Translated

Egypt Kuwait Holding Company
Consolidated Financial Statements
For the financial period ended September 30, 2018
And limited review report

Translation

Contents

KPMG

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Limited Review Report on Interim Consolidated Financial Statements
To the Board of Directors of Egypt Kuwait Holding Company

Introduction

We have reviewed the accompanying consolidated statement of financial position of Egypt Kuwait Holding Company – An Egyptian Joint Stock Company subject to the provisions of Investment Incentives & Guarantees Law –,("the Company") as of September 30, 2018 and the related consolidated statements of income , comprehensive income, changes in equity and cash flows for the nine -month 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 consolidated financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our limited review.

Scope of Limited Review

Except as explained in the Basis for Qualified Conclusion ,we conducted our review in accordance with Egyptian Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A Limited review of interim financial information 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 consolidated financial statements .

Basis for Qualified Conclusion

The consolidated financial statements as at September 30, 2018 included the financial statements of Delta Insurance Co. (a subsidiary that the Group has obtained control over it during March 2018) which have total assets of USD 100.35 million , total liabilities of USD 78.93 million , total revenues of USD 23.95 million and total expenses of USD 19.23 million that were consolidated based on the financial statements prepared in accordance with the Application Guidance of the Egyptian Accounting Standards applicable to Insurance Sector in light of the Egyptian Accounting Standards. We were unable to determine the effect of the necessary adjustments that should be recognized in the consolidated financial statements of the financial period ended September 30, 2018 had the financial statements of such subsidiary been prepared in accordance with the Egyptian Accounting Standards.

In addition , the Group's management has not accounted for the previous shares acquired before the date of control of Delta Insurance Co. at fair value on the date of control. We were unable to determine the effect of the necessary adjustments that should have been recognized in the consolidated financial statements of the financial period ended Septmebr 30, had the previously held interests before the date of control been recognized at its fair value at date of control.

Qualified Conclusion

Except for the probable adjustments in the Basis for Qualified Conclusion paragraph, and based on our review on the consolidated financial statements of Egypt Kuwait Holding Company, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial information do not present fairly, in all material respects, the consolidated financial position of Egypt Kuwait Holding Company as at Septmebr 30, 2018 , and of its financial performance and its cash flows for the nine -month period then ended in accordance with Egyptian Accounting Standards.

Emphasis of Matter Paragraph

Without further qualification, we draw attention to note (47-c) to the consolidated financial statements for the financial period ended as at September 30, 2018. The Company received a letter from the head of the Central Department for Financial Statements Supervision at the Financial Regulatory Authority as a result of a complaint presented to the Authority by one of the shareholders regarding certain observations related to the consolidated financial statements of the Company. This complaint entail the extent of losing control over MOG for Energy Co. (previously named as Tri Ocean for Energy Co.)، in addition to the re-calculation of the beneficiaries accruals of bonus and remuneration plan.

In the light of the foregoing, the Company provided us with an opinion from independent legal consultant with respect to losing control over MOG for Energy Co. The opinion by the legal consultant based on the documents and information provided by the Company has reached the conclusion that the Company lost the control over MOG for Energy Co. on the basis of losing control over Solidarity Group Limited Company the owner Company of MOG Energy Co. due to assigning the rights of management and voting over the Company and its subsidiaries. Additionally the legal consultant is of the opinion that the bases adopted by the remuneration committee at the time of allocating the shares to the beneficiaries are in line with the secheme approved by the Financial Regulatory Authority.

As stated in Note (55) to the consolidated financial statements for the financial period ended as at September 30, 2018, The Company committed to held an Extraordinary General Assembly Meeting to consider the approval of the bonus and remuneration committee's decision regarding the allocated shares.

KPMG Hazem Hassan

Public Accountants & Consultants

Cairo, November 14 , 2018

Translated

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated Statement of Financial Position

As at September 30, 2018

In US Dollars	Note No.	30/9/2018	31/12/2017
Assets			
Non-current assets			
Equity - accounted investees	(7)	15 447 017	29 201 428
Available -for- sale Investments	(8)	34 035 173	28 860 567
Financial assets held to maturity	(9)	183 041 861	108 551 255
Property, plant and equipment	(10)	200 098 642	207 741 912
Exploration & development assets	(11)	32 733 245	24 591 508
Projects under construction	(12)	46 136 680	25 154 067
Goodwill	(13)	54 905 767	52 413 767
Other intangible assets	(14)	10 248 420	14 595 297
Investment property	(15)	620 168	-
Other debtors & notes receivables	(16)	28 793 052	11 727 932
Total non-current assets		606 060 025	502 837 733
Current assets			
Cash at banks & on hand	(17)	258 879 055	224 894 312
Financial assets held to maturity	(9)	81 198 226	137 185 652
Financial assets at fair value through profit and loss	(18)	11 899 958	15 024 540
Trade & notes receivable	(19)	70 404 245	61 302 728
Debtors & other debit balances	(20)	63 901 646	37 587 084
Inventory	(21)	67 581 682	60 225 430
Work in progress	(22)	28 769 154	6 718 212
Non-current assets held for sale	(23)	-	4 552 500
Total current assets		582 633 966	547 490 458
Total assets		1 188 693 991	1 050 328 191
Equity			
Issued & paid up capital	(24)	256 110 292	256 110 292
Reserves	(25)	(17 502 901)	(14 625 462)
Share-based payments	(26)	17 561 848	17 561 848
Retained earnings		230 139 048	219 881 881
Treasury shares	(27)	(221 050)	-
Total equity of the owners of the parent Company		486 087 237	478 928 559
Non-controlling interests	(28)	224 718 634	214 716 217
Total equity		710 805 871	693 644 776
Liabilities			
Non-current liabilities			
Long-term loans	(29)	23 430 007	36 441 090
Other long-term liabilities	(30)	30 343 479	7 871 026
Deferred tax liabilities	(31)	23 867 806	24 367 095
Total non-current liabilities		77 641 292	68 679 211
Current liabilities			
Provisions	(32)	17 164 934	33 206 603
Bank overdraft		187 204	577 005
Short-term loans	(29)	49 865 132	25 924 898
Bank facilities	(33)	57 500 038	67 537 852
Suppliers, subcontractors & notes payable	(34)	36 002 798	13 050 716
Insurance policyholders rights	(35)	68 239 038	-
Creditors & other credit balances	(36)	171 287 684	147 707 130
Total current liabilities		400 246 828	288 004 204
Total liabilities		477 888 120	356 683 415
Total equity and liabilities		1 188 693 991	1 050 328 191

- **The accompanying notes on pages from (6) to (62) are an integral part of these consolidated financial statements and to be read therewith.**

Group Chief Financial Officer	Managing Director	Chairman & Managing Director
Medhat Hamed Bonna	Sherif Al Zayat	Al-Moataz Adel Al-Alfi

- **Limited review report "attached".**

Egypt Kuwait Holding Company

(An Egyptian Joint Stock Company)

Consolidated Statement of Income

For the financial period ended September 30, 2018

In US Dollars	Note No.	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Continuing operations					
Operating revenues	(37)	114 092 460	338 928 892	83 640 777	258 185 455
Operating costs	(38)	(77 466 738)	(232 786 417)	(61 714 770)	(185 448 043)
Gross profit		**36 625 722**	**106 142 475**	**21 926 007**	**72 737 412**
Income from investments	(39)	3 921 344	12 568 857	3 186 791	12 348 433
Other income	(40)	4 183 077	22 879 956	5 310 109	15 843 685
Selling & distribution expenses	(41)	(1 041 736)	(3 492 627)	(746 385)	(2 309 600)
General & administrative expenses		(7 929 119)	(21 834 933)	(4 867 389)	(14 879 556)
Other expenses	(42)	262 366	(14 080 180)	(70 244)	(1 933 944)
Operating profit		**36 021 654**	**102 183 548**	**24 738 889**	**81 806 430**
Interest income		6 845 284	21 169 572	6 189 549	18 696 295
Financing expenses		(3 019 749)	(9 370 815)	(3 442 964)	(9 586 685)
Foreign currency translation differences		(46 292)	460 193	1 385 461	240 754
Company's share of profit / (loss) of associates		585 763	1 936 775	(279 826)	(1 486 521)
Net profit for the period before income tax		**40 386 660**	**116 379 273**	**28 591 109**	**89 670 273**
Income tax	(43)	(6 769 294)	(19 457 084)	(5 166 540)	(17 336 004)
Net profit for the period from continuing operations		**33 617 366**	**96 922 189**	**23 424 569**	**72 334 269**
Discontinued operations					
Gain from discontinued operation (net of income tax)		-	-	18 276 512	18 276 512
Net profit for the period		**33 617 366**	**96 922 189**	**41 701 081**	**90 610 781**
Net profit attributable to:					
Owners of the Parent Company		26 620 030	75 002 644	37 310 483	76 565 883
Non-controlling interests	(28)	6 997 336	21 919 545	4 390 598	14 044 898
Net profit for the period		**33 617 366**	**96 922 189**	**41 701 081**	**90 610 781**
Earnings per share (US cent / Share)	(44)	2.34	**6.55**	**3.54**	**7.06**
Earnings per share (US cent / Share) from continuing operations	(44)	2.34	**6.55**	**1.71**	**5.23**

- **The accompanying notes on pages from (6) to (62) are an integral part of these consolidated financial statements and to be read therewith.**

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Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Consolidated Statement of Comprehensive Income
For the financial period ended September 30, 2018

In US Dollars	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Net profit for the period	33 617 366	96 922 189	41 701 081	90 610 781
Other comprehensive income items				
Items may be reclassified to profit or loss:				
Change in fair value for investments available -for- sale	2 249 826	3 744 102	4 915 573	9 330 350
Foreign currency translation differences	(1 722 734)	(7 190 609)	6 704 444	13 960 778
Total comprehensive income	34 144 458	93 475 682	53 321 098	113 901 909
Total comprehensive income for the period attributable to:				
Owners of the Parent Company	27 181 774	71 054 446	51 250 036	101 098 194
Non-controlling interests	6 962 684	22 421 236	2 071 062	12 803 715
Total comprehensive income for the period	34 144 458	93 475 682	53 321 098	113 901 909

- **The accompanying notes on pages from (6) to (62) are an integral part of these consolidated financial statements and to be read therewith.**

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Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Consolidated Statement of Changes in Equity
For the financial period ended September 30, 2018

In US Dollars	Issued & paid up capital	Reserves: Legal reserve	Reserves: Special reserve - Share premium	Reserves: General reserve	Reserves: Fair value reserve	Reserves: Translation differences reserve	Reserves: Total reserves	Share-based payment	Retained earnings	Treasury shares	Total equity of the owners of the parent Company	Non-controlling interests	Total equity
Balance as at January 1, 2017	256 110 292	123 559 511	57 954 547	8 380 462	9 867 000	(217 373 270)	(17 611 750)	17 561 848	140 231 517	-	396 291 907	224 276 236	620 568 143
Comprehensive income													
Net profit for the period	-	-	-	-	-	-	-	-	76 565 883	-	76 565 883	14 044 898	90 610 781
Other comprehensive income	-	-	-	-	11 509 222	13 023 089	24 532 311	-	-	-	24 532 311	(1 241 183)	23 291 128
Total comprehensive income	-	-	-	-	11 509 222	13 023 089	24 532 311	-	76 565 883	-	101 098 194	12 803 715	113 901 909
Transactions with owners of the Company													
Transferred to legal reserve	-	1 618 493	-	-	-	-	1 618 493	-	(1 618 493)	-	-	-	-
Dividends distribution for shareholders	-	-	-	-	-	-	-	-	(31 160 061)	-	(31 160 061)	-	(31 160 061)
Dividends distribution for employees and board members	-	-	-	-	-	-	-	-	(7 510 715)	-	(7 510 715)	-	(7 510 715)
Total transactions with owners of the Company	-	1 618 493	-	-	-	-	1 618 493	-	(40 289 269)	-	(38 670 776)	-	(38 670 776)
Other changes													
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	1 637 420	-	1 637 420	(1 637 420)	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(32 834 845)	(32 834 845)
Total other changes	-	-	-	-	-	-	-	-	1 637 420	-	1 637 420	(34 472 265)	(32 834 845)
Balance as at September 30, 2017	256 110 292	125 178 004	57 954 547	8 380 462	21 376 222	(204 350 181)	8 539 054	17 561 848	178 145 551	-	460 356 745	202 607 686	662 964 431
Balance as at January 1, 2018	256 110 292	125 178 004	57 954 547	8 380 462	5 081 987	(211 220 462)	(14 625 462)	17 561 848	219 881 881	-	478 928 559	214 716 217	693 644 776
Comprehensive income													
Net profit for the period	-	-	-	-	-	-	-	-	75 002 644	-	75 002 644	21 919 545	96 922 189
Other comprehensive income	-	-	-	-	1 650 855	(5 599 053)	(3 948 198)	-	-	-	(3 948 198)	501 691	(3 446 507)
Total comprehensive income	-	-	-	-	1 650 855	(5 599 053)	(3 948 198)	-	75 002 644	-	71 054 446	22 421 236	93 475 682
Transactions with owners of the Company													
Transferred to legal reserve	-	1 070 759	-	-	-	-	1 070 759	-	(1 070 759)	-	-	-	-
Dividends distribution for shareholders	-	-	-	-	-	-	-	-	(50 303 242)	-	(50 303 242)	-	(50 303 242)
Dividends distribution for employees and board members	-	-	-	-	-	-	-	-	(12 603 305)	-	(12 603 305)	-	(12 603 305)
Treasury shares	-	-	-	-	-	-	-	-	-	(221 050)	(221 050)	-	(221 050)
Total transactions with owners of the Company	-	1 070 759	-	-	-	-	1 070 759	-	(63 977 306)	(221 050)	(63 127 597)	-	(63 127 597)
Other changes													
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(768 171)	-	(768 171)	(6 945 296)	(7 713 467)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(5 473 523)	(5 473 523)
Total other changes	-	-	-	-	-	-	-	-	(768 171)	-	(768 171)	(12 418 819)	(13 186 990)
Balance as at September 30, 2018	256 110 292	126 248 763	57 954 547	8 380 462	6 732 842	(216 819 515)	(17 502 901)	17 561 848	230 139 048	(221 050)	486 087 237	224 718 634	710 805 871

* The accompanying notes on pages from (6) to (62) are an integral part of these consolidated financial statements and to be read therewith.

