ltd

COMMENTARY OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are pleased to present their commentary and the audited financial statements of **Ikon Investment Holdings Ltd** (the “Company”) for the year ended 31 December 2023.

PRINCIPAL ACTIVITY

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

RESULTS AND DIVIDEND

The results for the year ended 31 December 2023 are shown in the statement of profit or loss and other comprehensive income and related notes.

The directors do not recommend the payment of any dividend during the year under review (2022: Nil).

DIRECTORS

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

DIRECTORS’ RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

AUDITORS

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

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

We certify that, to the best of our knowledge and belief, we have filed with the Registrar of Companies all such returns as are required of **Ikon Investment Holdings Ltd** under the Mauritius Companies Act 2001 during the year ended 31 December 2023.



**For Apex Financial Statement (Mauritius) Ltd
Secretary**

Registered Office:

Apex House
Bank Street
TwentyEight, Cybercity
Ebene 72201
Mauritius

Date: 15 May 2024

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF Ikon Investment Holdings Ltd
Report on the Financial Statements

Opinion

We have audited the financial statements of **Ikon Investment Holdings Ltd** (the "Company"), set out on pages 8 to 35 which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and comply with the Mauritius Companies Act 2001.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 19 of the financial statements concerning the Company's ability to continue as going concern. The Company incurred a loss of **USD230,924** during the year ended 31 December 2023 and as at that date the Company's total liabilities exceeded its total assets by **USD5,167,725**. The shareholder of the Company have undertaken to provide financial support to the Company, so as to enable it to meet its obligations as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis. Our opinion is not modified in respect of this matter.

Other Information

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Ikon Investment Holdings Ltd

Report on the Financial Statements (continued)

Director's Responsibilities for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

INDEPENDENT AUDITOR'S REPORT**TO THE MEMBERS OF Ikon Investment Holdings Ltd****Report on the Financial Statements (continued)***Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

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

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

Use of this Report

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

Report on Other Legal and Regulatory Requirements*Mauritius Companies Act 2001*

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

We have obtained all information and explanations we have required.

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

**Nexia Baker & Arenson**
Chartered Accountants**Pran K. Boolaky FCA**
Licensed by FRCDate **15 MAY 2024**

Ikon Investment Holdings Ltd

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

| | Notes | 2023 USD | 2022 USD |
|-------------------------------------|-------|--------------------------|--------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Investment in associated company | 6 | 1,627,853 | 1,399,978 |
| Share application monies | 7 | 52,398 | 52,398 |
| | | <u>1,680,251</u> | <u>1,452,376</u> |
| Current assets | | | |
| Loans to related parties | 12(a) | 8,775,584 | 8,355,935 |
| Other receivables and prepayments | 8 | 6,008,493 | 5,479,641 |
| Cash and cash equivalents | | 13,903 | 3,872 |
| | | <u>14,797,980</u> | <u>13,839,448</u> |
| Total assets | | <u><u>16,478,231</u></u> | <u><u>15,291,824</u></u> |
| EQUITY AND LIABILITIES | | | |
| Capital and reserve | | | |
| Stated capital | 9 | 364,450 | 364,450 |
| Revenue deficit | | <u>(5,532,175)</u> | <u>(5,301,251)</u> |
| | | <u>(5,167,725)</u> | <u>(4,936,801)</u> |
| Current liabilities | | | |
| Loans from related parties | 12(b) | 13,884,500 | 13,359,500 |
| Loan from third party | 13 | 649,975 | 649,975 |
| Other payables and accruals | 11 | 7,111,481 | 6,219,150 |
| | | <u>21,645,956</u> | <u>20,228,625</u> |
| Total equity and liabilities | | <u><u>16,478,231</u></u> | <u><u>15,291,824</u></u> |

These financial statements have been approved by the Board of Directors on 15 May 2024 and signed on its behalf by:



Director



Director

The notes on pages 12 to 35 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

