CITADEL CAPITAL COMPANY S.A.E.
AND ITS SUBSIDIARIES

LIMITED REVIEW REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED
31 MARCH 2018

CITADEL CAPITAL COMPANY (S.A.E) AND ITS SUBSIDIARIES

Consolidated Financial statements - For the three months period ended 31 March 2018

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Limited review report on the consolidated interim financial statements

To : The Board of Directors of Citadel Capital Company (S.A.E.)

Introduction

We have reviewed the accompanying consolidated interim statement of financial position of Citadel Capital Company (S.A.E.) and its subsidiaries ("the Group") as of 31 March 2018 and the related consolidated interim statements of profits or losses, comprehensive income, changes in equity and cash flows for the three-month period then ended, and notes comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Egyptian Accounting Standards. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Scope of limited review

Except for what is explained in the basis of qualified conclusion paragraph, we conducted our limited review in accordance with Egyptian Standard on Limited Review Engagements 2410, "Limited Review of Interim Financial Statements Performed by the Independent Auditor of the Entity." A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited review procedures. A limited 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 interim financial statements.

Basis for qualified conclusion

- As described in note (46) to the notes accompanying the consolidated interim financial statements, these consolidated interim financial statements as at, and for the three-month period ended, 31 March 2018 include the consolidated interim financial statements of the Arab Refining Company group (ARC group) with consolidated assets and liabilities amounting to EGP 63.8 Billion and EGP 40 Billion respectively at 31 March 2018 and with a consolidated loss for the three-month period then ended of EGP 18 million. The primary asset and liability making up these totals is an asset under construction and related debt obligations.

  During 2017, as per the agreed plan by shareholders. the share-capital of ARC was increased in several stages but the Group did not participate in these increases. Group management has not yet completed the preparation of a study to support that the group still has control over ARC group's operating and financial decisions and has rights to its variable returns and accordingly is still entitled to consolidate the ARC group in these consolidated interim financial statements in accordance with Egyptian Accounting Standards.

  Had this study been completed and available, matters might have come to our attention indicating that adjustments to the carrying value and presentation of the assets and liabilities of ARC group as at 31 March 2018 and also to the results of the Group's operations for the three-month period ended on that date might have been necessary.

Mansour & Co. PricewaterhouseCoopers, Public Accountants & Consultants
Plot no 211, Second Sector, City Center, New Cairo 11835, Egypt, PO Box 170 New Cairo
T: +20 (0) 2 2759 7700, F: +20 (0) 2 2759 7711, www.pwc.com

- As described in note (45) of the notes accompanying the consolidated interim financial statements, the Group has indirect investments in Rift Valley Railways (Kenya) Limited ("RVRK") in Kenya and Rift Valley Railways (Uganda) Limited ("RVRU") in Uganda; through its subsidiary Africa Railways Limited. As also described in that note the courts and governments of Kenya and Uganda have both separately and independently issued orders, in July 2017 and January 2018 respectively, that take into state ownership the assets and operations of both RVRK and RVRU. In effect, both entities have been forced to cease to trade and the Group has lost control of those former railway businesses.

  The book value of assets as at 31 March 2018 that have been taken into government ownership in both countries is EGP 3.25 billion, and related to this there are total liabilities of EGP 5.5 billion. Management of the Group have been unable to obtain any current financial information on either entity to assess the recoverability or otherwise of the Group's former assets in those countries and to conclude with the Kenyan and Ugandan governments any financial compensation or arrangements relating to the take-over of their assets, and also to determine how, if at all, the settlement of any liabilities is to be resolved. The Group has made total impairment provisions of EGP 3.25 billion against the assets.

  Had further information been available matters might have come to our attention indicating that further adjustments to the carrying value of these assets and liabilities as at 31 March 2018 might have been necessary and also to the results of the Group's operations for the three-month period ended on that date.

- The Group's management has been unable to provide us with the appropriate and sufficient evidence relating to a balance included in payment under investment amounting to EGP 148,636,800 at 31 March 2018.. Had further information been available matters might have come to our attention indicating that adjustments to the carrying value of this balance as at 31 March 2018 might have been necessary and also to the results of the Group's operations for the three-month period ended on that date.

Qualified conclusion

Except for the effects of any adjustments that we might have become aware of had it not been for the situations described in the preceding paragraph, and based on our limited review nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the financial position of the Group as at 31 March 2018, and of its financial performance and its cash flows for the three-month period then ended in accordance with Egyptian Accounting Standards

Emphasis of matter

Without qualifying our conclusion, we draw attention to note (47) to the consolidated interim financial statements which indicates that as at 31 March 2018 the Group's accumulated losses have reached EGP 17,398,111,151 and the Group's current liabilities exceeded its current assets by EGP 16,269,013,924. The Group is also in breach of its existing debt covenants and in default in settling the loan instalments on their due dates. These conditions, along with other matters set out in note (47) indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern. As set out in note (47), the Group's management has prepared the business plans that support the continuity of the Group

Wael Sakr
R.A.A. 26144
F.R.A. 381
Mansour & Co. PricewaterhouseCoopers

30 June 2018
Cairo

CITADEL CAPITAL COMPANY (S.A.E) AND ITS SUBSIDIARIES

Consolidated statement of financial position - as of 31 March 2018

(All amounts in Egyptian Pounds)

	Note	31 March 2018	Restated 31 December 2017
Assets			
Non-current assets			
Fixed assets	5	5,826,011,403	5,280,215,325
Projects under construction	6	57,978,359,379	55,048,005,012
Intangible assets	7	596,951,566	606,317,223
Goodwill	8	576,965,863	390,008,113
Biological assets	9	257,989,295	242,834,593
Investments in associates	10	928,409,352	999,987,872
Available for sale financial assets	11	46,503,121	56,008,186
Payments for investments	12	154,426,190	154,430,711
Trade and notes receivable	13	1,909,242,832	1,926,049,895
Deferred tax assets	24	5,779,587	12,584,085
Other assets	14	21,638,997	134,902,410
Financial derivatives	25	313,073,553	-
Total non-current assets		**68,615,351,138**	**64,851,343,425**
Current assets			
Non-current assets held for sale	15	609,353,635	617,197,064
Inventories	16	1,502,204,239	1,218,196,509
Biological assets	9	6,232,286	6,997,685
Trade and notes receivable	13	2,212,401,642	1,798,313,170
Debtors and other debit balances	17	2,065,548,714	1,847,283,585
Due from related parties	18	452,998,965	345,495,722
Financial assets at fair value through profit or loss	19	4,459,555	4,405,479
Cash and cash equivalents	20	4,790,090,632	2,353,470,400
Total current assets		**11,643,289,668**	**8,191,359,614**
Total assets		**80,258,640,806**	**73,042,703,039**
Equity and liabilities			
Equity attributable to owners of the parent			
Paid up capital	21	9,100,000,000	9,100,000,000
Reserves	22	1,612,592,072	1,600,864,420
accumulated losses		(17,398,111,151)	(17,171,517,840)
Total equity attributable to owners of the parent		**(6,685,519,079)**	**(6,470,653,420)**
Non-controlling interest		17,555,659,416	16,678,897,971
Total equity		**10,870,140,337**	**10,208,244,551**
Liabilities			
Non-current liabilities			
Long-term loans	23	40,635,873,190	35,603,513,377
Deferred tax liabilities	24	479,764,138	422,985,541
Liabilities and financial derivatives	25	228,855,426	260,636,355
Loans due to related parties	23	131,704,123	36,939,964
Total non-current liabilities		**41,476,196,877**	**36,324,075,237**
Current liabilities			
Provisions	26	1,002,883,148	883,032,183
Bank overdraft	27	852,188,336	425.625,734
Trade and other payables	28	4,258,690,729	4,475,369,878
Creditors and other credit balances	29	3,532,864,230	2.869,039,899
Due to related parties	18	2,119,524,689	1,794,550,906
Short-term loans	23	12,198,787,170	12,141,937,164
Loans due to related parties	23	1,998,253,275	1,945,747,334
Liabilities associated with assets held for sale	15	957,634,460	942,813,117
Current income tax liabilities	30	991,477,555	1,032,267,036
Total current liabilities		**27,912,303,592**	**26,510,383,251**
Total equity and liabilities		**80,258,640,806**	**73,042,703,039**

The accompanying notes on pages 9 to 83 form an integral part of these consolidated financial statements.