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Consolidated Statement of Cash flows
For the financial period ended September 30 , 2018

In US Dollars	Note No.	From 1/1/2018 till 30/9/2018	From 1/1/2017 till 30/9/2017
Cash flows from operating activities			
Net profit for the period before income tax		116 379 273	89 670 273
Adjustments for:			
Depreciation & amortization		29 445 988	20 350 455
Gain on sale of available-for-sale investments		-	(246 990)
Company's share of profit / (loss) of associates		(1 936 775)	1 486 521
Unrealized gain of financial assets at fair value through profit and loss		(104 136)	(425 890)
Financing expenses		9 370 815	9 586 685
Interest income		(21 169 572)	(18 696 295)
Capital gain		(157 160)	(999 334)
Provisions no longer required		(17 403 129)	(2 153 224)
Provisions		567 515	1 928 401
Reversal of impairment loss on debtors & other debit balances		(3 800 000)	(10 133 159)
Impairment loss on debtors and other debit balances		291 224	5 543
Impairment loss on investments		13 221 441	-
Reversal of impairment loss of intangible assets		-	(3 000 000)
		124 705 484	87 372 986
Change in:			
Financial assets at fair value through profit and loss		3 228 718	111 318
Trade & notes receivable		(25 535 851)	(30 447 553)
Debtors & other debit balances		(13 108 784)	(18 702 618)
Inventory		(5 971 525)	(4 380 731)
Work in progress		(22 050 942)	1 930 915
Suppliers, subcontractors & notes payable		(113 320)	(2 181 027)
Creditors & other credit balances		46 479 484	5 311 153
Deposits and blocked cash		-	(1 727 141)
Time deposits		2 160 335	91 033 157
Provisions used		(414 622)	(342 502)
Financing expenses paid		(9 370 815)	(9 589 726)
Net cash available from operating activities		**100 008 162**	**118 388 231**
Cash flows from investing activities			
Interest received		21 025 528	18 999 202
Subsidiaries acquisition (net cash acquired)		(1 096 047)	-
Payments for acquisition of property, plant and equipment, projects under construction , intangible assets & investment property		(26 375 440)	(12 068 121)
Payments for acquisition of exploration & development assets		(17 017 182)	-
Proceeds from sale of property, plant and equipment		232 298	1 135
Proceeds from sale of other intangible assets		-	4 000 000
Proceeds from (Payments for) sale of available-for-sale investments		(3 467 062)	50 418 898
Proceeds from financial assets held to maturity		50 558 835	597 740
Proceeds from disposal of discontinued operations		-	42 639 917
Net cash available from investing activities		**23 860 930**	**104 588 771**
Cash flows from financing activities			
Payment of long-term loans		-	(47 043 067)
Proceeds from long-term loans		31 145 417	1 909 990
Proceeds from short-term loans & bank facilities		91 084 791	78 327 075
Payment of short-term loans & bank facilities		(121 338 871)	(93 972 878)
Payments for acquisition of non-controlling interests		(7 713 467)	(19 055 040)
Non-controlling interests		(4 881 736)	(15 020 988)
Dividends paid		(62 906 547)	(38 670 776)
Net cash used in financing activities		**(74 610 413)**	**(133 525 684)**
Foreign currency translation differences		(5 561 473)	2 522 867
Net change in cash and cash equivalents during the period		43 697 206	91 974 185
Cash and cash equivalents at beginning of the period		224 520 953	103 682 428
Cash and cash equivalents at end of the period	(17)	**268 218 159**	**195 656 613**

* **The accompanying notes on pages from (6) to (62) are an integral part of these consolidated financial statements and to be read therewith.**

Egypt Kuwait Holding Company
(An Egyptian Joint Stock Company)
Notes to the consolidated financial statements
For the financial period ended September 30, 2018

1- Company's background and activities

- Egypt Kuwait Holding Company "The Company" was incorporated by virtue of the Chairman of General Investment Authority's resolution No. 197 of 1997, according to the provisions of Investment Law No. 230 of 1989 and according to Law No. 8 of 1997, concerning Investment Incentives & Guarantees and Law No. 95 of 1992 concerning Capital Market. The Company was registered in Giza Governorate Commercial Registry under No. 114648 on 20/7/1997. The duration of the Company according to the Company's Statute, is 25 years starting from the date of registration in the Commercial Registry.
- The Company's financial year starts on January 1st and ends on December 31st each year.
- The Company's purpose is represented in investment in all activities stated in Article 1 of Law No. 230 of 1989, provided that its object does not include accepting deposits or performing banking transactions and comprise the following activities:-

  A - Securities underwriting and promotion.
  B- Participation in Companies, which issue securities or increasing their capital.
  C- Venture capital.

  In addition, the Company is entitled to establish other projects or modify its purposes in conformity with the Investment Law. The Company is also entitled to establish or participate in projects not governed by the Investment Law subject to the approval of the General Investment Authority & General Capital Market Authority.

  On March 6, 2002 the General Investment Authority gave permission to the Company to use the excess funds in investing outside the Arab Republic of Egypt by participating in establishing companies & contributing to projects & portfolios of marketable securities managed abroad.
- The registered office of the Company is located at 14 Hassan Mohamed El Razaz St.-Dokki - Egypt. Mr. Al Moataz Adel AL-Alfi is the Chairman of the Company.
- The Company is listed in the Egyptian Stock Exchange of the Arab Republic of Egypt.
- The consolidated financial statements comprise the financial statements of Egypt Kuwait Holding Company (the Parent Company) & its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities. The Group is involved in several activities which are represented in investment activities, selling & supplying of natural gas activity, drilling, petroleum & petrochemicals services activity, fertilizers activity, exploration & exploitation of oil, natural gas activity, chill technology by natural gas activity, communications and selling & distributing of chemicals & plastic activity, manufacturing of Formica chips & MDF of all types and sizes, and the activity of life insurance and responsibilities and properties insurance.

2- Basis of preparation of the consolidated financial statements

a) Statement of compliance

- These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards and relevant Egyptian laws and regulations except the consolidated financial statements of Delta Insurance Co. (The Group has control over it during March 2018) Which has been prepared in accordance with Egyptian Accounting Standards on Insurance sector in the light of the Egyptian Accounting Standards issued by the minister of investments law No. 110 year 2015.
- The consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 14, 2018.

b) Basis of measurement

The consolidated financial statements have been prepared on historical cost basis except for the following:-

- Derivatives financial instruments measured at fair value.
- Financial assets at fair value through profit or loss.
- Available-for-sale investments measured at fair value.

c) Functional and presentation currency

The consolidated financial statements are presented in USD, which is the Parent Company's functional currency.

d) Use of estimates and judgments

- The preparation of the consolidated financial statements in conformity with Egyptian Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are readily apparent from other sources. Actual results may differ from these estimates.
- The estimates and underlying assumptions are reviewed on an ongoing basis.
- Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

e) Measurement of fair values

- The fair value of financial instruments is measured based on the market value of the financial instrument or a similar financial instrument as at the financial statements date without deducting any estimated future selling costs. The value of financial assets is determined by the current purchase prices of these assets whereas, the value of financial liabilities is determined by the current prices which can be used to settle these liabilities.

- In case of inactive market exists to determine the fair value of the financial instruments, the fair value is estimated using the different valuation techniques while considering the prices of the transactions recently made and using the current fair value of the other similar financial instrument as a guide significantly – discounted cash flows method - or any other valuation method that results in reliable values.
- On using the discounted cash flows method as a valuation technique, the future cash flows are estimated based on best estimate of management and the used discount rate is determined in light of the prevailing price in market as at the financial statements date of similar financial instruments with respect to their nature and conditions.

3- Significant accounting policies

The accounting polices set out below have been applied consistently to all periods presented in these consolidated financial statements.

3-1 Business combination

- The Group accounts for business combination using the acquisition method when control is transferred to the Group.
- The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired.
- Any goodwill that arises is tested annually for Impairment. Any gain on a bargain purchase in recognized profit or loss immediately.
- Transaction cost are expensed as incurred, except if related to the issue of debt or equity securities.
- The consideration transferred does not include amounts related to the settlement of pre-exiting relationship. Such amounts are generally recognised in profit or loss.
- Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that met the definition of financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

A- Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

B- Non-controlling interests

NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.
Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

C- Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in statement of income. Any interest retained in the former subsidiary is measured at fair value when control is lost.

D- Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture.
Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.
A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.
Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs.
Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity accounted investees.

E- Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. An unrealized loss are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3-2 Foreign currency

A- Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss.
However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- available-for-sale equity investments (except on impairment, in which case foreign currency differences that have been recognized in OCI are reclassified to consolidated income statement);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective.
- Qualifying cash flow hedges to the extent that the hedges are effective.

B- Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition during the preparation of the financial statements, are translated into USD at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into USD at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in OCI and accumulated in the translation reserve, except to the extent that the translation difference is allocated to NCI.

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated income statement as part of the gain or loss on disposal.

If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI.

When the Group disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to consolidated statement of income.

3-3 Property, plant and equipment & depreciation

a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant & equipment is recognized in consolidated statement of income.

b) Subsequent costs

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

c) Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in consolidated income statement. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated. The estimated useful lives are as follows:

All numbers are in US Dollars if otherwise isn't mentioned

Asset	Years
Usufruct of lands	25
Buildings of the Parent Company's premises	50
Buildings & constructions	20–56 or according to lease term, which is lower
Machinery & equipment	3 – 20
Stations & electric transformers	10
Means of transportation	4 – 10
Furniture & office equipment	2 – 10
Computer hardware & software and Decorations	3 – 6.67
Air-conditions	4 – 6.67
Tools & supplies	5
Leasehold improvements	Over the lower of lease term or estimated useful life which is lower

- Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3-4 Projects under construction

Projects under construction are recognized initially at cost. Cost includes all expenditures directly
Attributable to bringing the assets to a working condition for it intended use. Projects under construction are transferred to property, plant and equipment caption when they are completed and are ready for their intended use.

3-5 Intangible assets

3-5-1 Recognition and measurement

Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses. Impairment of goodwill is not reversed subsequently. In case of gain on bargain purchase, it is recognized immediately in the statement of income.

Exploration and development

- Expenditure on research activities is recognized in profit or loss as incurred.
- Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in as profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.

Other intangible assets

Other intangible assets, including deferred charges, patents and trademarks that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

3-5-2 Subsequent expenditures

Subsequent expenditure on capitalized intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are expensed as incurred.

3-5-3 Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in consolidated statement of income. Goodwill is not amortized.

3-6 Financial instruments

- The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.
- The Group classifies non-derivative financial liabilities into the following categories: financial liabilities at fair value through profit or loss and other financial liabilities category.

3-6-1 Non-derivative financial assets and liabilities- recognition and disposal

The Group initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

3-6-2 Non-derivative financial assets - measurement

3-6-2-1 Financial assets measured at fair value through profit or loss

A financial asset is classified as at fair value through profit or loss if it is classified as held for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

3-6-2-2 Financial assets held – to – maturity

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

3-6-2-3 Loans and receivables

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.

3-6-2-4 Available for sale investments

These assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in OCI and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to consolidated statement of income.

3-6-3 Non-derivative financial liabilities - measurement

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, including any interest expense, are recognized in profit or loss.
Other non-derivative financial liabilities are initially measured at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

3-7 Inventory

Inventories are measured at the lower of cost and net realizable value. The Cost of inventories is based on the moving average principle and includes expenditure incurred in acquiring the inventories and bringing it to its existing location and condition. Cost of finished goods and work in process inventories includes an appropriate share of production overheads.

3-8 Work in progress

All expenditures directly attributable to works in process are included in work in process account till the completion of these works. They are transferred to completed residential units ready for sale caption when they are completed. Work in process are stated at the balance sheet date at lower of cost and net realizable value. It includes all direct costs that related to preparation of units to sell it and in the assigned purpose.

3-9 Construction contracts in progress

Construction contracts in progress represents the gross amount expected to be collected from customers for contract work performed to date. It is measured at costs incurred plus profits recognized to date less progress billings and recognized losses.
In the statement of financial position, construction contracts in progress for which costs incurred plus recognized profits exceed progress billings and recognized losses are presented as trade and other receivables. Contracts for which progress billings and recognized losses exceed costs incurred plus recognized profits are presented as deferred income/revenue. Advances received from customers are presented as deferred.

3-10 Investments property

Investment property is initially measured at cost; and subsequently presented in the consolidated financial statements, net of accumulated depreciation and impairment losses. The investment property is presented in the consolidated financial statements, net of both accumulated depreciation and accumulated impairment losses.