Ikon Investment Holdings Ltd

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | <u>Notes</u> | <u>2023</u> <u>USD</u> | <u>2022</u> <u>USD</u> |
|--|--------------|--------------------------------|--------------------------------|
| Income | | | |
| Interest income | 12(a) | <u>604,400</u> | <u>584,400</u> |
| Expenses | | | |
| Interest expense | 12(b)&13 | 890,282 | 839,000 |
| Professional fees | | 11,913 | 9,941 |
| Licence fees | | 2,700 | 2,650 |
| Audit fees | | 2,185 | 2,341 |
| Receivable written off | 8 | 5,085 | - |
| Bank charges | | 684 | 385 |
| | | <u>912,849</u> | <u>854,317</u> |
| Operating loss | | (308,449) | (269,917) |
| Expected credit losses | 8&12(a) | (150,350) | (495,010) |
| Share of profit of associated company | 6 | 227,875 | 31,112 |
| Loss before taxation | | <u>(230,924)</u> | <u>(733,815)</u> |
| Taxation | 10 | - | - |
| Loss for the year | | <u>(230,924)</u> | <u>(733,815)</u> |
| Other comprehensive income | | - | - |
| Total comprehensive loss for the year | | <u><u>(230,924)</u></u> | <u><u>(733,815)</u></u> |

The notes on pages 12 to 35 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

Ikon Investment Holdings Ltd

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | <u>Stated capital</u> USD | <u>Revenue deficit</u> USD | <u>Total</u> USD |
|---------------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| At 1 January 2022 | 364,450 | (4,567,436) | (4,202,986) |
| Total comprehensive loss for the year | - | (733,815) | (733,815) |
| At 31 December 2022 | <u>364,450</u> | <u>(5,301,251)</u> | <u>(4,936,801)</u> |
| Total comprehensive loss for the year | - | (230,924) | (230,924) |
| At 31 December 2023 | <u><u>364,450</u></u> | <u><u>(5,532,175)</u></u> | <u><u>(5,167,725)</u></u> |

The notes on pages 12 to 35 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

Ikon Investment Holdings Ltd

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | Notes | 2023 USD | 2022 USD |
|---|----------|------------------|-----------------|
| Cash flows from operating activities | | | |
| Loss before taxation | | (230,924) | (733,815) |
| <i>Adjustments for:</i> | | | |
| Expected credit losses | 8&12(a) | 150,350 | 495,010 |
| Share of profit of associated company | 6 | (227,875) | (31,112) |
| Interest income | 12(a) | (604,400) | (584,400) |
| Interest expense | 12(b)&13 | 890,282 | 839,000 |
| Operating loss before working capital changes | | (22,567) | (15,317) |
| Decrease/(increase) in other receivables and prepayments | | 5,549 | (750) |
| Increase/(decrease) in other payables and accruals | | 2,049 | (815) |
| Net cash used in operating activities | | (14,969) | (16,882) |
| Cash flow from investing activity | | | |
| Loans advanced to related parties | 12(a) | (500,000) | - |
| Net cash used in investing activity | | (500,000) | - |
| Cash flow from financing activity | | | |
| Loans proceeds from related parties | 12(b) | 525,000 | 15,000 |
| Net cash from financing activity | | 525,000 | 15,000 |
| Net increase/(decrease) in cash and cash equivalents | | 10,031 | (1,882) |
| Cash and cash equivalents at beginning of the year | | 3,872 | 5,754 |
| Cash and cash equivalents at end of the year | | 13,903 | 3,872 |

The notes on pages 12 to 35 form an integral part of these financial statements.
Auditor's report on pages 5 to 7.

Ikon Investment Holdings Ltd**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

Ikon Investment Holdings Ltd (the “Company”) was incorporated in Mauritius under the Companies Act 2001 on 8 March 2010 as a private company limited by shares and holds a Global Business Licence issued by the Financial Services Commission. The address of the Company’s registered office is Apex House, Bank Street, TwentyEight, Cybercity, Ebene 72201, Republic of Mauritius.

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

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

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

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”).

(b) Basis of measurement

The financial statements are prepared on a historical cost basis except for the financial assets and liabilities which are carried at amortised cost.