Review report attached

Moataz Farouk	**Hisham Hussein El Khazindar**	**Ahmed Mohamed Hassanien Heikal**
Chief Financial Officer	**Managing Director**	**Chairman**

30 June 2018

CITADEL CAPITAL COMPANY (S.A.E) AND ITS SUBSIDIARIES

Consolidated statement of profits or losses
For the three months period ended 31 March 2018

(All amounts in Egyptian Pounds)

	Note	31 March 2018	Restated 31 March 2017
Revenue	31	3,083,479,358	2,114,636,759
Cost of goods sold	32	(2,553,657,260)	(1,802,833,205)
Gross profit		**529,822,098**	**311,803,554**
General and administrative expenses	33	(392,712,553)	(298,041,700)
Other operating income/ (expenses)	34	72,083,856	(74,798,973)
Operating profits/ (losses)		**209,193,401**	**(61,037,119)**
Finance costs – net	35	(297,677,918)	(247,679,625)
Share of loss of investments in associates	36	(3,478,099)	(13,136,673)
Net losses before income tax		**(91,962,616)**	**(321,853,417)**
Income tax expense	37	(66,395,892)	(48,602,117)
Net losses for the period from continued operations		**(158,358,508)**	**(370,455,534)**
Net losses for the period from discontinued operations (net of income tax)	15	(25,597,831)	(225,630,644)
Net losses for the period		**(183,956,339)**	**(596,086,178)**
Attributable to			
Owners of the parent company		(186,681,539)	(402,396,907)
Non-controlling interest		2,725,200	(193,689,271)
		(183,956,339)	**(596,086,178)**
Losses per share from continuing and discontinued operations during the period attributable to owners of the parent company:			
Basic per share	38	(0.103)	(0.221)
Diluted per share	38	(0.103)	(0.221)

The accompanying notes on pages 9 to 83 form an integral part of these consolidated financial statements.

CITADEL CAPITAL COMPANY (S.A.E) AND ITS SUBSIDIARIES

Consolidated statement of comprehensive income
For the three months period ended 31 March 2018

(All amounts in Egyptian Pounds)

	Note	31 March 2018	Restated 31 March 2017
Net loss for the period		(183,956,339)	(596,086,178)
Other comprehensive income			
Exchange differences on translation of foreign operation		(512,611,040)	(314,503,052)
Change in fair value of available for sale financial assets		-	266,449
Cash flow hedges		128,883,429	(2,542,858)
Total other comprehensive income for the period, net of tax		**(383,727,611)**	**(316,779,461)**
Total comprehensive income for the period		**(567,683,950)**	**(912,865,639)**
Attributable to			
Owners of the parent company		(174,953,887)	(701,482,068)
Non-controlling interest		(392,730,063)	(211,383,571)
		(567,683,950)	**(912,865,639)**

The accompanying notes on pages 9 to 83 form an integral part of these consolidated financial statements.

CITADEL CAPITAL COMPANY (S.A.E) AND ITS SUBSIDIARIES

Consolidated statement of changes in equity
For the three months period ended 31 March 2018

(All amounts in Egyptian Pounds)

		Total equity attributable to equity holders of the parent company							
	Note	**Paid up capital**	**Treasury Shares**	**Legal reserve**	**Other reserves**	**(Accumulated losses)**	**Total Owners of the parent company**	**Non-controlling interest**	**Total owners' equity**
Balance at 1 January 2017 (as previously issued)		**9,100,000,000**	**(3,338,658)**	**89,578,478**	**3,001,817,832**	**(12,001,322,663)**	**186,734,989**	**16,283,734,669**	**16,470,469,658**
Prior years adjustments		-	-	-	(127,884,163)	-	(127,884,163)	-	**(127,884,163)**
Adjusted balance at 1 January 2017		**9,100,000,000**	**(3,338,658)**	**89,578,478**	**2,873,933,669**	**(12,001,322,663)**	**58,850,826**	**16,283,734,669**	**16,342,585,495**
Total comprehensive income for the period (adjusted)		-	-	-	(299,085,161)	(402,396,907)	**(701,482,068)**	(211,383,571)	**(912,865,639)**
Sale of treasury shares		-	3,338,658	-	-	(717,566)	**2,621,092**	(346,183)	**2,274,909**
Dividends distribution		-	-	-	-	(17,227,717)	**(17,227,717)**	(10,757,528)	**(27,985,245)**
Share of non-controlling interests from increase in the subsidiary capital		-	-	-	-	-	-	62,298,208	**62,298,208**
Balance at 31 March 2017		**9,100,000,000**	**-**	**89,578,478**	**2,574,848,508**	**(12,421,664,853)**	**(657,237,867)**	**16,123,545,595**	**15,466,307,728**

		Total equity attributable to equity holders of the parent company							
		Paid up capital	**Treasury Shares**	**Legal reserve**	**Other reserves**	**(Accumulated losses)**	**Total Owners of the parent company**	**Non-controlling interest**	**Total owners' equity**
Balance at 1 January 2018		**9,100,000,000**		**89,578,478**	**1,511,285,942**	**(17,152,562,091)**	**(6,451,697,671)**	**16,709,412,000**	**10,257,714,329**
Prior years adjustments	48					(18,955,749)	(18,955,749)	(30,514,029)	**(49,469,778)**
Adjusted balance at 1 January 2018		**9,100,000,000**	**-**	**89,578,478**	**1,511,285,942**	**(17,171,517,840)**	**(6,470,653,420)**	**16,678,897,971**	**10,208,244,551**
Total comprehensive income for the period		-	-	-	11,727,652	(186,681,539)	**(174,953,887)**	(392,730,063)	**(567,683,950)**
Dividends distribution		-	-	-	-	(39,911,772)	**(39,911,772)**	(42,909,818)	**(82,821,590)**
Share of non-controlling interests from increase in the subsidiary capital		-	-	-	-	-	-	780,022,350	**780,022,350**
Non-controlling interests from business combination		-	-	-	-	-	-	403,622,300	**403,622,300**
<u>Shareholders transactions</u>									
Change in non-controlling interests		-	-	-	-	-	-	128,756,676	**128,756,676**
Balance at 31 March 2018		**9,100,000,000**	**-**	**89,578,478**	**1,523,013,594**	**(17,398,111,151)**	**(6,685,519,079)**	**17,555,659,416**	**10,870,140,337**

The accompanying notes on pages 9 to 83 form an integral part of these consolidated financial statements.