3-11 Assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, investment property or biological assets, which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale or held-for distribution and subsequent gains and losses on re-measurement are recognized in consolidated income statement.
Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

3-12 Debtors and other debit balances

Debtors are recorded at their nominal value net of any irrecoverable amounts. An estimate of doubtful debts is made when collections of the full amount is no longer probable. Bad debts are written off when identified. Other debit balances are stated at cost less impairment losses.

3-13 Cash and cash equivalents

For the purpose of preparing the consolidated statement of cash flows, "cash & cash equivalents" comprise cash at banks & on hand, time deposits with original maturities of three month or less and net of bank overdraft balances, which are repayable on demand and form an integral part of the Group cash management.

3-14 Impairment of assets

a) Non-derivative financial assets

Financial assets not classified as at fair value through profit or loss, including an interest in an equity accounted investee, are assessed at each reporting date to determine whether there is objective evidence of impairment.

Objective evidence that financial assets are impaired includes:

- Default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- Indications that a debtor or issuer will enter bankruptcy;
- Adverse changes in the payment status of borrowers or issuers;
- The disappearance of an active market for a security because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the expected cash flows from a group of financial assets.

For an investment in an equity security, objective evidence of impairment includes a significant or prolonged decline in its fair value below its cost. The Group considers a decline of 20% to be significant and a period of nine months to be prolonged.

Financial assets measured at amortized cost

The Group 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 Group 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 recognized in profit or loss and reflected in an allowance account. When the Group 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 recognized, then the previously recognized impairment loss is reversed through profit or loss.

Available for sale financial assets

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve to profit or loss. The amount reclassified is the difference between the acquisition cost (net of any principal repayment and amortization) and the current fair value, less any impairment loss previously recognized in profit or loss. If the fair value of an impaired available-for-sale debt security subsequently increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed through profit or loss. Impairment losses recognized in profit or loss for an investment in an equity instrument classified as available-for-sale are not reversed.

Equity-accounted investees

An impairment loss in respect of an equity-accounted investee is measured by comparing the recoverable amount of the investment with its carrying amount. An impairment loss is recognized in profit or loss, and is reversed if there has been a favorable change in the estimates used to determine the recoverable amount.

b) Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets other than inventories and deferred tax assets to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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 recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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 amortization, if no impairment loss had been recognized.

3-15 Finance leasing

The accrued rental value due from finance lease contracts in addition to what the Group bears for maintenance and repairing expenses of leased assets; are charged to the consolidated statement of Income each financial year. If the Group at the end of the contract decided to exercise the purchase option of the leased asset, this asset will be recorded as a fixed asset by the value of using the purchase option which is agreed upon in the contract. This asset will be depreciated based on its useful life according to the Group's fixed asset depreciation policy for similar assets.

3-16 Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

3-17 Loans and borrowings

- Interest-bearing borrowings are recognized initially at fair value less attributable transaction costs.
- Subsequent to initial recognition، interest-bearing borrowings are stated at amortized cost with any difference between cost and redemption value being recognized in the consolidated income statement over the period of the borrowings on an effective interest basis.

3-18 Trade payables and other credit balances

Trade payables and other credit balances are stated at cost.

3-19 Share capital

a) Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction are accounted for in accordance with EAS 24 "Income Tax".

b) Repurchase and reissue of ordinary share

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs is recognized as a deduction from equity. Repurchased shares are classified as treasury shares and are presented in the treasury share reserve. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity and the resulting surplus or deficit on the transaction is presented within share premium.

c) Dividends

Dividends are recognized as a liability in the period in which they are declared.

3-20 Equity settled share – based payments

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3-21 Revenue

Revenue is measured at the fair value of the consideration received or receivable and is recognized when it is probable that the future economic benefits will flow to the entity and the amount of the revenue can be measured reliably. No revenue is recognized if there are uncertainties regarding the recovery of that consideration due or associated costs.

Sale of goods revenues

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. For export sales, transfer of risks and rewards of the goods sold occurs according to the shipping terms.

Service revenues

Service revenue is recognized when the service is rendered to customers. No revenue is recognized if there is uncertainty for the consideration or its associated costs.

Revenues & costs of construction contracts

Revenue from construction contracts is recognized in the income statement according to the percentage of completion through calculating what is actually accomplished from the clauses of the contract.

The contract costs are measured through calculating what is spent from the clauses of contract for the stage in which the revenue is recognized. The contract costs include all direct costs from materials, labor, subcontractors and overheads related to the execution of contract clauses like indirect labor and maintenance expenses as it also includes the general and administrative expenses spent directly on the contracting works.

The provision for estimated losses according to the construction contracts in progress is formed

- if any- in the financial period during which those losses are assessed.

Natural gas distribution revenues

Revenue is recognized when gas is converted to the clients

Natural gas sales commission

Network operating commissions and gas distribution are recognized according to the amounts distributed to clients & the agreed upon prices and in some areas, commission are recognized according to the actual commission or the minimum – take commission whichever is longer.

Sale of electricity

Revenue is recognized upon issuance of customers' electricity consumption invoices.

Insurance activity revenue

Revenues from long-term insurance policies are fully recognized in the consolidated statement of profit or after excluding a percentage of 100% of the premiums value belonging to the following financial years after deducting the percentage of such years from the production commission with a percentage that must not exceed 20% of the premium value.
Revenues related to the incoming reinsurance agreements, whose accounts have not completed a whole insurance year yet, shall be deferred in addition to other extraordinary or discretionary cases in which certain deferred accounts are not completed for the years subsequent to the financial position year. Such revenues are recorded under the liabilities in the statement of financial position till the completion of the insurance year of such accounts.

Net income from investments - insurance sector

Net income from investment is allocated as follows:

- Return on investment of funds designated for the rights of policyholders shall be recorded in the consolidated statement of profit or loss of each insurance branch, (properties - individuals - branches) at the percentage of average technical provisions for each insurance branch to total technical provisions, during the financial year.
- The return on free fund investments shall be recorded in the statements of income,

Rental income

Rental income is recognized on a straight-line basis over the lease term.

Gain on sale of investments

Gain on sale of financial investments is recognized upon receipt of the transfer of ownership to the buyer on the basis of the difference between the selling price and its carrying amount at the date of disposal.

Interest income

Interest income or expense is recognized using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

Dividends

Dividends income is recognized in the consolidated income statement on the date the Group's right to receive payments is established.

3-22 Expenses

a) Lease payments

Payments under leases are recognized in the consolidated income statement on a straight-line basis over the terms of the lease.

b) Employees' pension

- The Group contributes to the government social insurance system for the benefit of its personnel in accordance with the social insurance law. Under this law, the employees and the employers contribute into the system on a fixed percentage-of-salaries basis. The Group's liability is confined to the amount of its contribution. Contributions are charged to the consolidated income statement using the accrual basis of accounting.
- Some Companies within the Group contribute to the Group Insurance plan for the benefit of their employees at an insurance Company. According to this plan, employees are granted end of service benefit on retirement, death and full disability during the service period. End of service benefits are repayable by the insurance company. The Companies contribution is confined to the annual insurance premiums. The Group contributions are charged to the consolidated income statement as they are incurred according to accrual basis of accounting.

c) Income tax

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the period and any adjustment to the tax payable or receivable in respect of previous periods. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.
Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- taxable temporary differences arising on the initial recognition of goodwill
- temporary differences on the initial recognition of assets or liabilities in a transaction that:

1) is not a business combination
2) Neither affects accounting nor taxable profit or loss.

- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.
Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.
The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Group has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

d) General Authority for Investments fees

Companies established under the provisions of the Investment law and according to the Free Zones System are not subject to income tax. However, according to the Investment law, 2% of the total revenues of these companies are due to General Authority for Investments. The said fees are calculated and charged to the consolidated income statement according to the accrual basis of accounting.

3-23 Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group.
When an operation is classified as a discontinued operation, the comparative consolidated income statement and statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

3-24 Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

3-25 Accounts Receivable from insurances

Accounts receivable from insurances are recorded either in the form of premium under collection or current accounts belonging to the insured persons at amortized cost represented in the carrying amount of such accounts less the accumulated impairment losses.

Debts are written off as a deducted amount charged to the accumulated impairment losses of the accounts receivable from insurance, while adding cash receipts from debts previously written off thereto

3-26 Insurance and reinsurance companies (Debit balances)

The accounts of the insurance and reinsurance companies are recorded at the amortized cost represented in the carrying amount of such accounts less accumulated impairment losses.
Debts are written off as a deducted amount charged to the accumulated impairment losses of the insurance and reinsurance companies, while adding cash receipts from debts previously written off thereto

3-27 Technical provisions for Insurance on individuals and fund formation

a) Mathematical reserve

The mathematical reserve of each of the insurance on individuals and the formation of funds are formed at the date of each financial position by the actuary in accordance with the technical basics provided by the Board of Directors of the Egyptian Financial Supervisory Authority (EFSA), in addition to the share of each policy in the increase (decrease) in the capital value of insurance premiums invested in the investment portfolios in favor of the policyholders.

b) Provision for outstanding claims

This provision is formed by the amount of claims related to casualties reported before the year end and still valid at the date of the financial position.

3-28 Technical provisions for properties and liabilities insurances

a) Provision for unearned premium

A provision for unearned premium is formed to meet the Company's liabilities resulting from insurances issued before the end of the financial year and still valid thereafter.

The unearned provision is equal to the sum of multiplying net premiums of the branch whose loss rate exceeds (100%) x50% of the actual loss rate for the year presented pertaining to all branches except for transportation branches, where this percentage equals 25%. The application of this rule is limited to annual premiums while excluding the long-term ones, taking into consideration that the provision, after the recalculation, shall not exceed the net premiums of the branches after revaluating and deducting the non-recurring significant accidents for which the Company prepares a statement to be approved by the Egyptian Financial Supervisory Authority (EFSA). This rule applies to all branches carrying out properties and liabilities insurances, except for obligatory motor insurance branch.

b) Provisions for outstanding claims

A provision for outstanding claims is separately formed for each insurance branch to cover the claims incurred from accidents reported before the financial year-end and still exist at the financial position date, as well as the accidents that-might have occurred and not reported till the financial position date.

c) Provisions for retrograded fluctuations

A provision for retrograded fluctuations is formed to cover any contingent losses especially as a result of losses that may arise from natural hazards and risks of riots and vandalism in accordance with the rules stipulated in the executive regulations of Law No. 10 for the year 1981.

3-29 Credit balances of insurance and reinsurance companies

The credit balances of insurance and reinsurance companies are recognized at fair value. These balances are represented in the current accounts balances of insurance and reinsurance companies, credit balances of reinsurance agreements and retained provisions from reinsurers at the date of the financial statements.

3-30 Allocation of general and administrative expenses - insurance activity

Direct general and administrative expenses including salaries, wages and other direct expenses of insurance branches are charged to the accounts of revenues and expenses of the general insurance branches. While indirect expenses are distributed at the percentage of 90% as indirect general and administrative expenses and 10% as indirect investment expenses. Then the 90% is distributed as the percentage of direct premiums after excluding 50% of the indirect premiums after excluding 50% of the indirect expenses of the company's branches and charging them to production costs.

3-31 Production costs - insurance activity

The indirect production costs shall be distributed at the percentage of the due and paid commissions and allowance of each branch of the insurance branches after adding 50% of the indirect expenses of the company's branches and charging them to the production costs.

4- Insurance activity risks

Regulatory framework of the Risk Management Department

The objective of the Company's Risk Management Department and Financial Management Department is to protect the Company's shareholders from events that impede the achievement of financial performance objectives, including failure to take advantage of opportunities. Risk Management Department also works on protecting the rights of policyholders by ensuring that all commitments towards policyholders are met in accordance with the methods in practice. Top management recognizes the necessity to have effective and efficient risk management systems.

Insurance risk

The risk of insurance contracts are represented in the possibility of the occurrence of the insured event resulting in a financial claim as indicated in the insurance contracts; bearing in mind that such risks are random and unpredictable. The risks facing the Company is the occurrence of the insured risk and the volume of the recorded claim.

The Company carries out insurance activities for individuals - insurance on liabilities and properties in all various branches.

- All forms of insurance for individuals. Temporary life insurance.
- Life insurance with profit sharing.

In addition to the abovementioned, there are additional insurance coverage to be added to each type in return for an additional premium at the request of the client.

Technical bases used in estimating the mathematical reserve

First: Used Life Table

Life and death rates of table A 49/52 ULT, taking into account using the premiums calculated on the basis of the life table A 67/70 ULT for the contracts that the Authority stipulated when approving them, while the remaining bases used in pricing shall remain constant.

Partial disability and permanent total disability: reinsurance rates.

Second: Used Interest Rates

Collective Contracts

Vary depending on the benefits of each collective contract, however, the interest rate does not exceed 8% according to the instructions of the Authority.

Individual Contracts

An interest rate of 4.25% is used for all individual insurance policies except the "Aman al-Tool" pension insurance policy, a 6% interest rate is used, and that represents the same rates used to calculate the present value of the profits in case of insurance policies with profit sharing.

The assumptions related to the insurance policies issued in foreign currencies.

Maximum rates allowed to be used are 3%.

Third: Methods used to calculate reserves

Forward-looking method is used in the endowment life insurance and temporary contracts while the unearned premium method is used for the temporary contracts whose term is less than five years.

For the policies related to investment units, the reserve value is calculated as follows:

For the portion of protection: total annual net risk premiums based on life table A 49/52 ULT.

For the portion of investment: total investment balances with respect to the customers up to the date of valuation.