(c) Functional and presentation currency

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

(d) Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued financial support of its shareholder. The directors are of the opinion that this support will be forthcoming over the next twelve months on the basis of a letter of support received from the ultimate shareholder confirming that he will provide financial support to the Company.

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
3. Application of new and revised International Financial Reporting Standards ('IFRS')
3.1 *New and amended IFRS Accounting Standards that are effective for the current year*

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

| | |
|--|---|
| <p><i>IFRS 17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)</i></p> | <p>The Company has adopted IFRS 17 and the related amendments for the first time in the current year. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 <i>Insurance Contracts</i>.</p> <p>IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach. The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.</p> <p>The Company does not have any contracts that meet the definition of an insurance contract under IFRS 17.</p> |
| <p><i>Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements — Disclosure of Accounting Policies</i></p> | <p>The Company has adopted the amendments to IAS 1 for the first time in the current year. The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.</p> <p>The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p> |

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
**3. Application of new and revised International Financial Reporting Standards ('IFRS')
(continued)**
3.1 New and amended IFRS Accounting Standards that are effective for the current year (continued)

| | |
|--|--|
| | <p>The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.</p> |
| <p><i>Amendments to IAS 12 Income Taxes—Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i></p> | <p>The Company has adopted the amendments to IAS 12 for the first time in the current year. The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.</p> <p>Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit.</p> <p>Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.</p> |
| <p><i>Amendments to IAS 12 Income Taxes — International Tax Reform — Pillar Two Model Rules</i></p> | <p>The Company has adopted the amendments to IAS 12 for the first time in the current year. The IASB amends the scope of IAS 12 to clarify that the Standard applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements qualified domestic minimum top up taxes described in those rules.</p> <p>The amendments introduce a temporary exception to the accounting requirements for deferred taxes in IAS 12, so that an entity would neither recognise nor disclose information about deferred tax assets and liabilities related to Pillar Two income taxes.</p> <p>Following the amendments, the Company is required to disclose that it has applied the exception and to disclose separately its current tax expense (income) related to Pillar Two income taxes.</p> |
| <p><i>Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors — Definition of Accounting Estimates</i></p> | <p>The Company has adopted the amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted.</p> |

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
**3. Application of new and revised International Financial Reporting Standards ('IFRS')
(continued)**
3.2 New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective.

| | |
|----------------------------------|--|
| Amendments to IFRS 10 and IAS 28 | <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> |
| Amendments to IAS 1 | <i>Classification of Liabilities as Current or Non-current</i> |
| Amendments to IAS 1 | <i>Non-current Liabilities with Covenants</i> |
| Amendments to IAS 7 and IFRS 7 | <i>Supplier Finance Arrangements</i> |
| Amendments to IFRS 16 | <i>Lease Liability in a Sale and Leaseback</i> |

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

4. Material accounting policies
(a) Revenue recognition

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

(b) Expense recognition

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

(c) Foreign currency transactions
Functional and presentation currency

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

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

Transactions and balances

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

Ikon Investment Holdings Ltd**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Material accounting policies (continued)**(d) Financial instruments****Recognition and initial measurement**

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

A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement**Financial assets**

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets - Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintain a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed;
- how managers of the business are compensated – e.g whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

Ikon Investment Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

4. Material accounting policies (continued)

(d) Financial instruments (continued)

Financial assets - Business model assessment (continued)

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

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

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities measured at amortised cost

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

Ikon Investment Holdings Ltd**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Material accounting policies (continued)**(e) Cash and cash equivalents**

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

(f) Stated capital

Ordinary shares are classified as equity.

(g) Related parties

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

(h) Provisions

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

(i) Income tax

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

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

(j) Deferred taxation

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

(k) Borrowings

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

(l) Payable

Payable is stated at its nominal value.