CITADEL CAPITAL COMPANY (S.A.E) AND ITS SUBSIDIARIES

Consolidated statement of cash flows
For the three months period ended 31 March 2018

(All amounts in Egyptian Pounds)	Notes	31 March 2018	Restated 31 March 2017
Cash flows from operating activities			
Loss for the period before income tax		(91,962,616)	(321,853,417)
Net (loss) before taxes, adjusted to:			
Depreciation and Amortization	5	116,855,032	123,277,206
Impairment of goodwill		-	165,578
Impairment of license		-	32,278,462
Impairment of fixed assets		-	17,025,738
Net change in the market value of investments at fair value through profit or loss		(54,076)	(79,737)
Foreign currencies exchange losses		-	(54,799,061)
Interest income	35	(45,901,973)	(60,960,538)
Gain/ (loss) on sale of fixed assets		630,049	(9,746,560)
Gain on sale of Biological assets		(2,235,794)	-
Interest expense	35	386,902,749	255,732,321
Provisions formed	26	34,215,712	64,917,981
Impairment / reversal impairment in asset		299,761	13,728,296
Impairment of inventory		-	(1,906,454)
Provisions no longer required	26	(1,587,062)	(67,450)
Taxes paid	30	(103,962,110)	(4,459,219)
The company profits share of associates companies		3,478,099	13,136,673
Operating gain before changes in working capital Changes in working capital:		**296,677,771**	**66,389,819**
Inventories		(284,007,730)	(154,946,781)
Trade and other payables		(216,679,149)	(400,299,036)
Discontinued operations		(2,933,060)	377,600,493
Trade and notes receivable		(397,281,409)	(176,444,560)
Debtors and other debit balances		(218,564,890)	110,450,438
Due from related parties		(107,503,243)	(417,405,591)
Creditors and other credit balances		551,204,082	318,789,084
Due to related parties		324,973,783	135,061,931
Provisions used	26	(18,240,381)	(7,132,866)
Net cash flow used in operating activities		**(72,354,226)**	**(147,937,069)**
Cash flows from investing activities			
Payments to purchase of fixed assets		(3,665,229,696)	(637,553,762)
Proceeds from sale of fixed assets and projects under construction		2,616,425	19,652,628
Payments to purchase of biological assets		(19,623,461)	(20,300,860)
Proceeds from sale of biological assets		-	9,125,227
Payments loans to related parties		215,370,521	(257,621)
(Payments)/ Proceeds from other investments		9,509,586	(3,222)
Interest received		45,901,973	437,173
Net cash flow used in investing activities		**(3,411,454,652)**	**(628,900,437)**
Cash flows from financing activities			
Proceeds from loans		4,702,307,070	3,492,159,049
Repayments of loans		-	(37,255,711)
Repayments of Long term liabilities		(31,780,929)	-
Dividends distribution paid		(82,821,590)	(27,985,245)
Proceeds from / (Repayments to) banks - overdraft		426,562,602	103,546,840
Proceeds from non-controlling interest		916,946,063	70,507,250
Interest paid		-	(16,053,094)
Net cash flow generated from financing activities		**5,931,213,216**	**3,584,919,089**
Net change in cash and cash equivalents during the period		**2,447,404,338**	**2,808,081,583**
Cash and cash equivalents at beginning of the period		2,353,470,400	1,678,971,300
Assets held for sale		-	(16,107)
Disposal of subsidiary companies		-	(201,466,875)
Foreign currencies translation differences		(10,784,106)	1,368,871,031
Cash and cash equivalents at end of the period	20	**4,790,090,632**	**5,654,440,932**

The accompanying notes on pages 9 to 83 form an integral part of these consolidated financial statements.

1. Introduction

Citadel Capital Company "S.A.E." was incorporated in 2004 as an Egyptian joint stock company under Law No. 159 of 1981. It was is registered in the commercial register under number 11121, Cairo on 13 April 2004 The company's term is 25 years as of the date it is entered in the commercial register. The company's head office is in 1089 Nile Corniche, Four Season Nile Plaza, Garden City Cairo, Egypt. The company is registered in the Egyptian Stock Exchange.

The purpose of the Company is represented in providing consultancy in financial and financing fields for different companies and preparing and providing the feasibility studies in the economical, engineering, technological, marketing, financial, administrative, borrowing contracts arrangements and financing studies for projects and providing the necessary technical support in different fields except legal consultancy, in addition to working as an agent of companies and projects in contracting and negotiations in different fields and steps especially negotiations in the management contracts, participation and technical support. Managing, executing and restructuring of projects.

The Company will start using its new logo and its new trademark "Qalaa Holding" in the English language only. This change will not effect the Arabic trademark which is used since the company's inception in 2004. This change will take place subsequent to the capital increase as a result of the strategic transformation to an investment company with a focus on strategic segments which include energy, cement, agrifoods, transportation, logistics and mining. The required procedures to amend the company's commercial register are currently in process.

The holding company is owned by Citadel Capital Partners Ltd. Company (Malta) by 24.36%.

The consolidated financial statements were authorised to be issued by the Company's Board of Directors on 30 June 2018.

2. Accounting policies

The principal accounting policies applied in the preparation of these interim consolidated financial statements are summarised below. They were applied consistently over the presented financial periods unless otherwise stated:

A. Basis of preparation of the consolidated financial statements

These consolidated financial statements have been prepared in accordance with Egyptian Accounting Standards (EASs) and the relevant laws, and on the basis of the historical cost convention, except for available-for-sale financial assets, which are measures at the present value of liabilities.

The Group presents its assets and liabilities in statement of financial position based on current/ non-current classification. The asset is classified as current when it is:

* Expected to be realised or intended to be sold or used in normal operating course;
* Held primarily for trading.
* Expected to be realised within 12 months after the end of the reporting period, or
* Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

Basis of preparation of the consolidated financial statements (continued)

The liability is classified as current when:

* It is expected to be settled in normal operating course;
* Held primarily for trading.
* Expected to be realised within 12 months after the end of the reporting period, or
* The entity does not have an unconditional right to defer the settlement of the liability for at least twelve months after the end of the reporting period.

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current.

The preparation of the consolidated financial statements in conformity with EASs requires the use of certain critical accounting estimates. It also requires the Group's management to exercise its judgement in the process of applying the Group's accounting policies. Note (4) describes the significant accounting estimations and assumptions of these consolidated financial statements, as well as significant judgments used by the Group's management when applying the Group's accounting policies.

The EASs require the reference to the International Financial Reporting Standard (IFRS) when there is no EAS, or legal requirements that explain the treatment of specific balances and transactions.

B. Basis of consolidation

(1) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group 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. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

i. Acquisition method

The Group applies the acquisition method to account for business combinations.
The consideration transferred in a business combination is measured at the fair value accounted for as the fair value of the assets transferred and the liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured initially at their fair values at the acquisition date. In any business combination, the group recognises any non-controlling interests in the subsidiary at the proportionate share of the recognised amounts of acquiree's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date. Any gains or losses arising from such re-measurement are recognised within other comprehensive income.

Basis of consolidation (continued)

Inter-company assets, liabilities, equity, income, expenses and cash flows related to transactions between group companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

ii. Changes in ownership interests held within controlling interests
When the ratio of equity held within controlling interests changes, the Group changes the amounts recorded for controlling and non-controlling shares to reflect such changes in the relevant shares in the subsidiary. The Group recognises directly within the equity of the parent company any difference between the amount of changing the non-controlling shares and the fair value of the consideration paid or received.

iii. Disposal of subsidiaries
When the Group ceases to have control, the Group recognises any retained investment in the company that was a subsidiary at its fair value at the date when control is lost, with the resultant change recognised as profit or loss attributable to the owners of the parent company.

iv. Goodwill
Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired, and contingent liabilities at the date of acquisition. If the consideration transferred, non-controlling interest in the acquiree and the date of acquisition fair value pf the Group's equity previously held at the acquiree is less than the net of the identifiable acquired assets and liabilities assumed at the date of acquisition, the Group recognises the gain resulting from profit and loss at the date of acquisition and the gains are attributed to the parent shareholders.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored inside the Group at the operating segments level.

The Group undertakes impairment reviews of goodwill acquired in a business combination annually if indicators or evidence indicate impairment of the CGU by comparing its carrying amount including goodwill with its recoverable amount, which is the higher of fair value less costs sale and value in use. The Group recognises any impairment loss immediately in profit or loss, and is not subsequently reversed.

v. Measurement period
The measurement period is the period required for the Group to obtain the information needed for initial measurement of the items resulting from the acquisition of the subsidiary, and does not exceed one year from the date of acquisition. In case the Group obtains new information during the measurement period relative to the acquisition, amendment is made retrospectively for the amounts recognised at the date of acquisition.