Fourth: Assumptions regarding wage scale

The client will provides us with the percentage of the increase in wages and we calculate the reserve in this case using the interest rate that is equivalent to the difference between the percentage of the increase required by the customer and the annual interest rate; taking into consideration the maximum authorized interest rate according to the instructions of the Authority.

Fifth: Amounts charged to administrative expenses

As for individual operations: according to the specifications of each policy approved by the Authority.

As for collective transactions: the amounts charged with respect to the administrative expenses of each collective contract shall be sent prior to issuance and shall be approved by the Authority. These rates are to be taken into account when estimating the reserve of collective contracts.

The main risks the Company faces are as follows:

- Mortality rates risk - risk of loss due to the discrepancy between the mortality rates of the policyholders and the expected rates.
- Risk of morbidity rates - risk of loss due to the discrepancy between morbidity rates among policyholders and the expected rates.
- Age risk the risk of loss due to the age of the pensioner as he may live for a longer period than what was expected.
- Return on investment risk - risk of loss due to discrepancy between the actual expenses and the expected rates.
- Risk of decisions taken by the policyholder -risk of loss due to the different behavior of policyholders (cancellation and liquidation rates) than what was expected.

Regarding the property and liability insurance, the Company practices activities that encompass various insurance branches (fire, marine, automotive , engineering, petroleum, medical treatment, hazards ...), and studies the inherent risks that include the risk of recurrence or concentration in the insurance claims of large amounts of compensation as well as the geographical concentration within each insurance branch on a case by case basis while taking into account the relative volume of the branch's operations in proportion with the total activity of the Company and trying to maintain a balance with respect to the Company's subscription portfolio.

In order to reduce the insurance risk, the Company lays down the subscription and retention policies and the limits of the powers and authorities in addition to the subscription powers that determine the authorized and responsible persons for the completion of the execution of the insurance and reinsurance contracts. The implementation of these instructions are periodically reviewed and-the developments that take place in the market are followed up accurately and the necessary measures are taken to reflect them in the subscription instructions if required.

The Company also uses reinsurance to manage insurance risk by entering into proportional and non- proportional agreements with third parties for reinsurance purposes.

Reinsurance activity risks

As customarily applied in the other insurance companies and in order to limit the risk of encountering loss arising from insurance claims of large amounts, the Company engage into reinsurance agreements with other parties. These reinsurance contracts allow greater

diversification in the business field and enable management to monitor the possibility of encountering loss due to significant risks and provide additional growth potential. However, this procedure does not relieve the Company of its obligations towards its insured parties, and the Company shall remain liable to its policyholders for the reinsured part of the compensation under settlement in case the reinsurers fail to comply with their obligations under the reinsurance contract and therefore the credit risk shall remain-with respect to reinsurance -to the extent that any reinsurer is unable to settle his obligations. To limit the probability of being exposed to huge losses as a result of the default of re-insurances. The Company evaluates the credit worthiness of its reinsurers in addition monitoring the concentration of the credit risks, both on a periodic basis.
The Company re-insure only those parties with good credit ratings. As their credit ratings are reviewed on a periodical basis.

5- Financial risk management

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Parent Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The Board of Directors of the Parent Company has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board also is responsible for identifying and analyzing the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

The Group management aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Board of Directors of the Parent Company is assisted in its oversight role by the Audit Committee and Internal Audit. Internal Audit undertakes both regular and suddenly reviews of risk management controls and procedures, the result of which are reported to the Board of Directors.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Group's customer base including the default risk of the industry has less an influence on credit risk.

The Group Management has established credit policies under which each new customer is analyzed individually for credit worthiness before the Group's standard payment and delivery terms and conditions are offered. Customers that fail to meet the Group's benchmark credit worthiness may transact with the Group only on a prepayment basis. No previous impairment loss was resulted from transactions with trade receivables.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables based on historical data of transactions with them.

Investments

The Group limits its exposure to credit risk by only investing in active and liquid securities. Management does not expect any counterparty to fail to meet its obligations.

Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.
The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Typically the Group ensures that it has sufficient cash on demand to meet expected operational expenses for an appropriate period including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

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 Group'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 optimizing the return.

Currency risk

The Group is exposed to currency risk on borrowings that are denominated in a currency other than the respective functional currencies of Group entities, primarily the Egyptian Pound.
Interest on borrowings is denominated in currencies that match the cash flows generated by the underlying operations of the Group. This provides an economic hedge and no derivatives are entered into.
The Company's investments in other subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

Interest rate risk

The Group adopts a policy of ensuring that about 1.09% of its exposure to changes in interest rates on borrowings is on fixed rate basis. The Company does not enter into interest rate swap.

Other market prices risk

Equity price risk arises from available for sale equity securities and management of the Group monitors the equity securities in its investment portfolio based on market indicates.

Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Board of Directors of the Parent Company.

The primary goal of the Group's investment strategy is to maximize investment returns. Management is assisted by external advisors in this regard.
In accordance with this strategy certain investments are designated as held for trading investments because their performance is actively monitored and they are managed on a fair value basis.

Capital management

The Group policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business.

The Board of Directors of the Parent Company monitors the return on capital, which the Company defines as net profit for the year divided by total shareholders' equity, the Board of Directors also monitors the level of dividends to shareholders.

The Board of the Parent Company seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There were no changes in the Group's approach to capital management during the year; the Parent Company is not subject to externally imposed capital requirements.

6- Segment reporting

Segment information is presented in respect of the Group's business and geographical segments. The primary format of business segments is based on the Group management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire property, plant and equipment and intangible assets other than goodwill.

Business segments

The Group comprises the following main business segments:

- Oil & gas sector.
- Fertilizers, chemicals & plastic sector.

- Other operations.

  Other operations include the communications, geographical maps, agencies, and cooling technology by natural gas activity, insurance activity and investment activity.

Geographical segments

The oil segment is managed on centralized basis, but is operated in Sudan. In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

All numbers are in US Dollars if otherwise isn't mentioned Translated

6- Segment reporting (Cont.)

	Oil & gas		Chemicals & fertilizers		Other operations		Discontinued operations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Operating revenues	82 429 375	37 278 298	231 578 756	218 136 138	24 920 761	2 771 019	-	-	338 928 892	258 185 455
Net operating profit / (loss)	38 981 567	27 662 489	57 078 965	54 807 368	6 123 016	(663 427)	-	-	102 183 548	81 806 430
Financing expenses	(1 111 859)	(782 034)	(1 460 348)	(1 274 222)	(6 798 608)	(7 530 429)	-	-	(9 370 815)	(9 586 685)
Interest income	807 517	936 979	9 385 241	7 040 045	10 976 814	10 719 271	-	-	21 169 572	18 696 295
Company's share of profit / (loss) of associates	-	-	-	929 683	(1 936 775)	556 838	-	-	(1 936 775)	1 486 521
Net profit for the period before income tax	38 702 109	27 858 559	65 545 372	59 783 097	12 131 792	20 305 129	-	18 276 512	116 379 273	89 670 273
Income tax	(6 063 782)	(4 231 548)	(13 295 391)	(13 104 456)	(97 911)	-	-	-	(19 457 084)	(17 336 004)
Net profit	32 638 327	23 627 011	52 249 981	46 678 641	12 033 881	20 305 129	-	18 276 512	96 922 189	72 334 269
Total assets	183 716 920	263 791 410	609 458 678	574 742 926	395 518 393	211 793 855	-	-	1 188 693 991	1 050 328 191
Equity - accounted investees	-	-	8 558 826	19 286 251	6 888 191	9 915 177	-	-	15 447 017	29 201 428
Total liabilities	157 333 194	126 996 714	99 408 345	97 937 051	221 146 581	131 749 650	-	-	477 888 120	356 683 415
Depreciation & amortization	(14 181 908)	(1 175 162)	(14 856 741)	(18 928 981)	(407 339)	(246 312)	-	-	(29 445 988)	(20 350 455)

All numbers are in US Dollars if otherwise isn't mentioned

7- Equity-accounted investees

	Ownership %	30/9/2018	31/12/2017
Listed in stock exchange investments			
Delta Insurance Co.(S.A.E.)*	-	-	6 320 555
Not listed in stock exchange investments			
Building Materials Industries Co. (S.A.E.)	38.32	35 595 170	36 581 169
El Shorouk for Melamine & Resins Co. (S.A.E.)*	-	-	836 703
TOSS Co. (Limited Liability Co.- Cayman Islands)	28.07	3 057 787	-
Egyptian Tankers Co. (S.A.E.- Free Zone)**	30	17 128 175	-
		55 781 132	**43 738 427**
Impairment losses ***		(40 334 115)	(14 536 999)
		15 447 017	**29 201 428**

* During the period, an additional interest was acquired in the share capital of Delta Insurance Company and El-shorouk for Melamine & Resins Co. Accordingly, the Group has control over these companies. (Note no. 49)

** The investment in Egyptian Tankers Co. was reclassified from non-current asset held for sale by the recoverable amount (Note no. 23)

*** **The impairment loss analysis as follow:**

	Building Materials Industries Co.	Egyptian Tankers Co.	Total
Beginning balance	14 536 999	-	14 536 999
Impairment transferred from non-current assets held for sale	-	12 575 675	12 575 675
Impairment loss formed during the period	8 668 941	4 552 500	13 221 441
	23 205 940	**17 128 175**	**40 334 115**

All numbers are in US Dollars if otherwise isn't mentioned

Summary of financial information for associates, not adjusted for the percentage ownership held by the Group:

Description	Equity	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Revenues	Expenses	Profits (Losses)
September 30, 2018										
Egyptian Tankers Co.	46 026 210	36 141 214	88 703 418	124 844 632	62 238 462	16 579 960	78 818 422	38 298 653	43 935 648	(5 636 995)
TOSS Co.*	3 136 156	130 481 765	62 866 915	193 348 680	190 212 524	-	190 212 524	39 920 078	28 750 517	11 169 561
Building Materials Industries Co. **	32 703 690	12 633 140	107 829 692	120 462 832	44 145 363	43 613 779	87 759 142	54 815 523	64 871 549	(10 056 026)

*The financial information of the above-mentioned Company according to the financial statements for the financial period ended March 31, 2018 and the Company' share in profit for the financial period ended September 30, 2018 was calculated based on management report which prepared for this purpose since the Company's financial statements for the financial period ended September 30, 2018 have not been the prepared till the period then ended.

**The financial information of the above-mentioned Company according to the financial statements for the financial year ended December 31, 2017 and the Company' share in loss for the financial period ended September 30, 2018 was calculated based on management report which prepared for this purpose since the Company's financial statements for the financial period ended September 30, 2018 have not been the prepared till the period then ended.

All numbers are in US Dollars if otherwise isn't mentioned

8- Available – for – sale investments

	Ownership %	30/9/2018	31/12/2017
Investments measured at fair value			
Portfolios managed by abroad investment manager	-	21 198 527	17 819 727
Local companies' securities listed in the Egyptian Stock Exchange (EGX)	-	3 005 122	3 293 328
Investments measured at cost*			
Inayah Egypt for Medical care Programs Management Co.	20%	55 928	-
United Arab Chemical Carriers Co.	1.19%	14 112 997	14 178 197
MOG Energy Co.- previously named Tri Ocean Co. **	15.27%	34 462 504	34 462 504
TOD Company	28.07%	2 807	2 807
		72 837 885	69 756 563
Impairment losses		(38 802 712)	(40 895 996)
		34 035 173	**28 860 567**

* Investments are not listed in the Egyptian Stock Exchange (EGX) and are recorded at cost, due to the difficulty of determining the fair value thereof in a reliable manner.

** This amount is represented in the value of investments in MOG Energy Co. Tri Ocean Co. previously, accordingly lost control over this Company during the year 2016. A lawsuit was filed before the court by the management of MOG Energy Co. - under No. 433 for year 2016 related to a case of misappropriation of significant funds. The first hearing of the case was set before the Southern Cairo Criminal Court on November 24, 2018. No negative impact was reflected neither on the financial statements of MOG Energy Co. nor on the consolidated financial statements or separate financial statements belonging to the Company, as in case of collecting amounts from the defendants, a positive impact shall be reflected on the financial statements of MOG Energy Co. An impairment loss was fully formed for this investment in the consolidated financial statements.