Ikon Investment Holdings Ltd**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Material accounting policies (continued)**(m) Impairment***Non-derivative financial assets*

The Company recognises loss allowances for ECLs on:

- financial assets measured at amortised cost;

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

- bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the end of the reporting period (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Material accounting policies (continued)**(m) Impairment**

Measurement of ECLs (continued)

(i) Financial assets measured at amortised cost

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

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

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

(ii) Non-financial assets

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

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Ikon Investment Holdings Ltd**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Material accounting policies (continued)**(n) Investment in associated company**

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

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

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

5. Critical accounting estimates and judgements

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

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

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

Determination of functional currency

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

Ikon Investment Holdings Ltd**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Critical accounting estimates and judgements (continued)*Impairment of investment in associated company*

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

Measurement of the expected credit loss (ECL) allowance

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

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

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

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

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

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
6. Investment in associated company

| | <u>2023</u> | <u>2022</u> |
|---------------------------------|-------------------------|-------------------------|
| | USD | USD |
| At beginning of the year | 1,399,978 | 1,368,866 |
| Share of profit during the year | <u>227,875</u> | <u>31,112</u> |
| At end of the year | <u><u>1,627,853</u></u> | <u><u>1,399,978</u></u> |

| Name of associated company | Country of incorporation | Number and type of shares | % holding | At carrying amount | |
|--------------------------------------|--------------------------|---------------------------|-----------|-------------------------|-------------------------|
| | | | | <u>2023</u> | <u>2022</u> |
| | | | | USD | USD |
| Nile Egypt Plastech Industries S.A.E | Egypt | 108,685 equity shares | 37% | <u><u>1,627,853</u></u> | <u><u>1,399,978</u></u> |

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

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

| Year ended | | <u>Assets</u> | <u>Liabilities</u> | <u>Revenues</u> | <u>Profit</u> |
|-------------------------|------------|-------------------------|-------------------------|--------------------------|-----------------------|
| | | USD | USD | USD | USD |
| 31 December 2023 | USD | <u><u>8,174,301</u></u> | <u><u>7,199,867</u></u> | <u><u>12,366,111</u></u> | <u><u>615,878</u></u> |
| 31 December 2022 | USD | <u><u>8,441,672</u></u> | <u><u>7,609,382</u></u> | <u><u>8,135,702</u></u> | <u><u>84,087</u></u> |

The directors believe that there is no impairment in the value of the investment in associated company as at 31 December 2023.

7. Share application monies

| | <u>2023</u> | <u>2022</u> |
|----------------------------------|----------------------|----------------------|
| | USD | USD |
| At beginning and end of the year | <u><u>52,398</u></u> | <u><u>52,398</u></u> |

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

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
8. Other receivables and prepayments

| | <u>2023</u> | <u>2022</u> |
|--------------------------------------|-------------------------|-------------------------|
| | USD | USD |
| Interest receivable (see note 12(a)) | 6,004,732 | 5,470,331 |
| Other receivable | - | 5,085 |
| Prepayments | <u>3,761</u> | <u>4,225</u> |
| | <u>6,008,493</u> | <u>5,479,641</u> |

An expected credit loss amounting to **USD69,999** (2022: USD191,945) has been recognised on interest receivable during the year ended 31 December 2023. Also, the other receivable of USD5,085 has been written off during the year.

9. Stated capital

| | <u>2023</u> | <u>2022</u> |
|-------------------------------------|-----------------------|-----------------------|
| | USD | USD |
| <u>Issued and fully paid up</u> | | |
| <i>Ordinary shares of USD1 each</i> | | |
| At beginning and end of the year | <u>364,450</u> | <u>364,450</u> |

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

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

10. Taxation**(i) Income tax**

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

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

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

10. Taxation (continued)**(i) Income tax (continued)**

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

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

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

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

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

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

- (ii) At 31 December 2023, the Company had accumulated tax losses of **USD79,510** (2022: USD77,473) and is therefore not liable to income tax. The accumulated tax losses are available for net off against taxable income arising in the forthcoming years. The Company has tax lapsed of **USD15,445** for the year under review.