Basis of consolidation (continued)

(2) Associates

Associates are all entities over which the group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights in the associate.

i. Equity method

Under the equity method, the investment in associates is initially recognised at cost, and the cost is modified after the date of acquisition to the changes during post-acquisition period on the Group's share in the net assets of the associate. The Group's profit or loss includes its share in the associate's profit or loss, and the statement of comprehensive income includes the Group's share in the associate's other comprehensive income. The carrying amount of the investment is adjusted by the Group's total share in the changes in equity after the date of acquisition.

ii. Changes in equity

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the reduction rate of the amount of profit or loss previously recognised in other comprehensive income is reclassified to profit or loss when relevant assets or liabilities are disposed of.

iii. Losses of associates

When the group's share of losses in an associate equals or exceeds its interest in the associate, the group ceases to recognise its share in further losses. Once the Group's share is reduced to zero, further losses are recognised but only to the extent of incurred legal or constructive obligations or made payments on behalf of the associate. When those companies realise profits in subsequent periods, the Group resumes to recognise its share in those profits, but only after its share of profits equals its share in unrecognised losses.

iv. Transactions with associates

Profits and losses resulting from upstream and downstream transactions between the Group (including its subsidiaries) and the associate are recognised only to the extent of unrelated investor's interests in the associate.

v. Goodwill resulting from investment in associates

The excess of the total transferred consideration over the Group's share in the net fair value for the acquired determinable assets and assumed liabilities at the date of acquisition is recognised as goodwill.

The goodwill resulting from contribution in associates is recognised within the cost of investment in associates net of the accumulated impairment losses in the investment value of associates and shall not be recognised separately. Impairment of the goodwill is not tested in associates separately. Impairment is rather tested in the carrying amount of the investment as a whole - as a separate asset- by comparing its carrying amount with the recoverable amount. Impairment losses recognised in this case are not allocated in any asset. Therefore, any reverse settlement of the impairment losses will be recognised to the extent in which the recoverable amount subsequently increases, provided it does not exceed the impairment losses previously recognised.

C. Foreign currency transaction

(1) Functional and presentation currency

The financial statements of each of the Group's companies are measured and presented using the currency of the primary economic environment in which the Group operates ('the functional currency'). The consolidated financial statements are presented in Egyptian Pounds, which is the Group's presentation currency.

(2) Transactions and balances

Transactions made in foreign currency during the period are initially recognised in the functional currency of the Group on the basis of translation of foreign currency using the spot prevailing exchange rates between the functional currency and the foreign currency at the date of the transaction, and the monetary items denominated in foreign currency are also translated using the closing rates at the end of each financial period. Foreign exchange gains and losses resulting from the settlement of such monetary items and from the translation of monetary items denominated in foreign currencies at the same period or in previous financial statements, are generally recognised by the Group in the profit and loss in the period in which these difference arise, except when currency exchange differences resulting from the translation of non-monetary item are deferred in other comprehensive income, which constitutes an effective part of net investment hedges in a foreign operation or an effective part of cash flow risk hedges.

Exchange differences resulting from the changes in the amortised cost of the monetary financial asset available for sale are recognised in gains and losses. Any changes in the carrying amount are recognised within other comprehensive income.

Translation differences on non-monetary financial assets and liabilities are recognised as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised as profit or loss as part of fair value gain or loss. For available for sale financial assets, which do not represent monetary items (e.g. equity instruments), gains or losses recognised within other comprehensive income include any elements of related foreign currencies swaps.

(3) Group companies

The results and financial positions of the Groups companies that have a functional currency different from the Group's presentation currency, and their functional currency is not the currency of a hyperinflationary economy, are translated into the presentation currency of the consolidated financial statements as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- Income and expenses for each statement of income presented are translated at average exchange rates during the period (unless there are fluctuations affecting exchange rates during the period, in which case the average exchange rate for that period is not considered appropriate, instead, the exchange rate prevailing at the dates of these transactions is used.
- All foreign currency differences are recognised as a separate item in other comprehensive income.

Exchange differences arising on translation of the net investment in foreign entities are recognised in other comprehensive income, as well as loans and financial instruments denominated in foreign currencies and allocated as investment hedges. When the investment in a foreign entity is disposed of, the foreign currency differences transferred to equity are recognised as part of the gains and losses of the investment disposal.

Foreign currency transaction (continued)

The Group treats any goodwill arising from the acquisition of a foreign activity, and any fair value adjustments to the carrying values of assets and liabilities arising from the acquisition of foreign activity, as assets and liabilities of the foreign activity - and they are thus reported in the functional currency of foreign activity and translated at the closing rate. All foreign currency differences are recognised in other comprehensive income.

D. Fixed assets

The Group applies the cost model at measurement of fixed assets, and the fixed assets are recognised on their costs net of the accumulated depreciation and accumulated impairment losses. The cost of fixed asset includes any costs directly associated with bringing the asset to a working condition for its use intended by the management of the Group.

The Group recognises subsequent costs of the acquisition of the fixed asset as a separate asset, only when it is probable that future economic benefits will flow to the Group and the cost of the item can be measured reliably. The Group recognises in the carrying value of fixed asset the cost incurred to replace part of that asset at the date such costs are borne, and the carrying amount of replaced parts are derecognised. The Group recognises the costs of daily servicing of the fixed assets in the statement of profit or loss.

The straight line method is used to allocate the depreciation of fixed assets consistently to their residual values over their estimated useful lives, except for lands, which are characterised with unlimited estimated useful life. Below are the estimated useful lives of each type of the assets' groups:

Buildings and constructions	5-50 years
Leasehold improvements	3-10 years
Machinery, equipment and tools	4-33 years
Vehicles	3-15 years
Barges	5-20 years
Furniture and office equipment	4-16 years
Computers	2-10 years

The Group reviews the residual value of fixed assets and estimated useful lives of fixed assets at the end of each fiscal year, and adjusted when expectations differ from previous estimates.

The carrying amount of the fixed asset is reduced to the recoverable amount, if the recoverable amount of an asset is less than its carrying amount. This reduction is considered as a loss resulting from impairment.

Gains or losses on the disposal of an item of fixed assets from the books are determined based on the difference between the net proceeds from the disposal of the item and the book value of the item, and the gain or loss resulting from the disposal of fixed assets is included in the statement of profit and loss.

E. Intangible assets

(1) Trademarks and licenses

Separately acquired trademarks and licences are shown at cost less the accumulated depreciation and the accumulated impairment losses. Trademarks and licences acquired in a business combination are recognised at fair value at the acquisition date. The Group charges the amortisation amount of the trademarks and licences consistently over their estimated useful lives of 10 years using the straight-line method.

The costs of the acquisition of computer software licenses that are not considered an integral part of computers are recognised as intangible assets on the basis of costs related to preparing the asset for use in the purpose for which it was acquired.

(2) Computer software

The Group recognised the costs associated with maintaining computer software programmes as an expense as incurred. Computer software resulting during the development phase recognised as intangible asset when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use; and
- The Group has the intention to complete the intangible asset for use and
- The Group is able to use the intangible asset. and
- it can be demonstrated how the software product will generate probable future economic benefits; and
- adequate technical, financial and other resources to complete the development and to use the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

Expenditures include directly attributable costs that are charged on acceptable and consistent manner to form computer software, develop or prepare them for their intended use, and salaries, wages and other costs related directly to employees and end-users for the formation of computer software.

The Group recognises other development costs which do not meet the required criteria as expenses as incurred. Expenditures related to intangible assets, which were initially recognised as expenses are not recognised in a subsequent date as part of the cost of intangible asset. The Group charges the amortisation amount of the computer software consistently over their estimated useful lives of 10 years using the straight-line method.

F. Biological assets

The biological assets are recorded at fair value less estimated point of sale costs, and where the fair value cannot be measured, the biological assets are measured at their cost less any accumulated depreciation and any accumulated impairment. And where the fair value can be measured reliably, the biological are recorded at fair value less estimated point of sale costs. The Biological assets includes fruit gardens and orchards and livestock. All the biological assets recorded within the group's consolidated financial statements are recorded at cost less the accumulated depreciation. Since there was not any active market to determine the fair value reliably. The fruit gardens and orchards are depreciated according to the useful life of the trees which varies between tress and fifty years. And the biological assets livestock are depreciated over the useful production life which have been estimated to be 56 month which is equivalent to 21.4% annually. Calculation of depreciation starts at the end of pregnancy stage.