All numbers are in US Dollars if otherwise isn't mentioned

9- Financial assets held to maturity

	30/9/2018	31/12/2017
Portfolios (deposits) held at a foreign bank	91 680 470	112 565 707
Portfolios (treasury bills) held at an abroad investment manager	21 856 281	85 097 661
Investment certificates at local banks "Insurance Sector"	67 740 492	-
Governmental bonds	21 989 615	22 184 180
Treasury bills	50 204 809	25 889 359
Designated governmental bonds "Insurance Sector"	10 768 420	-
	264 240 087	**245 736 907**

Classified as follows:-

Short–term (due within one year)	81 198 226	137 185 652
Long–term (due after one year)	183 041 861	108 551 255

All numbers are in US Dollars if otherwise isn't mentioned

10- Property, plant and equipment (net)

	Land	Buildings & constructions	Vehicles & transportation	Furniture & office equipment	Machinery & equipment	Tools & supplies	Stations, generators & electric transformers	Computer, software & decorations	Leasehold improvements	Total
Cost										
As at 1/1/2017	15 451 733	51 928 458	9 494 071	6 385 256	399 793 455	2 122 426	37 566 139	3 858 545	1 163 326	527 763 409
Additions	1 728 293	973 163	423 489	321 891	1 037 539	56 717	164 897	289 270	28 909	5 024 168
Assets acquired through business combination	-	-	-	-	-	112 210	-	-	-	112 210
Reversal of impairment loss of property, plant & equipment	-	-	-	-	-	-	(267 773)	-	-	(267 773)
Disposals	-	-	(2 916)	(5 732)	(38 545)	-	(38 602)	(97 928)	(23 065)	(206 788)
Cost as at 31/12/2017	**17 180 026**	**52 901 621**	**9 914 644**	**6 701 415**	**400 792 449**	**2 291 353**	**37 424 661**	**4 049 887**	**1 169 170**	**532 425 226**
As at 1/1/2018	17 180 026	52 901 621	9 914 644	6 701 415	400 792 449	2 291 353	37 424 661	4 049 887	1 169 170	532 425 226
Additions	1 923 832	111 315	1 109 876	322 618	1 429 880	31 542	231 276	184 324	-	5 344 663
Assets acquired through business combination	796 848	2 484 542	158 420	752 665	1 571 644	-	106 537	1 433 131	129 785	7 433 572
Disposals	-	(116 168)	(212 681)	(29 929)	(15 060)	(20 793)	-	(8 615)	(20 496)	(423 742)
Cost as at 30/9/2018	**19 900 706**	**55 381 310**	**10 970 259**	**7 746 769**	**403 778 913**	**2 302 102**	**37 762 474**	**5 658 727**	**1 278 459**	**544 779 719**
Depreciation and impairment loss										
Accumulated depreciation and impairment as at 1/1/2017	-	18 596 319	7 923 283	5 005 255	193 385 119	1 758 428	6 823 065	2 857 923	647 586	236 996 978
Depreciation	-	1 835 801	306 759	225 392	18 124 581	24 589	465 345	393 047	42 899	21 418 413
Accumulated depreciation of disposals	-	-	(2 916)	(5 732)	(38 545)	-	(1 422)	(97 929)	-	(146 544)
Accumulated depreciation and impairment as at 31/12/2017	-	**20 432 120**	**8 227 126**	**5 224 915**	**211 471 155**	**1 783 017**	**7 286 988**	**3 153 041**	**690 485**	**258 268 847**
Carrying amount										
Accumulated depreciation and impairment as at 1/1/2018	-	20 432 120	8 227 126	5 224 915	211 471 155	1 783 017	7 286 988	3 153 041	690 485	258 268 847
Depreciation	-	1 397 741	300 937	219 078	13 606 813	21 986	286 901	366 880	27 855	16 228 191
Accumulated depreciation of disposals	-	(68 003)	(207 398)	(29 440)	(15 060)	(20 793)	-	(7 910)	-	(348 604)
Assets acquired through business combination	-	1 189 800	135 330	578 696	707 123	-	62 637	1 066 031	-	3 739 617
Accumulated depreciation and impairment as at 30/9/2018	-	**22 951 658**	**8 455 995**	**5 993 249**	**225 770 031**	**1 784 210**	**7 636 526**	**4 578 042**	**718 340**	**277 888 051**
Net book value as at 30/9/2018	19 900 706	32 429 652	2 514 264	1 753 520	178 008 882	517 892	30 125 948	1 080 685	560 119	266 891 668
Effect of foreign exchange	(7 092 084)	(10 437 791)	(999 002)	(838 937)	(26 558 110)	(427 098)	(20 244 382)	(103 704)	(91 918)	(66 793 026)
Net book value as at September 30, 2018	**12 808 622**	**21 991 861**	**1 515 262**	**914 583**	**151 450 772**	**90 794**	**9 881 566**	**976 981**	**468 201**	**200 098 642**
Net book value as at 31/12/2017	17 180 026	32 469 501	1 687 518	1 476 500	189 321 294	508 336	30 137 673	896 846	478 685	274 156 379
Effect of foreign exchange	(7 049 762)	(10 385 577)	(992 503)	(815 674)	(26 373 781)	(314 270)	(20 161 127)	(230 795)	(90 978)	(66 414 467)
Net book value as at December 31, 2017	**10 130 264**	**22 083 924**	**695 015**	**660 826**	**162 947 513**	**194 066**	**9 976 546**	**666 051**	**387 707**	**207 741 912**

All numbers are in US Dollars if otherwise isn't mentioned Translated

11- Exploration and development assets

Cost	Producing wells	Equipment / field services	Total
As of 1/1/2017	-	-	-
Assets acquired through business combination	17 828 128	6 763 380	24 591 508
Additions	-	-	-
As of 31/12/2017	**17 828 128**	**6 763 380**	**24 591 508**
As of 1/1/2018	17 828 128	6 763 380	24 591 508
Additions	17 000 000	-	17 000 000
Adjustments	17 182	-	17 182
As of 30/9/2018	**34 845 310**	**6 763 380**	**41 608 690**
Accumulated depletion, amortization and impairment losses			
As of 1/1/2017	-	-	-
Amortization	-	-	-
As of 31/12/2017	-	-	-
As of 1/1/2018	-	-	-
Amortization	8 702 865	172 580	8 875 445
As of 30/9/2018	**8 702 865**	**172 580**	**8 875 445**
Carrying amount at 1/1/2017	-	-	-
Carrying amount at 31/12/2017	**17 828 128**	**6 763 380**	**24 591 508**
Carrying amount at 30/9/2018	**26 142 445**	**6 590 800**	**32 733 245**

All numbers are in US Dollars if otherwise isn't mentioned

12- Projects under construction

	30/9/2018	31/12/2017
Advance payments for purchasing of property, plant & equipment	12 516 382	802 543
Exploration & development works	6 913 377	-
Electric transformers	23 260 194	22 391 682
Others	3 446 727	1 959 842
	46 136 680	**25 154 067**

13- Goodwill

This balance is represented in the carrying amount of goodwill resulted from acquisition the following companies:

	30/9/2018	31/12/2017
National Gas Co. (Natgas)	6 939 222	6 997 929
Sprea Misr for Production of Chemicals & Plastics Co.	9 787 792	9 870 597
El Fayoum Gas Co.	1 425 855	1 437 917
Alex Fertilizer Co.	34 107 324	34 107 324
Delta Insurance Co.	2 645 574	-
	54 905 767	**52 413 767**

14- Other intangible assets

	Net as at 1/1/2018	Amortization	Translation differences	Net as at 30/9/2018
Deferred revenue charges*	1 811 953	(326 771)	(13 373)	1 471 809
Right to use**	11 033 344	(3 819 233)	-	7 214 111
Other assets**	1 750 000	(187 500)	-	1 562 500
	14 595 297	**(4 333 504)**	**(13 373)**	**10 248 420**

* This item represents the additional actual costs related to Nubaria Electrical Station and pressure reduction station in Beheira government. Both stations will be delivered to the Egyptian Natural Gas Holding Company (EGAS) at the end of the agreement. Which will be amortized over 15 years.

** This items represents the amounts paid to others, whereby, it is expected to obtain future economic benefits to the subsidiary Which will be amortized as follows :-

Right to use	10 years
Other assets	8 years

All numbers are in US Dollars if otherwise isn't mentioned

15- Investments' property

	land	Built properties	Total
Acquired costs through business combination	53 690	813 564	867 254
Additions	-	-	-
Transferred from property, plant, & equipment	-	116 168	116 168
Translation differences	(450)	(7 475)	(7 925)
Cost as at 30/9/2018	**53 240**	**922 257**	**975 497**
Depreciation			
Accumulated depreciation acquired through business combination	-	281 245	281 245
Depreciation	-	8 849	8 849
Transferred from property, plant, & equipment		68 000	68 000
Translation differences	-	(2 765)	(2 765)
Accumulated depreciation at 30/9/2018	-	**355 329**	**355 329**
Net book value at 30/9/2018	**53 240**	**566 928**	**620 168**
Net book value at 31/12/2017	-	-	-

16- Other debtors & notes receivable

	30/9/2018	31/12/2017
Property, plant and equipment' debtors	18 545	41 020
Notes receivable	28 774 507	11 686 912
	28 793 052	**11 727 932**

17- Cash at banks & on hand

	30/9/2018	31/12/2017
Cash on hand	585 983	340 554
Bank – current accounts	85 227 041	85 699 697
Bank – time deposits (less than three month)	167 459 570	131 390 323
Bank – time deposits (more than three month)	476 597	2 636 932
Checks under collection	5 129 864	4 826 806
	258 879 055	**224 894 312**

All numbers are in US Dollars if otherwise isn't mentioned

For the purpose of preparing the consolidated statement of cash flows, cash & cash equivalents account is represented as follows:

	30/9/2018	30/9/2017
Cash at banks & on hand	258 879 055	244 023 248
Investments in treasury bills - during three months	10 002 905	1 113 117
Bank – time deposits (more than three month)	(476 597)	(46 880 275)
Restricted deposits and bank current accounts	-	(1 727 141)
Bank overdraft	(187 204)	(872 336)
	268 218 159	**195 656 613**

18- Financial assets at fair value through profit and loss

This item is represented in the market value of the portfolios owned by the Group, which consist of Egyptian Companies' shares, governmental bonds and portfolios managed by abroad investment managers for the purpose of dealing in international stock exchanges. These investments are represented as follows:

	30/9/2018	31/12/2017
Portfolios managed by abroad investment managers	1 313 374	4 427 594
Egyptian Companies' stocks (listed in the Egyptian Stock Exchange)	480 074	635 152
Investments funds	1 717 975	1 749 442
Governmental bonds	8 388 535	8 212 352
	11 899 958	**15 024 540**

19- Trade & notes receivable

	30/9/2018	31/12/2017
Trade receivables	52 680 038	42 854 978
Egyptian General Petroleum Corporation*	2 229 394	2 802 262
Impairment losses of trade receivables	(158 835)	(130 821)
Notes receivable	15 653 648	15 776 309
	70 404 245	**61 302 728**

* Egyptian General Petroleum Corporation' balance is related to the following companies:

	30/9/2018	31/12/2017
Nat gas Co.	673 974	833 936
El Fayoum Gas Co.	1 555 420	1 968 326
	2 229 394	**2 802 262**

All numbers are in US Dollars if otherwise isn't mentioned

Translated

20- Debtors & other debit balances

	30/9/2018	31/12/2017
Tax Authority	11 990 138	3 334 422
Prepaid expenses	3 156 699	2 120 444
Deposits with others	3 286 775	1 854 577
Imprests & employees advances	504 742	109 739
Uncollected issued bills	4 054 882	4 402 327
Suppliers-advance payments	9 506 893	5 517 642
Accrued revenues	20 877 903	3 520 190
Other debit balances	14 795 477	17 149 879
Due from related parties *	173 345 972	177 145 972
Impairment losses of debtors & other debit balances **	(177 617 835)	(177 568 108)
	63 901 646	**37 587 084**

* This amount is represented in the value of balances due from one of subsidiaries which has been lost a control over it during 2016.

** This item includes an amount of USD 173 345 972 representing the impairment losses of the balances due from a subsidiary (year 2017: USD 177 145 972) which has been lost a control over it during 2016.

21- Inventory

	30/9/2018	31/12/2017
Supplies	28 273 067	33 953 570
Spare parts and tools	15 882 684	15 733 256
Finished goods and work in process	11 017 709	9 811 535
Letters of credit & goods in transit	1 354 427	252 149
Fuel and oil	11 079 822	474 920
Write down of inventory	(26 027)	-
	67 581 682	**60 225 430**

22- Work in progress

	30/9/2018	31/12/2017
Gas sectors	5 930 169	6 656 065
Land & buildings under development	22 726 656	-
Others	112 329	62 147
	28 769 154	**6 718 212**

All numbers are in US Dollars if otherwise isn't mentioned

23- Non–current assets held for sale

	30/9/2018	31/12/2017
Egyptian Tankers Company	17 128 175	17 128 175
Impairment losses	(12 575 675)	(12 575 675)
	4 552 500	**4 552 500**
Transferred to Equity - accounted investees	(4 552 500)	-
	-	**4 552 500**

On July 2, 2017, a conditional agreement was signed to sell the 30% owned shares in the Egyptian Tanker Company to an external party from the Group as result of the due diligence procedures for these shares. As this contract was not implemented, it was reclassified as investments in the Equity - accounted investees.

24- Share capital

- The Company's authorized capital is USD 500 million.
- The issued capital was initially determined amounted to USD 120 million distributed over 12 million shares at a par value of USD 10 per share. The founders and subscribers through methods other than public subscription have subscribed 9 million shares amounted to USD 90 million and 3 million shares at USD 30 million were offered for public subscription and they were fully underwritten. The issued capital was fully paid. The issued capital has been increased and the share of the Company was split several times to reach an amount of USD 243 914 564.5 distributed over 975 658 258 shares of par value of US Cent 25 each fully paid.
- On June 11, 2015, the extra-ordinary general assembly of the Company unanimously approved to increase the issued and paid–up capital from USD 243 914 564.5 to USD 256 110 292.5 with an amount of increase of USD 12 195 728 as bonus increase distributed over 48 782 912 bonus share whose nominal value amounts to 25 Cent for the purpose of financing the incentive & bonus plan of the Company's employees and managers and executive board of directors members.
- On June 11, 2015, the ordinary general assembly of the Company unanimously approved to transfer part of the Company's retained earnings recorded in the financial statements for the financial year ended at December 31, 2014 that were approved by the shareholder's' ordinary general assembly held on March 22, 2015 to 48 782 912 bonus shares with an amount of USD 12 195 728 for the purpose of financing the incentive & bonus plan of the Company's employees and managers and executive board of directors members, that has been approved by the Financial Regulatory Authority on November 12, 2014. The increase was registered in the Company's commercial register on September 13, 2015. Accordingly, the issued capital is USD 256 110 292.5 distributed over 1 024 441 170 shares with a par value of USD 25 cent each that is fully paid.