Up to financial year ending:

| | <u>USD</u> |
|------------------|---------------|
| 31 December 2025 | 17,315 |
| 32 December 2026 | 13,237 |
| 32 December 2027 | 16,159 |
| 32 December 2028 | 15,317 |
| 32 December 2029 | 17,482 |
| | <u>79,510</u> |

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
10. Taxation (continued)(iii) Tax reconciliation

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

| | <u>2023</u> | <u>2022</u> |
|---------------------------------------|------------------|------------------|
| | USD | USD |
| Loss before taxation | <u>(230,924)</u> | <u>(733,815)</u> |
| Income tax @ 15% (2022: 15%) | (34,638) | (110,072) |
| Impact of: | | |
| Share of profit of associated company | (34,181) | (4,667) |
| Outside the scope | 22,553 | - |
| Disallowed expenses | <u>43,645</u> | <u>49,590</u> |
| | <u>(2,621)</u> | <u>(65,149)</u> |
| Deferred tax asset not recognised | 2,621 | 2,298 |
| Tax charged for the year | <u>-</u> | <u>-</u> |

11. Other payables and accruals

| | <u>2023</u> | <u>2022</u> |
|---|------------------|------------------|
| | USD | USD |
| Interest payable on loans from related parties (see note 12(b)) | 6,967,542 | 6,090,260 |
| Interest payable on loan from third party | 139,371 | 126,371 |
| Accruals | <u>4,568</u> | <u>2,519</u> |
| | <u>7,111,481</u> | <u>6,219,150</u> |

12. Related party transactions

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

(a) Loans to related parties

| | <u>2023</u> | <u>2022</u> |
|------------------------------|------------------|------------------|
| | USD | USD |
| At beginning of the year | 8,355,935 | 8,659,000 |
| Loan granted during the year | 500,000 | - |
| Expected credit loss | <u>(80,351)</u> | <u>(303,065)</u> |
| At end of the year | <u>8,775,584</u> | <u>8,355,935</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Related party transactions (continued)

(a) Loans to related parties (continued)

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

| Name of related parties | Relationship | Interest rate | 2023 | | 2022 | |
|--------------------------------------|--|---------------------------|---------------------|-------------------|---------------------|------------------|
| | | | Interest receivable | Principal | Interest receivable | Principal |
| | | | USD | USD | USD | USD |
| Elan Incorporated FZE | Common shareholder | 7.5% p.a | 178,132 | - | 178,132 | - |
| Kompozit – Praha s.r.o. | Common shareholder | 7.5% p.a Interest free | 1,929,981 | 2,000,000 | 1,849,980 | 2,000,000 |
| Nile Egypt Plastech Industries S.A.E | Associated company Associated company | 4% p.a 8% p.a | 186,303 | 2,200,000 | 98,303 | 1,700,000 |
| | | | 3,710,316 | 4,580,000 | 3,343,916 | 4,419,700 |
| | | | <u>6,004,732</u> | <u>10,030,000</u> | <u>5,470,331</u> | <u>9,530,000</u> |
| | | | | | | 1,412,760 |
| | | | | | | 882,975 |
| | | | | | | 1,640,500 |
| | | | | | | 4,419,700 |
| | | | | | | <u>8,355,935</u> |

Ikon Investment Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

12. Related party transactions (continued)

(a) Loans to related parties (continued)

The Company has extended unsecured loans as follows:

- (i) Elan Incorporated FZE and Kompozit – Praha s.r.o. (the "Borrowers") are related companies having common shareholder as the Company, that is, Time Technoplast Limited. All the loans extended by the Company to the Borrowers are unsecured and interest bearing at a rate of 7.5% per annum as per the terms of the respective loan agreements entered between the Company and the Borrowers except for a loan amounting to USD1,250,000 extended by the Company to Kompozit – Praha s.r.o. which is unsecured, interest free and repayable as agreed between parties. Interest income for the year amounted to **USD150,000** (2022: USD150,000). An expected credit loss of 3.5% was recognised on the loan receivable from Kompozit-Praha s.r.o during the year ended 31 December 2023.
- (ii) Nile Egypt Plastech Industries S.A.E. ("Nile"), is the associated company having its registered office at 28, Degla St., Off Shehab St., Mohandesseen, Giza, Egypt. The loan extended by the Company to Nile is unsecured and interest bearing at a rate of 8% per annum as from 1 January 2012 as per the terms of the loan agreement entered between the Company and Nile. Interest income for the year on the loan to Nile amounted to **USD454,400** (2022: USD434,400).