G. Exploration and valuation assets

Recognition

All costs arising from acquiring exploration assets are capitalized in addition to all future costs against granting the exploration right.

Drilling and exploration costs are initially capitalized until drilling results evaluated, the evaluation process should take place periodically and costs should be capitalized as intangible assets until the evaluation results refer to the existence of mineral resources, and if that does not happen all costs should be recognized directly in the consolidated income statement.

Non monetary assets that have no physical existence acquired for the business purposes and expected to generate future economic benefits are recorded as intangible assets. Intangible assets mainly include quarry site preparation costs.

Measurement

Intangible assets are measured at cost which is represented in the cash amount at the recognition date. If payment is deferred the difference between the cash price and the total payment is recognized as interest in the consolidated income statement. Intangible assets are presented at net of amortization and accumulated impairment losses.

H. Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are tested annually for impairment at the date of financial statements.

Non-financial assets that have definite useful lives, and they are subject to depreciation or amortisation are tested for impairment whenever events or changes in circumstances indicate that the asset incurred impairment losses.

The asset is tested for impairment by comparing its carrying amount with its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows from other inflows of assets or groups of assets (cash-generating units).

The Group recognises impairment losses in the statement of profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

At the end of each financial period the Group assesses whether there is an indication that the impairment loss of any asset other than goodwill, which is recognised in prior years are not impaired, the Group then evaluates the recoverable amount of that asset.

Impairment losses recognised in prior years are reversed when there is an indication that such losses no longer exist or have decreased. Loss of impairment, which should not exceed the carrying amount that would have been determined (net of depreciation). Such reversal is recognised in the statement of profit or loss.

I. Non-current assets (or disposal groups) held for sale

The Groups classifies the non-current asset (or disposal groups) as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. The asset (or disposal group) should be available for immediate sale in its condition without any conditions except the conventional and usual conditions for such assets, and sale is considered highly probable. The Group measures the non-current asset (or group disposal), which is classified as assets held for sale on the basis of the lower of carrying amount and fair value less costs to sell.

J. Financial assets

(1) Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling or re-purchase in the short-term or as the part of a specified managed financial instruments portfolio. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be recovered within 12 months from the date of the end of financial period.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets listed in such group are presented as current asset if expected to be recovered within 12 months from the date of the end of the financial period. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives assets that are designated in this category and not classified as loans and receivables or held to maturity financial assets or financial assets at fair value through profit or loss. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period. If so, they are classified within current assets.

(2) Initial recognition and measurement

A financial asset is recognised when the Group becomes a party to the contractual provisions of the financial asset.

The acquisition of a financial asset is initially measured at fair value, in addition to other costs directly associated with the execution of the transaction, except for financial assets that are designated at fair value through profit or loss, which are measured initially at fair value only and all other costs associated with the execution of the transaction are charged to the statement of profit or loss.

Financial assets (continued)

(3) Subsequent measurement

Financial assets at fair value through profit or loss are subsequently measured at fair value. Increase or decrease in the fair value during the year is recognised in the statement of profit or loss within 'Other gains/ (losses) – net'.

Available-for-sale financial assets are subsequently measured at fair value. Increase or decrease of fair value during the year is recognised within other comprehensive income.

Loans and receivables and held to maturity financial assets are subsequently measured at amortised cost using the effective interest rate. Interests calculated are recognised in the statement of profit or loss within finance income/ (costs) - net

(4) Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

The financial asset is derecognised at its carrying amount at the date of derecognition, and profit / (loss) of derecognition is recognised in the statement of profit or loss.

The profit/ (loss) of the derecognition of financial asset represents the difference between the carrying amount at the date of derecognition and the proceeds resulting from the derecognition of the financial asset, except for the available for sale financial assets which, where the profit/ (loss) of the derecognition of financial asset represents the difference between the carrying amount at the date of recognition and the proceeds resulting from the financial asset, in addition to the accumulated profit or loss previously recognised within other comprehensive income.

K. Offsetting financial asset and liability

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and the Group has an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default of the counterparty, and should reflect the Group's normal practices and requirements of financial requirements and other conditions related to the considerations of the risk and timing of the Group's cash flows.

L. Impairment of financial assets

(1) Financial assets carried at amortised cost

The Group assesses impairment at the end of each reporting period whenever there is objective evidence that a specific financial asset or a group of financial assets may be impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Impairment of financial assets (continued)

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, violation of contract terms such as default or delinquency in interest or principal payments, or the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows since the initial recognition, or, changes in economic of domestic conditions that correlate with defaults of the Group's assets.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss. Loans expected to be uncollectible are written off by deduction from the relevant provision, and any subsequent proceeds are recognised as revenue in the statement of profit and loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

(2) Available-for-sale financial assets

The Group assesses impairment at the end of each reporting period whenever there is objective evidence that a specific financial asset or a group of financial assets may be impaired.

For debt securities, if any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost (net of the depreciation or settlement of the principal amount) and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of profit or loss – is removed from other comprehensive income and recognised in the statement of profit and loss. If, in any subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the Group reverses the impairment loss through the statement of profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. When the Group recognises decrease of fair value directly within other comprehensive income and there is objective evidence of the impairment of the asset, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from other comprehensive income and recognised in the statement of profit or loss. Impairment losses recognised in the profit or loss on equity investment are not reversed through the statement of profit or loss.

M. Trade receivables

Trade receivables are amounts due from the Group's customers for merchandise sold or services performed in the Group's ordinary course of business. If collection is expected within 12 months from the date of the financial statements or in the Group's normal operating cycle of the business, they are classified as current assets. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

N. Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand and with banks, deposits held at call with banks, other short-term investments with original maturities of not more than three months from the date of placement, less bank overdrafts. In the consolidated statement of financial position, bank overdrafts are shown within current liabilities.

O. Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined using weighted average method. The cost of finished goods and work in progress comprises costs of purchase, costs of conversion and other costs (based on normal operating capacity), incurred by the Group in bringing the inventories to their present location and condition, and excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and any other costs necessary to complete the sale. The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs

P. Financial liabilities

(1) Classification

The Group classifies its financial liabilities as financial liabilities at fair value through profit and loss and other financial liabilities. The classification of the financial liability depends on the purpose of acquisition at the initial recognition.

(2) Recognition and derecognition

A financial asset is recognised in the statement of financial position when - and only when- the Group becomes a party to the contractual provisions of the financial liability. The Group removes the financial liability (or part of it) from the statement of financial position when it is disposed, cancelled or expired.

The Group accounts for the exchange between an existing borrower and lender of debt instruments with substantially different terms as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability (or part of it) extinguished or transferred to another party including non-amortised expenses, and the consideration paid to settle the liability are recognised in profit or loss.

(3) Measurement

At initial recognition, the Group measures the financial liabilities at fair value plus transaction costs, except for financial liabilities at fair value through profit or loss where all other attributable costs are charged to the statement of profit or loss. The other financial liabilities, represented in trade payables and other payables, and bank loans, are subsequently measures at amortised cost using the effective interest method.

Q. Capital

Ordinary shares are classified within equity. Share premiums, if any, are added to legal reserve to the extent of half of the issued capital, and the remaining balance of the premium is transferred to a special reserve, after deducting the shares issue expenses (net of any advantage related to their income taxes) from the amount of share premium.

If any of the Group's companies repurchases its own equity instruments (treasury shares), these instruments are presented net of equity, amount paid or received in exchange for those instruments is recognised directly in the parent's equity.

R. Preferred shares

The group's redeemable preferred shares are classified as financial liabilities, because they bear non-discretionary dividends and are redeemable in cash by the holders. Non-discretionary dividends thereon are recognised as interest expense in profit or loss as accrued.