All numbers are in US Dollars if otherwise isn't mentioned

25- Reserves

	30/9/2018	31/12/2017
Legal reserve	126 248 763	125 178 004
Special reserve – share premium	57 954 547	57 954 547
General reserve	8 380 462	8 380 462
Fair value reserve	6 732 842	5 081 987
Foreign exchange reserves	(216 819 515)	(211 220 462)
	(17 502 901)	**(14 625 462)**

Legal reserve

According to the Companies' Law and the Parent Company's article of association, the Company is required to set aside 5% of the annual net profit of the holding Company to form the legal reserve. The transfer to legal reserve ceases once the reserve reach 50% of the issued share capital of the holding Company. The reserve is not distributable. However, it can be used to increase the share capital or offset losses. The holding Company is required to set aside 5% of the annual net profit until it reaches 50% of the issued share capital of the holding Company.

Special reserve – share premium

The balance is represented in the remaining amount of the share premium of the issued share capital' increase of a number of 136 363 636 shares during 2014 after deducting the amount of USD 17 045 454 credited to the legal reserve.

General reserve

General reserve item represents the amounts set aside from the holding Company's profits in previous years according to the resolutions of the General Assembly Meeting of shareholders of the holding Company. This reserve shall be used by a resolution from the General Assembly of shareholders based on a proposal from the holding Company's board of directors in matters that could be favorable to the Company's interests.

Fair value reserve

This item represents in the accumulated net change in the fair value of investments financial assets at fair value through other comprehensive income until the investment is derecognized.

Translation differences reserve

This item represents in the accumulated differences resulted in the financial statements translations for the subsidiary companies from foreign currency to USD in addition to its share in accumulated differences in associates owner equity's translations.

26- Share-based payments transactions

This balance is represented in the increase in the equity related to granting and allocating the shares of the incentives and bonus plan as mentioned in details in Note No. (45).

27- Treasury shares

This balance represents the amount of number of 687 269 shares of the Egypt Kuwait Holding Company' shares at a cost of USD 221 050 by the Delta Insurance Company' portfolio (one of the Group's subsidiaries). For the purpose of maintaining the par value of the share stability and supporting the share in the market.

All numbers are in US Dollars if otherwise isn't mentioned

28- Non-controlling interests

The balance of non-controlling interests is represented in the share in subsidiaries' equity as follows:

	Non-controlling interests %	Non-controlling share in subsidiaries profits (losses) for the period	Non-controlling share in equity excluding profits (losses)	Non-controlling interests as at 30/9/2018	Non-controlling interests as at 31/12/2017
National Gas Co. "Natgas"	16.025	2 832 355	7 747 200	10 579 555	9 146 641
Globe Telecom Co.	0.07	357	1 126	1 483	1 167
Globe for Communications & Information Technology Co.	1	-	5 163	5 163	5 207
International Financial Investments Co.	0.01	1 577	26 083	27 660	26 383
Egyptian Company for Petrochemicals	0.8	314	17 412	17 726	17 567
Cooling Technology by Natural Gas Co.- Gas Chill	14.014	29 571	236 084	265 655	248 897
Midor for Logistic Services Co.	0.011	(5)	154	149	160
El Fayoum Gas Co.	22.01	367 509	755 327	1 122 836	822 869
Sprea Misr for Production of Chemicals & Plastics Co.	0.01	2 236	6 385	8 621	6 698
Henosis for Construction & Real-Estate Development Co.	0.012	(5)	88	83	88
Middle East for River Transport Co.	0.01	-	-	-	306
Bawabat Al Kuwait Holding Company	47.33	16 516 904	186 249 111	202 766 015	204 461 969
Arabian Company for Fertilizers	25.28	(346)	(24 461)	(24 807)	(24 298)
Nahood International Limited Co.	0.01	-	2 563	2 563	2 563
El shorouk for Melamine & resins co.	22.34	60 166	344 861	405 027	-
Delta Insurance co.	44.55	2 108 912	7 431 993	9 540 905	-
Total		**21 919 545**	**202 799 089**	**224 718 634**	**214 716 217**

All numbers are in US Dollars if otherwise isn't mentioned

Translated

29- Loans

The company name	Loan's currency	Interest rates	Maturity date	30/9/2018	31/12/2017
Egypt Kuwait Holding Company					
Guaranteed by the pledge of the investment portfolio owned by one of the subsidiaries	USD	1.750% above Libor- 3 months	2018-2020	8 498 510	10 839 328
Loan guaranteed by a promissory note	USD	4% above Libor-3 months	2019-2020	5 400 000	9 000 000
Loan guaranteed by a promissory note	USD	4% above Libor-3 months	2019	4 000 000	8 000 000
Loan guaranteed by a promissory note	USD	5% above Libor-3 months	2018-2022	13 500 000	15 000 000
Loan guaranteed by a promissory note	USD	3.25% above Libor-3 months	2018	22 000 000	-
Loan guaranteed by a promissory note	EGP	1% above the corridor	2019-2021	3 355 705	4 512 126
National Electricity Technology Company (Kahraba)					
Loan guaranteed by a promissory note	EGP	10.5% annually	2018	16 175	162 867
Alex Fert Co.					
Guaranteed by first class official trade mortgage over some production assets	USD	Variable, according to the average Libor in excess to margin	2018-2019	7 816 667	14 851 667
AD Astra Co.					
Guaranteed by the pledge of the acquired assets	Euro	From 2% to 2.75% annually above Libor	2018-2020	8 708 082	-
Total				73 295 139	62 365 988
Short-term loans				49 865 132	25 924 898
Long-term loans				23 430 007	36 441 090

30- Other long-term liabilities

	30/9/2018	31/12/2017
Egyptian General petroleum Corporation*	28 322 019	7 572 033
Notes payable	1 188 521	-
Customers advance payment	265 242	290 197
Other payable	567 697	8 796
	30 343 479	7 871 026

* Egyptian General Petroleum Corporation' balance is related to El Fayoum for Gas Co.

All numbers are in US Dollars if otherwise isn't mentioned

31- Deferred tax liabilities

	30/9/2018	31/12/2017
Property, plant and equipment & other assets	23 867 806	24 367 095
	23 867 806	**24 367 095**

Deferred tax assets-not recognized

The deferred tax assets for tax losses and the deductible temporary differences isn't recognized because of uncertainty for existing enough future tax profits that can benefits these assets.

32- Provisions

	Balance as at 1/1/2018	Provisions formed	Provisions of acquired subsidiaries	Provisions used	Provisions - no longer required	Translation differences	Balance as at 30/9/2018
Retention provisions	**265 303**	-	-	-	-	(61 104)	**204 199**
Other provisions*	**32 941 300**	567 515	1 329 961	(414 622)	(17 403 129)	(60 290)	**16 960 735**
Total	**33 206 603**	**567 515**	**1 329 961**	**(414 622)**	**(17 403 129)**	**(121 394)**	**17 164 934**

* The provisions relate to expected claims from certain entities related the Company's business. The usual disclosure information about the provisions has not been disclosed in accordance with Egyptian accounting standards, as we believe that doing so will seriously affect the results of the negotiations with those entities.

All numbers are in US Dollars if otherwise isn't mentioned

33- Bank facilities

company name	Facility' Currency	Interest rate	30/9/2018	31/12/2017
Egypt Kuwait Holding Company				
Credit facility guaranteed by a promissory note	USD & EGP	1.25% annually above corridor and 5% above Libor-3 months for USD	10 001 186	10 080 156
Credit facility guaranteed by a promissory note	USD & EGP	0.5% annually above corridor, 3.75% above Libor generally for USD	18 589 893	18 744 857
Bank facilities guaranteed by Securities portfolio	USD	6.25 % above Libor and 4.95% above Libor for 3 months for USD	5 364 032	8 167 335
Facility guaranteed by a promissory note signed by the holding Company and the International Financial Investments Co.	USD	0.75% annually above corridor and 4.75% above Libor for 3 months for USD	14 175 880	14 401 090
International Financial Investments Co.				
Credit facility guaranteed by a promissory note signed by the holding Company and International Financial Investments Co.	USD	0.75% annually above corridor and 4.75% above Libor for 3 months for USD	3 719 170	3 780 571
Cooling Technology by Natural Gas Co.- Gas Chill				
Bank overdraft guaranteed by deposits	EGP	2% over deposit interest rate	94 283	193 828
Sprea Misr for Production of Chemicals & Plastics Co.				
Credit facility guaranteed by a promissory note and insurance policy on Company's assets for any risks for the bank' favor.	USD & EGP	0.75% annually above corridor for EGP and 4% above Libor for USD	79 359	1 769 224
National Gas Co. (Natgas)				
Credit facility guaranteed by a promissory note	EGP	20.10%	162 981	510 813
Credit facility guaranteed by a promissory note	EGP	19.75%	4 160 487	6 118 142
Credit facility guaranteed by a promissory note	EGP	0.75% over corridor	1 152 767	3 771 836
			57 500 038	**67 537 852**

34- Suppliers, subcontractors & notes payable

	30/9/2018	31/12/2017
Suppliers & contractors	35 005 935	12 056 660
Notes payable	996 863	994 056
	36 002 798	**13 050 716**

All numbers are in US Dollars if otherwise isn't mentioned

Translated

35- Insurance policyholder rights

	30/9/2018	31/12/2017
Technical provisions for individual' insurance	54 233 525	-
Technical provisions for property and liability insurance	13 262 333	-
Policy holder rights for investments units	743 180	-
	68 239 038	**-**

36- Creditors & other credit balances

	30/9/2018	31/12/2017
Insurance and reinsurance companies	5 023 578	-
Customers – advance payments	53 520 937	33 900 541
Accrued expenses	41 215 506	27 304 464
Egyptian General Petroleum Corporation*	14 613 886	41 927 691
Deposits for others	19 124 222	6 063 140
Corporate tax	23 105 428	19 884 989
Dividends payable	1 037 400	1 037 400
Other credit balances	13 646 727	17 588 905
	171 287 684	**147 707 130**

*Egyptian General Petroleum Corporation' balance is related to the following companies:

National Gas Co. (Natgas)	9 358 015	23 827 895
El Fayoum Gas Co.	5 255 871	18 099 796
	14 613 886	**41 927 691**

37- Operating revenues

	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Gas supplies activity revenues	19 639 049	54 832 675	12 111 182	37 278 298
Communication & geographic maps activity revenue	(18 808)	74 184	353 726	362 795
Agencies activity revenue	386 391	1 076 090	338 857	1 197 960
Chemicals & plastic activity revenue	29 276 182	96 144 471	25 474 325	87 364 899
Cooling technology by natural gas activity revenue	268 174	789 585	638 047	1 210 264
Fertilizers activity revenue	46 698 249	135 434 285	44 724 640	130 771 239
Drilling activity and petroleum services revenue	9 701 320	27 596 700	-	-
Insurance activity revenue	8 141 903	22 980 902	-	-
	114 092 460	**338 928 892**	**83 640 777**	**258 185 455**

All numbers are in US Dollars if otherwise isn't mentioned

38- Operating costs

	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From1/1/2017 till 30/9/2017
Gas supplies activity cost	12 101 448	32 990 425	7 012 376	23 320 215
Communication & geographic maps activity cost	5 807	43 216	35 116	58 969
Agencies activity cost	223 087	581 723	214 974	791 295
Chemicals & plastic activity cost	19 961 468	67 510 090	16 884 718	57 935 963
Cooling technology by natural gas activity cost	186 069	601 543	367 401	813 020
Fertilizers activity cost	34 068 337	100 838 486	37 200 185	102 528 581
Drilling activity and petroleum services cost	4 284 448	11 997 099	-	-
Insurance activity cost	6 636 074	18 223 835	-	-
	77 466 738	**232 786 417**	**61 714 770**	**185 448 043**

39- Income from investments

	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Income from investments available -for- sale	(3 310)	1 269 238	585 325	5 615 805
Income from investments in treasury bills	2 630 928	7 161 724	1 035 449	2 423 890
Income from governmental bonds	1 264 190	3 660 558	1 147 768	3 595 485
Gain from acquisition of subsidiaries	-	348 088	-	-
Gain from sale of investments available -for- sale	-	-	246 990	246 990
Gain from sale of financial assets at fair value through profit and loss	-	-	11 340	28 055
Income from financial assets at fair value through profit and loss	(38)	25 113	6 809	12 318
Unrealized gain of financial assets at fair value through profit and loss	29 574	104 136	153 110	425 890
	3 921 344	**12 568 857**	**3 186 791**	**12 348 433**

All numbers are in US Dollars if otherwise isn't mentioned

40- Other Income

	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Provisions no longer required	151 855	17 403 129	20 158	30 761
Reversal of impairment loss of debtors	3 800 000	3 800 000	4 999 959	10 133 159
Reversal of impairment loss of intangible assets	-	-	-	3 000 000
Capital gain	70 787	157 160	1 130	999 334
Net profit and income from properties' investments	17 637	41 950	-	-
Others	142 798	1 477 717	288 862	1 680 431
	4 183 077	**22 879 956**	**5 310 109**	**15 843 685**