(b) Loans from related parties

| | <u>2023</u> | <u>2022</u> |
|---------------------------|-------------------|-------------------|
| | USD | USD |
| At beginning of the year | 13,359,500 | 13,344,500 |
| Additions during the year | 525,000 | 15,000 |
| At end of the year | <u>13,884,500</u> | <u>13,359,500</u> |

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

| Name of related parties | Relationship | Interest rate | 2023 | | 2022 | |
|-----------------------------------|--------------------|---------------|-------------------------|-------------------|-------------------------|-------------------|
| | | | Interest payable USD | Principal USD | Interest payable USD | Principal USD |
| Time Technoplast Limited | Shareholder | 8% p.a | 6,653,411 | 11,715,000 | 5,776,211 | 11,715,000 |
| GNXT Investments Holdings Pte Ltd | Common shareholder | 4% p.a | 144,140 | 1,120,000 | 106,058 | 620,000 |
| | | Interest free | - | 99,500 | - | 74,500 |
| Elan Incorporated FZE | Common shareholder | 4% p.a | 169,991 | 950,000 | 207,991 | 950,000 |
| | | | <u>6,967,542</u> | <u>13,884,500</u> | <u>6,090,260</u> | <u>13,359,500</u> |

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Related party transactions (continued)(b) Loans from related parties (continued)

- (i) The loan from shareholder is unsecured and carries an interest of 8% per annum payable half yearly. The loan is repayable on demand. Interest expense for the year amounted to **USD877,200** (2022: USD877,200).
- (ii) The loan of USD1,120,000 from GNXT Investments Holdings Pte Ltd is unsecured, carries interest at 4% per annum and is repayable on demand. Interest expense for the year amounted to **USD38,082** (2022: USD24,800). A loan of **USD99,500** received is unsecured and interest free and is repayable on demand. Such facility is provided to fund the operating expenses of the Company as and when required.
- (iii) The loan from Elan Incorporated FZE is unsecured and carries interest at the rate of 4% per annum. The tenor of the loan shall be one year renewable with mutual consent of both parties and repayment by the Borrower within one year shall be allowed. No interest expense for the year under review has been recorded (2022: Nil). The interest expense for year ended 31 December 2019 amounting to USD38,000 (2022: USD38,000) has been reversed during the year.

13. Loan from third party

| | <u>2023</u> | <u>2022</u> |
|----------------------------------|-----------------------|----------------|
| | <u>USD</u> | <u>USD</u> |
| At beginning and end of the year | <u>649,975</u> | <u>649,975</u> |

The above loan from Pace (Mid East) International FZE is unsecured and carries interest at the rate of 2% per annum. The tenor of the loan shall be one year renewable with the mutual consent of both parties and prepayment by the Borrower is allowed. Interest expense for the year amounted to **USD13,000** (2022: USD13,000).

Ikon Investment Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14. Financial instruments

(a) Fair values

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

| | At amortised cost | Total carrying amounts |
|------------------------------|-------------------------|------------------------------|
| | USD | USD |
| 2023 | | |
| <u>Financial assets</u> | | |
| Loans to related parties | 8,775,584 | 8,775,584 |
| Other receivables | 6,004,732 | 6,004,732 |
| Cash and cash equivalents | 13,903 | 13,903 |
| | <u>14,794,219</u> | <u>14,794,219</u> |
| <u>Financial liabilities</u> | | |
| Loans from related parties | 13,884,500 | 13,884,500 |
| Loan from third party | 649,975 | 649,975 |
| Other payables and accruals | 7,111,481 | 7,111,481 |
| | <u>21,645,956</u> | <u>21,645,956</u> |
| | At amortised cost | Total carrying amounts |
| | USD | USD |
| 2022 | | |
| <u>Financial assets</u> | | |
| Loans to related parties | 8,355,935 | 8,355,935 |
| Other receivables | 5,475,416 | - |
| Cash and cash equivalents | 3,872 | 3,872 |
| | <u>13,835,223</u> | <u>13,835,223</u> |