The Group's preference shares are all non –redeemable and are classified as equity, because they bear discretionary dividends, do not contain any obligations to deliver cash or other financial assets and do not require settlement in a variance number of the Group's equity instruments. Discretionary dividends there on are recognized as equity distributions on approval by the company's shareholders.

S. Current and deferred income tax

The Group recognises the current and deferred income tax as revenues or expenses and is included in the profit or loss for the period. Current and deferred income tax is recognised in other comprehensive income or directly in equity if it related to items recognised - in the same period or different periods- in the statement of comprehensive income or directly in equity.

The income tax for the year is calculated on the basis of the tax laws enacted at the balance sheet date. Management annually evaluates tax situation through tax returns, taking into account the differences that may arise from some interpretations issued by administrative or regulatory authorities, and establishes the appropriate provisions on the basis of amounts expected to be paid to the tax authority.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred income tax is determined using tax rates and laws that have been enacted at the date of the consolidated financial statements and are expected to apply when the related deferred income tax asset is used or the deferred income tax liability is settled.

The deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is not recognised if it arises from initial recognition of an asset or liability in a transaction - other than a business combination - that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred income tax (continued)

Deferred income tax liabilities are recognised on temporary differences arising from investments in subsidiaries, associates and shares in joint arrangements, except for such cases where the timing of the settlement of the temporary difference is controlled by the Group and it is probable that the temporary differences will not settled in the foreseeable future. Generally the Group is unable to control the settlement of the temporary difference for associates, only where there is an agreement in place that gives the Group the ability to control the settlement of the temporary difference.

Deferred income tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current taxable liabilities and assets on a net basis.

T. Employees' benefits

The Group operates various employees' benefits schemes, including defined contribution pension plans.

(1) Pension obligations
The Group operates various pension and post-employment benefits schemes as follows:

Defined contribution plans
A defined contribution plan is a post-employment benefit plan under which the group pays fixed contributions into a separate entity (fund). The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The defined contribution plan is a pension plans under which the Group pays fixed contributions to the General Authority for Social Insurance on mandatory basis. The Group has no further liabilities once its obligations are paid. The regular contributions are recognised as periodic cost for the year in which they are due and as such are included in staff costs.

(2) Termination benefits
Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of EAS 28 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination costs and benefits obligation are initially measured. The Group measures and recognises the subsequent changes in accordance to the nature of the benefits based on the number of employees expected to accept the offer of benefits. Where it is not expected to settle the benefits falling due before 12 months after the end of the reporting period, the benefits are discounted to their present value.

Employees' benefits (continued)

(3) Profit-sharing and bonus plans
The group recognises a liability and an expense for expected bonuses and profit-sharing (other than the employees' share in legally defined profits), when the Group has a legal or constructive obligation as a result of past events; and the amount can be reliably estimated. The obligation will remain outstanding when the Group has no realistic alternative but to pay.

(4) Employees' share in legally defined profits
The Group recognises expected cash dividends as the employees' share in accordance with the companies' articles of association, to be included as part of dividends in equity, and as liabilities when the ordinary general assembly meeting of the shareholders of the company approved the proposed dividends. The Group does not record any liabilities in the employees' share of undistributed dividends.

U. Leases

(1) Finance Lease

1- For leases within the scope of law 95 of 1995, lease costs including maintenance expense of leased assets are recognised in the statement of profit or loss in the year incurred. If the Company decides to exercise the right to purchase the leased assets, the cost of the right to purchase is capitalised as a fixed asset, which is depreciated over the useful life of the expected remaining life of the asset in the same method followed with similar assets.

2- Other finance leases that do not fall under the scope of law 95 for 1995, or fall within the scope of law 95 of 1995 but do not fall under the scope of EAS No. 20 (Accounting standards and regulations related to the finance lease), and when the Company sells the fixed assets or re-lease them, are recognised as fixed asset at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments. Each lease payment is allocated between the liabilities and finance charges so as to achieve a constant rate of interest charge on the finance balance outstanding. The finance lease obligations, net of finance charges, are included in liabilities. The interest cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Assets under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

Profits generated from any collected amounts - that are in excess of the carrying value of the fixed assets sold or re-leased through finance leases - are not directly recognised in the statement of profit or loss. They are deferred and amortised over the lease term.

(2) Operating lease
Leases in which the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases (net of any discounts received from the lessor) are recognised as expense in the statement of profit or loss on a straight-line basis over the period of the lease.

V. Borrowings

The Group recognises borrowings initially at fair value plus any directly attributable transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the original value (net of transaction costs) and value at the date of maturity is recognised in the statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that the Groups expects that all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer the settlement of the liability for at least 12 months after the date of the consolidated financial statements.

W. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

When funds are borrowed for the purpose of acquiring a qualifying asset to bear the cost of borrowing, the Group determines the amount of borrowing costs that are capitalised on this asset, which is the actual borrowing costs incurred by the entity during the period because of the borrowing transaction less any revenue realised from the temporary investment of borrowed funds.

The Group recognises other borrowing costs as expenses in the period the Group incurs such costs.

X. Share-based payments

The group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Group. The Group recognises the fair value of the employees' services received as expenses in the statement of profit or loss, while the corresponding increase is recognised directly in equity instruments. The Group measures the fair value of services received by reference to the fair value of equity instruments granted. Vesting conditions (for example, services provided by the employee who remains in service over a specified time period, and the company achieving certain growth rates or a specific increase in the entity's share price) should not be taken into account, contrary to market conditions (such as profit target that allows the exercise of the right of subscription) and non-vesting conditions (such as services that have been obtained from the employee remaining in service for a specified period of time) should be taken into account, when assessing the fair value of the shares or subscription options at the date of measurement.

At the end of each reporting period, and based on the best valuation available for a number of equity instruments that are expected to vest during the vesting period, the Group recognises the corresponding expenses and increases in equity, and revises that valuation if the subsequent information indicated that a number of equity instruments that are expected to vest based are different from previous valuations. At the date of vesting, the Group adjusts the valuation to be equal to the number of equity instruments that already vested.

Y. Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds that can be converted to share capital at the option of the holder, and the number of shares to be issued does not vary with changes in their fair value.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option.

The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Z. Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been reliably estimated. The Group recognises the commitments required for restructuring and not related to the Group's effective activities within the costs of the provision of restructure.

Contingent obligation is a present obligation that arose due to past events, and was not recognised because it was not expected to have an outflow of resources embodying economic benefits to settle the obligation, or the amount could be reliably estimated. Instead the Group disclosed its contingent liabilities in its note to the consolidated financial statements.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. However, it is expected that an outflow of resources is required to settle all items of obligations.

Where the impact of the time value of money is significant, the amount of the provision is the present value of expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as borrowing cost in the statement of profit or loss.

If some or all of the expenditure required to settle a provision is expected to be reimbursed by another party outside the Group, the reimbursement should be recognised as a separate asset in the statement of financial position, when, and only when, it is virtually certain that reimbursement will be received if the Group settles the obligation. The amount recognised should not exceed the amount of the provision.

AA. Contingent assets

A contingent asset is a possible asset that may arise from past events because of occurring or non-occurring of contingent future events that are not under the Group control. The Group recognises the contingent assets in the statement of financial position when the realisation of the relevant revenue is certain. Contingent assets are disclosed only when there is a possibility of inflow of economic benefits.

BB. Trade payables

Trade payables are recognised initially at the amount of goods or services received from others, whether they received invoices or not. When they are material, goods and services received, as well as the trade payables are recognised at the present value of the cash outflow expected by using interest rate of similar loans. Trade payables are then carried at amortised cost using the effective interest rate.

CC. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods sold or service rendered due to the Group's normal course of business, stated net of value added taxes, discounts, or deductions. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group; and when specific criteria have been met for each of the group's activities, as described below. The amount of revenue is not considered accurately measurable unless all cases of uncertainty regarding the possibility of the collection of the amount due are excluded. The Group bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the related specifics arrangement.