41- Selling & distribution expenses

	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Cooling technology by natural gas activity's	16 310	63 594	19 681	64 920
Chemicals & plastic activity's	964 233	3 208 530	657 235	2 024 389
Fertilizers activity's	61 193	220 503	69 469	220 291
	1 041 736	**3 492 627**	**746 385**	**2 309 600**

42- Other expenses

	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Provisions formed	250 642	567 515	70 232	1 928 401
Impairment loss of debtors	73 225	291 224	12	5 543
Impairment loss of equity – accounted investees	(586 233)	13 221 441	-	-
	(262 366)	**14 080 180**	**70 244**	**1 933 944**

43- Income tax expense

	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Current income tax	7 495 181	21 460 868	5 714 491	19 189 258
Deferred income tax	(725 887)	(2 003 784)	(547 951)	(1 853 254)
	6 769 294	**19 457 084**	**5 166 540**	**17 336 004**

All numbers are in US Dollars if otherwise isn't mentioned

44- Earnings per share

The calculation of earnings per share was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding as follows:

	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Net profit for the period attributable to owners of the holding Company	26 620 030	75 002 644	37 310 483	76 565 883
Employees' share in profit	(6 775)	(20 325)	(13 481)	(40 443)
Employees & board of directors' share in profit in subsidiaries and associates	(3 047 392)	(9 142 177)	(1 995 957)	(6 123 998)
Shareholders' share in net profit of the period	23 565 863	65 840 142	35 301 045	70 401 442
Weighted average number of shares outstanding during the period	1 005 382 577	1 005 382 577	997 121 957	997 121 957
Earnings per share (US cent / Share)	**2.34**	**6.55**	**3.54**	**7.06**

Earnings per share from continuing operations

	From 1/7/2018 till 30/9/2018	From 1/1/2018 till 30/9/2018	From 1/7/2017 till 30/9/2017	From 1/1/2017 till 30/9/2017
Net profit for the period attributable to owners of the holding Company	26 620 030	75 002 644	19 033 971	58 289 371
Employees' share in profit	(6 775)	(20 325)	(13 481)	(40 443)
Employees & board of directors' share in profit in subsidiaries and associates	(3 047 392)	(9 142 177)	(1 995 957)	(6 123 998)
Shareholders' share in net profit of the period	23 565 863	65 840 142	17 024 533	52 124 930
Weighted average number of shares outstanding during the period	1 005 382 577	1 005 382 577	997 121 957	997 121 957
Earnings per share (US cent / Share)	**2.34**	**6.55**	**1.71**	**5.23**

All numbers are in US Dollars if otherwise isn't mentioned

- Weighted average number of shares outstanding during the period calculated as follows:

	From1/1/2018 till 30/9/2018	From1/1/2017 till 30/9/2017
Issued shares at the beginning of the period	997 121 957	975 658 258
Effect of issuance of bonus shares to finance the incentive shares	27 319 213	48 782 912
	1 024 441 170	1 024 441 170
Effect of issuance of incentive shares	(18 371 324)	(27 319 213)
Effect of repurchased shares (treasury shares)	(687 269)	-
Weighted average number of shares outstanding during the period	**1 005 382 577**	**997 121 957**

45- Incentive and bonus plan of the Company's employees and managers

- On September 11, 2014, the extra - ordinary general assembly unanimously agreed to approve the incentive & bonus plan of the Company's employees and managers and executive board of directors members, through the allocation of 48 782 912 shares, at a percentage of 5% of its total shares issued till December 31, 2014 to apply the incentive and bonus plan through one of the following:-

  • Issuance of new shares through capital increase or by transferring from reserve or part thereof or retained earnings to shares by which the value of issued capital is increased.
  • Transfer of treasury shares to incentive and bonus plan and to be financed from reserves.

- On November 12, 2014, the Egyptian Financial Supervisory Authority approved applying the incentive & bonus plan of the Company's employees and board of directors members, which includes granting the Company's shares to the board members, managing directors, sectors 'heads , general managers and the other employees in the Company or its subsidiaries (equity settled share- based payments) according to the level of the Company's or individuals' economic performance pursuant to the shareholders , and the terms and conditions stated in the said plan.

- On June 11, 2015, the ordinary general assembly of the Company approved by the majority of votes to transfer part of the retained earnings as shown in the consolidated financial statements for the financial year ended at December 31, 2014, that were approved by the shareholder's' ordinary general assembly held on March 22, 2015 to 48 782 912 bonus shares with an amount of USD 12 195 728 for the purpose of financing the incentive & bonus plan of the Company's employees and managers and executive board of directors members, that has been approved by the Egyptian Financial Supervisory Authority on November 12, 2014. Annotation to the effect of such increase was made on the Company's commercial register on September 13, 2015.

- On September 16, 2015 the Listing committee of the Egyptian stock exchange approved listing the incentive shares to finance the incentive and bonus plan for employees and board members. On October 5, 2015, the incentive shares was added to the shareholders register labeled as "the incentive and bonus plan for employees of Egypt Kuwait Holding Co."

- On June 9, 2016, the Supervisory Committee on the incentives and bonus plan agreed to grant and allocate all the shares of the incentives and bonus plan to the beneficiaries of the plan as well as determining the number of shares allocated to each one of them. The vesting date of such shares was also determined to be December 31, 2016. All the shares were granted to the executive members of the Board of Directors and the senior managers of the Company, a matter that resulted in recognizing an expense for equity-settled share-based payments transactions, in the consolidated Statement of profit or loss and other comprehensive income with a total amount of USD 17 561 848 and a corresponding increase with the same amount included in the equity under the amount set aside for share-based payments transactions caption during 2016. The beneficiary may dispose of the shares only after the lapse of three years from the date of share transfer to him. During this year, the beneficiary shall be entitled to receive 100 % of total dividends and exercise the right of voting on the resolutions of the Company.

All numbers are in US Dollars if otherwise isn't mentioned

- The conditional terms for granting shares are as follows:
  A) Increase the Company's net profit by 15% annually.
  B) Increase the Company's share price by 15% in the Egyptian stock market.

  Details of beneficiaries of the plan are as follows:

The assigned party shares	Granted date	Number of shares	Fair value of share at granted date	Exercise Price
The executive members of the Board of Directors and the senior managers	June 9, 2016	48 782 912	36 US cent	-

- On February 27, 2017, the Supervision Committee of the incentives and bonus plan unanimously agreed to grant 21 463 699 shares to the beneficiaries of the plan while the methods of granting the remaining shares of the incentive plan and who deserve them shall be discussed in its upcoming meetings. On March 29, 2017, the ownership of such shares was transferred to the beneficiaries.
- On March 24, 2018, the Company's Incentive and Bonus Plan Committee unanimously decided to grant 2 927 757 shares to the beneficiaries of the plan, which is represented in the value of the remaining shares allocated for fulfilling the first criterion pertaining to the growth of the Company's profits with a total number of shares that reached 24 391 456 shares. It also decided to unanimously approve granting 6 015 132 shares to the beneficiaries of the plan for fulfilling the second criteria related to increasing the Company's share price in the Egyptian Exchange at an annual rate of 15% with a total number of shares that reached 24 391 456 shares. On March 29, 2018, the ownership of these shares was transferred to the beneficiaries.

- According to the above-mentioned, the Incentive and Bonus Plan' movements are as follows:

	No. of shares
Shares for Incentive and Bonus Plan	**48 782 912**
Shares granted on February 27, 2017	21 463 699
Shares granted to the first criterion on March 24, 2018	2 927 757
Shares granted to the second criterion on March 24, 2018	6 015 132
Total shares granted	**(30 406 588)**
Total remaining available shares	**18 376 324**

All numbers are in US Dollars if otherwise isn't mentioned

46- Subsidiaries Acquisition

Delta Insurance Co.

The Group acquired additional shares of Delta Insurance Co. 23.38% on March 2018 and acquired additional share 0.09% on September 2018. As a result, the Group's equity interest in Delta Insurance Co. increased from 32.02% to 55.45%. The Group has control over Delta Insurance Company.

The comparison between the consideration paid and the book value of the share acquired from the net assets of Delta Insurance Co. on the date of acquisition.

Consideration paid	6 625 615
Share of acquired shares from the net assets of the Company	(3 980 041)
Goodwill	**2 645 574**

The Group is in progress to end the fair value' study

El Shorouk for Melamine & Resins Co.

During March 2018, the Group acquired additional share from El Shorouk for Melamine & Resins Co. 28.02%. Accordingly, the Group's equity interest in El Shorouk for Melamine & Resins Co. increased from 49.95% to 77.97%. The Group has control over El Shorouk for melamine & resins Company.

The comparison between the consideration paid and the book value of the share acquired from the net assets of El Shorouk for Melamine & Resins Co. on the date of acquisition.

Consideration paid	90 555
Share of acquired shares from the net assets of the Company	(438 643)
Acquisition profit	**(348 088)**

47- Subsidiaries Companies

A- Main subsidiaries are represented in the following:

	Country of incorporation	Ownership % 2018	Ownership % 2017
Companies under direct control			
International Financial Investments Co. S.A.E	Egypt	99.99	99.99
Bawabat Al Kuwait Holding Co.– S.A.K **	Kuwait	52.67	49.75
Delta Insurance Co. (A subsidiary acquired during the period)	Egypt	55.45	-
Globe for Communication & Information Technology Co.	Egypt	99	99.93
Globe Telecom Co.	Egypt	99.93	99.93

All numbers are in US Dollars if otherwise isn't mentioned

Translated

	Country of incorporation	Ownership % 2018	Ownership % 2017
Globe Fiber Co.	Egypt	99.93	99.93
EKHO for Agriculture Development Co.	Egypt	100	100
EKHO for Industrial Development Co	Egypt	100	100
MAT Company for trading	Egypt	100	100
Subsidiaries companies of International Financial Investments Co.			
Sprea Misr for Production of Chemicals & Plastics Co. S.A.E	Egypt	100	100
Egyptian Company for Petrochemicals S.A.E	Egypt	99.2	99.2
National Energy Co - S.A.E	Egypt	99.99	99.99
El Fayoum Gas Holding Company	Virgin Islands	100	100
Midor Logistics Co.	Egypt	99.89	99.89
Midor Suez Oil Refining Co.	Egypt	100	100
NSCO INVESTMENT LIMITED Company	Cayman Islands	99.997	99.997
BKH Megan	Cayman Islands	100	100
Arabian Fertilizer Limited Co.	United Arab of Emirates	100	100
National Gas Company (NATGAS) S.A.E	Egypt	83,97	83,97
EK Global Investments Co.	Cayman Islands	100	100
Nahood International Limited Co.	United Arab of Emirates	60	60
Solidarity Mena Limited Co.	United Arab of Emirates	100	100
Solidarity International Limited Co.	United Arab of Emirates	100	100
Capital Investment Limited Luxembourg Co.	United Arab of Emirates	100	100
MEA Investments Co.	United Arab of Emirates	100	100
Capital Investment Limited Co.	United Arab of Emirates	100	100
Polar Star Investments Co.	United Arab of Emirates	100	100
Egypt Kuwait Holding Limited Co.	United Arab of Emirates	100	100
IFIC Petrochemicals Co.	Egypt	100	100
Ekuity Holding International - Limited by Shares	Cayman Islands	100	100

All numbers are in US Dollars if otherwise isn't mentioned

Translated

	Country of incorporation	Ownership % 2018	Ownership % 2017
Henosis for Construction & Real-Estate Development Co.	Egypt	99.99	99.99
Capital Investment Limited Luxembourg Co.	Luxembourg	99.99	99.99
OGI Capital - Limited Liability Co.- Free Zone - Jebel Ali	United Arab of Emirates	100	100
Nile Wood Co. S.A.E.	Egypt	100	100
AD ASTRA REAL ESTATE, S.L. Co.*	Spain	100	-
AD ASTRA PROYECTO MISR, S.L. Co.*	Spain	100	-
AD ASTRA PROYECTO ALCAZAR, S.L. Co.*	Spain	100	-
AD ASTRA PROYECTO CAIRO, S.L. Co. *	Spain	100	-
SISTEMAS INDUSTRIALES SALGAR II S.L Co. *	Spain	100	-
AD ASTRA PROYECTO MEDINA, S.L. Co. *	Spain	100	-
Gas serve Co.*	Egypt	100	-
Subsidiary of Globe Telecom Co.			
Globe for Trading & Agencies Co.	Egypt	99.93	99.93
Subsidiaries of National Gas Co.- Natgas			
Al Watania for Electric Technology Co.-Kahraba S.A.E.	Egypt	91.95	91.95
Al Nubaria for Natural Gas Co. S.A.E.	Egypt	83,97	83,97
Subsidiaries of BKH Megan Co.			
Middle East for River Transport Co.- S.A.E	Egypt	99.99	99.99
Subsidiaries of National Energy Company			
Cooling Technology by Natural Gas Co. (Gas Chill) S.A.E.	Egypt	85,99	85,99
El Fayoum Gas Co. S.A.E.	Egypt	77.99	77.99
Subsidiaries of Bawabat Al Kuwait Holding Co.			
Alex Fert Co. - S.A.E. **	Egypt	44.38	42.64
International Petrochemicals Investments Company IPIC (under optional liquidation)**	Egypt	50.83	50.02
International Logistics Co. – L.L.C. **	Kuwait	52.67	49.75
Magnida Holding LP Co. (under optional liquidation)**	Cayman Islands	50.83	50.02
IPIC Global Co. **	Cayman Islands	50.83	50.02

All numbers are in US Dollars if otherwise isn't mentioned

	Country of incorporation	Ownership % 2018	2017
Subsidiary of Egyptian Company for Petrochemicals			
El Shorouk for Melamine & Resins Co. (A subsidiary acquired during the period)	Egypt	78	-
Subsidiary of Nile Wood Co.			
Cairo Wood for Import & Export S.A.E *	Egypt	100	-

* These companies were established during the period.