Ikon Investment Holdings Ltd

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

14. Financial instruments (continued)

(a) Fair values (continued)

| | At amortised cost | Total carrying amounts |
|------------------------------|-------------------------|------------------------------|
| | USD | USD |
| 2022 | | |
| <u>Financial liabilities</u> | | |
| Loans from related parties | 13,359,500 | 13,359,500 |
| Loan from third party | 649,975 | 649,975 |
| Other payables and accruals | 6,219,150 | 6,219,150 |
| | <u>20,228,625</u> | <u>20,228,625</u> |

(b) Currency profile

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

| | 2023 | | 2022 | |
|-----------------------------|---------------------|--------------------------|---------------------|--------------------------|
| | Financial assets | Financial liabilities | Financial assets | Financial liabilities |
| | USD | USD | USD | USD |
| United States Dollars (USD) | <u>14,794,219</u> | <u>21,645,956</u> | <u>13,835,223</u> | <u>20,228,625</u> |

Investment in associated company, share application monies and prepayments amounting to **USD1,627,853** (2022: USD1,399,978), **USD52,398** (2022: USD52,398) and **USD3,761** (2022: USD4,225) respectively have not been included in financial assets.

15. Financial risk management

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

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

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

15. Financial risk management (continued)

(a) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company is not exposed to currency risk as the Company's financial instruments are denominated in the United States Dollar ('USD'), its functional currency.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company's exposure to interest rate risk on its bank balance is limited and the interest thereon is fixed interest rates. At 31 December 2023, the bank balance stood at **USD13,903** (2022: USD3,872) and no interest income was earned during the year under review. A change in the market interest rate would not impact on the Company's operating cash flows.

The Company has amounts due from Elan Incorporated FZE, Kompozit – Praha s.r.o. and Nile, the terms of which are elaborated in Note 12(a). The Company is not exposed to risks associated with the fluctuation in interest rates on its loans receivable, since they are fixed interest bearing loans.

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

(b) Credit risk

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

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

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

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**
15. Financial risk management (continued)
(b) Credit risk (continued)

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

| | <u>2023</u> | <u>2022</u> |
|---------------------------|-------------------|-------------------|
| | USD | USD |
| Loans to related parties | 8,775,584 | 8,355,935 |
| Other receivables | 6,004,732 | 5,475,416 |
| Cash and cash equivalents | 13,903 | 3,872 |
| | <u>14,794,219</u> | <u>13,835,223</u> |

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

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

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

| | <u>2023</u> | <u>2022</u> |
|---|----------------|----------------|
| | USD | USD |
| At beginning of the year | 495,010 | - |
| Expected credit losses allowance recognised during the year | 150,350 | 495,010 |
| At end of the year | <u>645,360</u> | <u>495,010</u> |

Ikon Investment Holdings Ltd

**NOTES TO THE FINANCIAL STATEMENTS
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15. Financial risk management (continued)

(c) Liquidity risk

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

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

| | 2023 | | 2022 | |
|----------------------------|-------------------|-----------|-------------------|-----------|
| | Within 1 | More than | Within 1 | More than |
| | year | year | year | year |
| | USD | USD | USD | USD |
| Loans from related parties | 13,884,500 | - | 13,359,500 | - |
| Loan from third party | 649,975 | - | 649,975 | - |
| Payables and accruals | 7,111,481 | - | 6,219,150 | - |
| | <u>21,645,956</u> | <u>-</u> | <u>20,228,625</u> | <u>-</u> |

(d) Political, economic and social risks

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

(e) Capital risk management

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

16. Contingent liabilities

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

17. Events after the reporting period

There have been no material events after the end of the reporting period which require disclosure or adjustment to the financial statements for the year ended 31 December 2023.

18. Holding company

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

Ikont Investment Holdings Ltd**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

19. Going concern

The financial statements are prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The Company incurred a loss of **USD230,924** (2022: USD733,815) during the year ended 31 December 2023 and at that date, the Company's total liabilities exceeded its total assets by **USD5,167,725** (2022: USD4,936,801). The validity of the assumption depends on the continued financial support of the shareholder of the Company. The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on the going concern basis.