(1) Sales of goods
Revenue is recognised from the sale of goods to traders or contractors who have the right to sell them and determine their prices when the goods are delivered to them, and the Group does not retain significant risks of ownership of the goods, there is no obligation that prevent those traders or contractors to accept the goods sold. Delivery is recognised, both in the Group's stores or in specific locations, according to the agreements. When the Group transfers the significant risk and rewards of the ownership of goods to the traders, it retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Sales to traders do not comprise the element of financing, as the credit period granted to them is 60 days.

(2) Rendering of services
Revenue resulting from services rendered is recognised in the related period when the execution of the transaction can be measured at the end of the financial period on the basis of services performed to date in relation to the total services to be performed.

(3) Interest income
Interest income is recognised on a time-proportionate basis using the effective interest method. When a receivable balance resulting from the recognition of interest is impaired, the carrying amount is reduced to the present value of the future cash flows discounted at the original effective interest rate.

(4) Dividend income
Dividend income is recognised when the right to receive payment is established.

DD. Dividends

Dividends are recognised as liabilities in the consolidated financial statements at the end of the financial period in which the dividends are approved by the Company's General Assembly of Shareholders.

EE. Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the chairman of the board of the holding company.

FF. Comparative figures

Where necessary, comparative figures are reclassified to conform to changes in presentation in the current year.

3. Financial risk management

(1) Financial risks factors

The Group's activities expose it to a variety of financial risks. These risks include market risks (including foreign currency exchange risks, prices risks, cash flow interest rate risks and fair value risks), credit risks, and liquidity risks.

The Group's management aims to minimise the potential adverse effects on the Group's financial performance, through the monitoring process performed by the Group's Finance Department and the Holding Company's chairman.

The group uses derivative financial instruments to hedge certain risk exposures. Derivatives are only used for economic hedging purposes and not as speculative investments.

The Company has the following derivative financial instruments:

	31 March 2018	31 December 2017
Non-current Assets /(liabilities)		
Interest rate swap contracts – cash flow hedges	313,073,553	(32,187,545)
Total non-current derivative financial instrument Assets/ (liabilities)	**313,073,553**	**(32,187,545)**

(A) Market risk

i. Foreign exchange risks

Foreign exchange rates risks are the risks of fluctuations in the fair value of future cash flows of a financial instrument due to changes in foreign currency exchange rates. The following analysis shows the calculation of the effect of reasonable and possible changes in foreign currencies against the functional currency of the Group while keeping all other variables constant, on the consolidated statement of comprehensive income:

Financial risk management (continued)

	31 March 2018	31 December 2017
USD 10%	(394,619,675)	(272,097,829)
Euro 10%	56,143,802	92,130,134
AED 10%	236,264	147,608
GBP 10%	(51,139)	(1,763)
SDP 10%	1,202,512	1,856,004
DZD 10%	1,663,496	19,204,000

The following table shows the currencies position denominated in Egyptian Pounds at the date of the consolidated statement of financial position:

	31 March 2018			31 December 2017
	Assets	Liabilities	Net	Net
USD	345,014,307	(4,291,211,058)	**(3,946,196,751)**	**(3,418,287,342)**
Euro	601,159,541	(39,721,525)	**(561,438,016)**	**1,234,843,442**
AED	2,627,716	(262,919)	**2,362,637**	**1,476,084**
GBP	1,020	(516,619)	**(511,387)**	**(17,263)**
SDP	12,025,120	-	**12,025,120**	**18,560,000**
DZD	17,484,074	(849,114)	**16,634,960**	**192,040,000**

ii. Price risk

The Group does not have investments in equity securities or debt instruments listed and traded in financial markets, and accordingly are not subject to risk of change in the fair value of the investments as a result of the changes in prices.

iii. Cash flows and fair value interest rate risks

Interest rate risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in interest rates.

The Group is exposed to interest rate risk on all interest bearing assets and liabilities (bank deposits, overdrafts, notes receivables, and term loans). The Group maintains an appropriate mix of fixed rate and variable rate borrowings to manage the interest rate risk.

The below table shows the analysis of sensitivity to possible and reasonable changes in interest rates, while holding the other variables constant, on the consolidated statement of profit or loss.

Financial risk management (continued)

The sensitivity on the consolidated statement of profit or loss is the effect of the assumed changes in the interest rates on the Group's results for one year based on financial assets and liabilities with variable interest rates at 31 March and 31 December:

	Increase/ decrease	Effect of consolidated profit or loss EGP
31 March 2018	±1%	**536,868,487**
31 December 2017	±1%	**481,710,763**

(B) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions The Group's credit risk is managed as a whole, except for the credit risk related to the customers' account balances, as each of the Group's companies manages and analyses the credit risk of their own customers.

For banks and financial institutions, only high-credit-quality and rating banks and financial institutions are accepted.

For the new customers, their credit risk are analysed before standard payment and delivery terms and conditions are agreed.

If wholesale customers are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Credit limits are set for each customer based on internal and external credit limits in accordance with limits set by the board. The credit limits are regularly reviewed for each individual customer.

No credit limits were exceeded during the year, and management believes that customers' impairment provisions are adequate.

(C) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due, due to shortage of funding. Group's exposure to liquidity risk results primarily from the lack of offset between assets of maturities of assets and liabilities.

The management makes cash flow projections on periodic basis, which are discussed during the Executive Committee's meeting of the parent company, and takes the necessary actions to negotiate with suppliers, follow-up the collection process from customers and manage the inventory balances in order to ensure sufficient cash is maintained to discharge the Group's liabilities. The Group's management monitors liquidity requirements to ensure it has sufficient cash and cash equivalents to meet operational needs while maintaining sufficient cash cover to meet the cash outflows to settle the obligations of loans and borrowings to be able to maintain financial terms, guarantees and covenants at all times.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Financial risk management (continued)

The Group limits liquidity risk by maintaining sufficient bank facilities and reserves, and by monitoring cash forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 March 2018, based on contractual payment dates and current market interest rates.

	Below 6 months	From 6 months to 1 year	From 1 year to 2 years	Above 2 years
31 March 2018				
Trade suppliers and notes payable	3,221,965,922	1,036,724,807	-	-
Accrued expenses	3,532,864,230	-	-	-
Bank overdraft	852,188,336	-	-	-
Loans	13,689,233,079	142,696,391	16,554,091	38,986,176,779
Due to related parties	2,119,524,689	-	-	-
Loans due to related parties	2,129,957,398	-	-	-
Total	**25,545,733,655**	**1,179,421,198**	**16,554,091**	**38,986,176,779**
31 December 2017				
Trade suppliers and notes payable	3,245,993,903	1,229,375,975	-	-
Accrued expenses	2,869,039,899	-	-	-
Bank overdraft	425,625,734	-	-	-
Loans	13,121,760,321	685,390,501	19,245,139	33,919,054,580
Loans due to related parties	1,982,687,298	-	-	-
Due to related parties	589,202,857	-	-	-
Total	**22,234,310,012**	**1,914,766,476**	**19,245,139**	**33,919,054,580**

(2) Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders using the financial statements. The Groups also aims to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the Group's debts.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and bank overdrafts less cash and bank balances. The total share capital comprises the amount of equity and net loans.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Financial risk management (continued)

Net debt to total capital ratio as at 31 March 2018 and 31 December 2017 is as follows:

	31 March 2018	31 December 2017
Total borrowings		
Loans	52,834,660,360	47,745,450,541
Bank overdraft	852,188,336	425,625,734
Loans due to related parties and shareholders	2,129,957,398	1,982,687,298
Less: Cash and bank balances	(4,790,090,632)	(2,353,470,400)
Net borrowings	**51,026,715,462**	**47,800,293,173**
Equity	10,870,140,337	10,208,244,551
Total capital	**61,896,855,799**	**58,008,537,724**
Net debts to total capital	82%	82%

(3) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or pay the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, the most advantageous market for the asset or the liability.

The Group should be able to have access to the principal market or the most advantageous market. In the absence of principal market, the Group does not need to conduct a thorough search of all possible markets to determine the principal or the most advantageous market. However, the Group takes into consideration all information reasonably available.