** During the period, an additional 2.92% share was acquired in the capital of Bawabat Al Kuwait Holding Co., recording a loss of USD 768 171 which was recognized in the equity as a transaction among the Company's shareholders. This affected the change in the percentage of contribution in the subsidiaries of Bawabat Al Kuwait Holding Co.

- The consolidated financial statements as of 30 September 2018 doesn't include some subsidiaries of the Energy Group due to loss of control over them during 2016.

B- Loss control over Subsidiaries

During the first quarter of 2016, a stake of the Group's investments in MOG ENERGY Co. (previously named as Tri Ocean for Energy Co.) was sold. Under the sale contract, all management and voting rights in the said Company were assigned for the benefit of the Buyer in return for the Buyer's compliance with specific contractual terms. Accordingly, the consolidated financial statements of MOG ENERGY Co. and its subsidiaries were excluded and not aggregated as part of the consolidated financial statements of the Company based on the management's estimates and the opinion of the Independent Legal Advisor to the effect of losing control over the said Company since that date.

C- The Company received a letter from the Head of the Central Department for Financial Statements Supervision of the Financial Regulatory Authority (FRA) in response to the complaint submitted to the FRA by one of the shareholders owning 10,000 shares of Egypt Kuwait Holding - EKH regarding certain notes to the Consolidated Financial Statements of the Company that included determining the extent of losing control over MOG ENERGY Co. (previously named as Tri Ocean for Energy Co.) in addition to recalculating the amounts due to the beneficiaries of the Incentives. Several meetings were held with the FRA to clarify the point of view of the Company.

48- Transactions with related parties

Related parties are represented in the Parent Company & subsidiaries' shareholders, and companies in which they own directly shares giving them significant influence or controls over the Group. The Group's companies made several transactions with related parties and these transactions have been done in accordance with the terms determined by the Board of Directors of these companies. The conditions of those transactions were equivalent to those prevailing in the free market. Significant transactions are represented in following:-

All numbers are in US Dollars if otherwise isn't mentioned

- The Group has agreed with Abu Qir Fertilizers and Chemical Industries Co. on signing rental contracts for a plot of land to construct the factory on it with a yearly rental value USD 622 494 effective from July 15, 2003 and last for 25 years, a contract for a building to use it as a temporary headquarter for the Company's management with an annual rental value of EGP 237 600 with annual increase amounting to EGP 16 632 effective from December 1, 2003 and last for July 14, 2028. The Company has also leased a plot of land with an annual rental value of USD 421 to construct a water station effective from January 30, 2005 and last for 25 years. The Company has also agreed with Abu Qir Fertilizers and Chemical Industries Company on signing a contract for using its sea and land facilities for exporting amounts of the produced ammonia.
- On February 28, 2017, the board of directors of the Parent Company unanimously decided to set an amount of 5% of the annual profits to the chairman and managing director of the Company. The decision is effective from the 2016 results and decided to grant part of the said amount to the employees. The said amount will be set and granted from the board of directors' bonuses of subsidiaries.

49- Dividends declared & paid, and board of directors remuneration

The board of directors of the Parent Company proposed cash dividends for the financial year ended December 31, 2017 of 5 Cent / share with a total amount of USD 50 303 242 and has not proposed any remunerations for the board of directors. The proposal is subject to the shareholders general assembly meeting of the Parent Company held on March 24, 2018.

The shareholders of the Parent Company approved cash dividends for the financial year ended December 31, 2016 of 3.125 Cent/share with a total amount of USD 31 160 061 and has not approved any remunerations for the board of directors. The approval was made by the shareholders general assembly meeting of the Parent Company held on March 18, 2017.

50- Financial instruments

Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the consolidated financial statements' date are as follows:

	30/9/2018	31/12/2017
Debtors & other debit balances	257 648 941	219 245 038
Financial investments held to maturity	264 240 087	245 736 907
Financial investments at fair value through profit and loss	11 899 958	15 024 540
Trade & notes receivables	70 563 080	61 433 549
Cash & cash equivalents	258 293 072	224 553 758
	862 645 138	**765 993 792**

The maximum exposure to credit risk for trade receivables at the consolidated financial statements' date according to the type of customer are as follows:

All numbers are in US Dollars if otherwise isn't mentioned

	30/9/2018	31/12/2017
Governmental customers	2 782 538	2 903 393
Retail customers	26 499 856	13 786 989
Final consumers customers	13 125 591	22 517 325
Export customers	12 501 447	6 449 533
	54 909 432	**45 657 240**

Impairment losses

The aging of trade receivables at the consolidated financial statements' date are as follows:

	30/9/2018		31/12/2017	
	Balance	Impairment losses	Balance	Impairment losses
Not past due	-	-	-	-
Past due within 30 days	3 386 719	-	21 454	-
Past due from 1-3 month	7 347 615	-	5 159 963	-
Past due from 3-12 month	28 528 777	-	32 946 347	-
More than one year	15 646 321	(158 835)	7 529 476	(130 821)
	54 909 432	**(158 835)**	**45 657 240**	**(130 821)**

Liquidity risk

The following are the contractual maturities of financial liabilities:

30 September 2018

	Carrying amount	Due date			
		During 1 year	1-2 years	2-5 years	More than 5 years
Bank loans & facilities	130 982 381	109 789 511	21 192 870	-	-
Creditors & other credit balances	147 844 984	147 844 984	-	-	-
Suppliers & subcontractors	36 002 798	36 002 798	-	-	-
	314 830 163	**293 637 293**	**21 192 870**	-	-

31 December 2017

	Carrying amount	Due date			
		During 1 year	1-2 years	2-5 years	More than 5 years
Bank loans & facilities	130 480 845	102 473 102	17 207 743	10 800 000	-
Creditors & other credit balances	121 387 418	121 387 418	-	-	-
Suppliers & subcontractors	13 050 716	13 050 716	-	-	-
	264 918 979	**236 911 236**	**17 207 743**	**10 800 000**	-

All numbers are in US Dollars if otherwise isn't mentioned

Currency risk

Currency risk exposure

The Group's exposure to foreign currency risk was as follows based on notional amounts:

30 September 2018

Description	USD	L.E.	K.W.D	EURO	GBP	AED	JPY
Cash at banks & on hand	219 766 528	595 230 914	156	1 267 105	33 556	3 357	1 253 579
Financial assets held to maturity	193 117 960	1 271 663 619	-	-	-	-	-
Debtors & other debit balances	19 633 038	655 531 229	-	252	-	-	-
Trade & notes receivables	27 191 486	818 312 394	-	1 511 645	-	-	-
Guaranteed bank loans	(7 894 235)	(298 857)	-	-	-	-	-
Not guaranteed bank facilities	(106 100 993)	(303 431 434)	-	-	-	-	-
Creditors & other credit balances	(135 618 463)	(1 590 848)	(8 141)	(2 177 376)	-	-	-
Trade payable	(28 228 645)	(132 717 392)	-	(3 819)	-	-	-
Net risk exposure	**181 866 676**	**2 902 699 625**	**(7 985)**	**597 807**	**33 556**	**3 357**	**1 253 579**

31 December 2017

Description	USD	L.E.	K.W.D	EURO	GBP
Cash at banks & on hand	169 397 637	958 528 010	2 439	1 091 861	93 318
Investments held to maturity	77 326 039	2 985 924 698	-	-	-
Debtors & other debit balances	72 249 155	607 632 157	-	-	-
Trade & notes receivables	22 440 338	622 851 001	-	772 724	7 642
Guaranteed bank loans	(44 002 907)	(2 887 630)	-	-	-
Not guaranteed bank facilities	(79 931 223)	(113 185 648)	-	-	-
Creditors & other credit balances	(38 457 911)	(1 395 834)	(1 970)	(2 645 210)	-
Trade payables	(10 153 172)	(51 143 491)	-	(10 894)	-
Net risk exposure	**168 867 956**	**5 006 323 263**	**469**	**(791 519)**	**100 960**

The following is the average exchange rates during the period ended:

	Average exchange rate during the period ended		**Spot rate at the financial statements' date**	
	30/9/2018	**30/9/2017**	**30/9/2018**	**31/12/2017**
L.E	17.78	17.88	17.88	17.73
K.W.D	0.30032	0.3024	0.3033	0.30225
EURO	0.848458	0.9035	0.8636	0.8399
GBP	0.752257	0.78125	0.7645	0.7399
AED	3.673639	3.67695	3.6765	3.670

All numbers are in US Dollars if otherwise isn't mentioned

Interest rate risk

At the consolidated financial statements, the interest rate profile of the Group's interest bearing-financial instruments was:

	30/9/2018	31/12/2017
Financial liabilities at fixed rate instruments	4 339 643	6 791 822
	4 339 643	**6 791 822**
Financial liabilities at variable rate instruments	126 455 534	123 112 018
	126 455 534	**123 112 018**

The Company does not account for any fixed rate financial assets and liabilities at fair value through consolidated income statement. The Company does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the consolidated financial statements date would not impact the consolidated income statement.

Fair values

Fair value is the exchange value of the asset or value of the settlement of an obligation between knowledgeable and willing parties and the fair value of the financial instruments.

51- Capital commitments

Total capital commitments amounted to USD 1 569 041 as at September 30, 2018 approximately represented in the amount of contributions in long–term investments and property, plant & equipment which have not been requested to be paid till the consolidated financial position date (year 2017: an amount of USD 3.78 million).

52- Contingent liabilities

In addition to amounts provided for in the consolidated statement of financial position, there are contingent liabilities represented in the following:

- Uncovered letters of credit amounting to USD 14 504 572 (year 2017: an amount of USD 7 075 824).

- Letters of guarantee issued by banks on the account of the Group and in favor of others amounting to USD 10 848 722 (year 2017: an amount of USD 10 077 426).

- Due to the delay in the execution of the contract concluded between one of the subsidiaries and one of its customers on October 12, 2009 the customer filed a lawsuit against the Company claiming for a compensation due to the said delay and subject matter is still considered before the court. The court issued in ruling to the effect of referring the lawsuit again to the Experts office and a session to consider the said lawsuit was determined to be held on June 18, 2014 then it was postponed several times till November 5, 2018, Based on the legal advisor's opinion, it is probable that the court shall issue its judgment in favor of the Company, in addition the claim of the customer to amend the contract value in proportion with the actual cost of the said project.

53- Tax status

Corporate profit tax

- The Company enjoyed a tax exemption for 5 years according to Investment Law No. 8 of 1997 and ended on December 31, 2003.
- Tax inspection for corporate profit tax from inception till 2004 was carried out and the resulting tax differences were settled.
- Years from 2005 till 2008 The Company's records were not requested for inspection within the determined sample by the Tax Authority till authorizing of these financial statements for issuance.
- Years from 2009 till 2012 are currently inspected.
- Years 2013 & 2014, the Company was notified by tax inspection request Form no. (31) and the preparation of inspection documents are currently under process.
- Regarding years from 2015 till 2017, the annual tax returns were submitted on the due date according to the provisions of Law No. 91 of 2005 and the Company's has not been notified of tax inspection yet by the Tax Authority.

Salary tax

- The tax inspection for salary tax for the period from inception till 2013 was carried out and the final assessment was determined and resulting differences were settled.
- The tax inspection for years 2014 till 2016 was carried out and the company settled the resulting differences and the settlement is currently in process.
- Monthly withheld taxes are settled on due dates.

Stamp tax

- Inspection for the stamp tax for the period from the beginning of activity till 31/7/2006 was carried out and the final assessment was made and the Company settled the resulting differences.
- Period from August 1, 2006 till 2016 is currently inspected.
- The due tax are settled on due dates.

Property tax

The survey of the Group's properties has not been carried out by the tax Enumeration and Assessment Committee yet.

All numbers are in US Dollars if otherwise isn't mentioned

54- Comparative figures

Some comparative figures were restated to comply with the presentation of the current financial period as the follows:

Items of consolidated statement of financial position that are affected by reclassification are as the follows:

Increase of investment held to maturity balance	25 889 359
Decrease of investment in treasury bills balance	25 889 359
Increase in trades & notes receivable balance	2 802 262
Decrease of Egyptian General Petroleum Corporation balance	2 802 262
Increase of Other long-term liabilities balance	7 572 033
Decrease of Egyptian General Petroleum Corporation balance	7 572 033
Increase of banks overdrafts balance	577 005
Decrease of credit facilities balance	5 089 131
Increase of loans balance	4 512 126
Decrease of Egyptian General Petroleum Corporation balance	24 962 878
Decrease of dividends payable balance	1 037 400
Increase of creditors & other credit balance	26 000 278

Items of consolidated statement of income that are affected by reclassification are as the follows:

Decrease of share profit/ (losses) associates companies balance	1 020 000
Increase in the profit of discontinuing operations (after tax)	1 020 000

55- Subsequent events

With reference to Note No. (47-c), it was agreed with the Financial Regulatory Authority in accordance with letters exchanged between the Company and the Authority, to held an extraordinary general assembly meeting to consider about the confirmation the committee's decision referred to in respect of incentives and bonus committee's decision regarding allocating the shares. Taking into consideration the following:

First: None of those who participate in the mentioned decision, their representatives and the beneficiaries shall vote.

Second: Determine the number of shares granted by the system to the employees and the number of employees distributed to them and their share.