The table below shows the financial assets and liabilities at fair value in the consolidated financial statements at 31 March 2018 within the hierarchy of the fair value, based on the input levels that are considered to be significant to the fair value measurement as a whole:

- Level 1 - Inputs of quoted prices (unadjusted) in active markets for identical assets or liabilities, which the Group can have access to at the date of measurement.
- Level 2- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3- Unobservable inputs of the asset or the liability.

Financial assets	Level 1	Level 2	Level 3	Total
31 March 2018				
Financial assets at fair value through profit or loss	-	-	4,459,555	4,459,555
Available-for-sale financial assets				
Equity investments	-	-	46,503,121	46,503,121
Total financial assets	-	-	**50,962,676**	**50,962,676**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Financial risk management (continued)

The table below shows the financial assets and liabilities at fair value in the consolidated financial statements at 31 December 2017 within the hierarchy of fair value.

Financial assets	Level 1	Level 2	Level 3	Total
31 December 2017				
Financial assets at fair value through profit or loss	-	-	4,405,479	4,405,479
Available-for-sale financial assets				
Equity investments	-	-	56,008,186	56,008,186
Total financial assets	**-**	**-**	**60,413,665**	**60,413,665**

The Group determines the level, in the case of transfers between levels within the hierarchy of fair value through the revaluation of the classification (based on the lowest input levels that are considered to be significant to the fair value measurement as a whole). The Group did not make any transfers between levels 1 and 2 during the year.

4. Critical accounting estimates and judgement

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

(1) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i. Useful lives of fixed assets

Fixed assets are considered a significant part of the Group's total assets and the relevant depreciation expense is also considered a significant part of the annual operating expenses. The useful life of fixed assets, which is based on management's estimates and assumptions had a material impact on the amounts of fixed assets. Fixed assets have useful lives ranging between 2 year to 50 years. The useful life of each item of fixed assets is estimated based on experience of similar assets and guided by other companies' estimates the internal estimates concluded by the technical department, as well as the expected flow of economic benefits to the Group during the period of the operation of that asset. Estimates and assumptions of the useful lives of fixed assets are reviewed periodically in the event of any changes or adjustment to useful lives and the residual value. Such adjustment, if any, will be applied on the future periods.

ii. Default life of intangible assets- technical information

The Group's management depreciates intangible assets - technical information related to new technology provided by one of the Korean companies using the straight-line basis over 10 years, which was assumed based on the technical experience of the Group's management and the future technical utilisation of such technology.

Critical accounting estimates and judgement (continued)

iii. Impairment in goodwill

The Group tests annually whether it is probable that goodwill may suffer any impairment of goodwill in view of the accounting policy stated in note (2 - I).

The recoverable amount of CGU is determined based on value in use that requires the use of estimates (Note 6).

iv. Provision for income tax

The Group is subject to income tax in several countries. The provision for income tax is estimated by the Group through the tax department and management's consultants. Because of the nature of the procedures of estimating tax liabilities in Egypt, the final product of the tax estimate by the Tax Authority may not be realistic. Therefore, additional possible tax liabilities may arise as a result of tax inspection, and the estimate of Tax Authority for tax due from the Group. In case of any variation between the preliminary and final estimates, such variation will affect the income tax expense in the period in which it arises.

vi. Fair value for financial derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Company uses its judgment to select different methods and make assumptions based primarily on market conditions at the end of each financial period. The Company used the cash flows allocated for the valuation of financial instruments available for sale not included in an active market.

vii. Impairment of trade receivables

Impairment of trade and other receivables is estimated by monitoring ageing of receivables. The Group's management examines the credit position and ability of customers to make payments for their past due debts. Impairment is recognised for amounts due from customers whose credit position does not allow them to pay their dues as believed by the management. The amount of the loss is measured as the difference between the carrying value and the present value of future cash flows discounted at the original effective interest rate of the financial asset, and the carrying amount is reduced directly to the customer's balance.

(2) Critical judgment in applying the Company's accounting policies

i. Impairment on available-for-sale financial assets

The Group decides that the available for sale assets were impaired when there is a significant or prolonged impairment to below their cost. This determination of what is significant or prolonged requires several factors that depend on judgement, industry, market, technological progress and financing and operating cash flows.

ii. Combination of businesses in which the Group participates with less than 50%

The management considers that it has effective control over some subsidiaries companies, although the Group has less than 50% of voting rights. The other shareholders unless the Group did not form an alliance to exercise their voting rights collectively.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

5. Fixed assets

1 January 2017	Lands	Buildings & constructions	Leasehold improvements	Machinery, equipment & tools	Furniture & office equipment	Computers	Vehicles and Barges	Total
Cost	1,963,526,487	1,447,236,970	170,380,458	4,476,025,377	256,644,920	44,036,586	683,095,302	**9,040,946,100**
Accumulated depreciation	(183,490)	(337,280,889)	(45,958,550)	(2,111,506,302)	(222,408,372)	(34,211,653)	(276,863,129)	**(3,028,412,385)**
Accumulated impairment	-	(17,767,807)	(107,857,426)	(104,700,719)	(6,678,137)	(56,528)	(192,068)	**(237,252,685)**
Net carrying value	**1,963,342,997**	**1,092,188,274**	**16,564,482**	**2,259,818,356**	**27,558,411**	**9,768,405**	**406,040,105**	**5,775,281,030**
Net book value at the beginning of the year	**1,963,342,997**	**1,092,188,274**	**16,564,482**	**2,259,818,356**	**27,558,411**	**9,768,405**	**406,040,105**	**5,775,281,030**
Additions	7,761,779	48,714,297	399,404	150,368,672	16,504,761	4,977,830	33,540,755	**262,267,498**
Disposals	-	(2,907,190)	-	(56,117,143)	(3,590,507)	(1,365,045)	(18,092,886)	**(82,072,771)**
Disposals of subsidiaries	(1,112,715)	(26,634,067)	-	(38,958,630)	(5,744,124)	-	(697,473)	**(73,147,009)**
Depreciation of subsidiaries disposals	-	8,675,352	-	17,779,486	3,431,959	-	778,177	**30,664,974**
Foreign currencies translation differences- cost	(27,606,608)	(19,493,563)	(242,133)	(367,367,848)	(3,429,870)	(1,088,074)	(6,891,461)	**(426,119,557)**
Depreciation foreign currency translation accumulated depreciation	161,463	29,860,370	476,190	109,941,880	931,204	994,455	13,495,480	**155,861,042**
Accumulated depreciation of disposals	-	2,868,798	342,663	44,508,282	5,941,995	1,027,788	10,875,541	**65,565,067**
Depreciation expense	(56,247)	(50,061,478)	(2,898,579)	(316,659,245)	(11,080,852)	(6,793,354)	(40,818,708)	**(428,368,463)**
Impairment during the year (adjusted)	-	(13,395,838)	(3,114,065)	(426,211,485)	(4,204,446)	(3,559,823)	(5,554,799)	**(456,040456)**
Transferred to group disposal classified as held for sale-cost	-	15,777,306	16,909,686	522,573,884	38,248,100	32,568,212	13,925,759	**640,002,947**
Transferred to group disposal classified as held for sale-Accumulated depreciation	-	(3,023,948)	(13,683,972)	(93,553,780)	(31,737,199)	(29,032,714)	(12,647,364)	**(183,678,977)**
Net book value at the end of the year	**1,942,490,669**	**1,082,568,313**	**14,753,676**	**1,806,122,429**	**32,829,432**	**7,497,680**	**393,953,126**	**5,280,215,325**
31 December 2017:								
Cost	1,942,568,943	1,462,693,753	187,447,415	4,686,524,312	298,633,280	79,129,509	704,879,996	**9,361,877,208**
Accumulated depreciation	(78,274)	(348,961,795)	(61,722,248)	(2,349,489,679)	(254,921,265)	(68,015,478)	(305,180,003)	**(3,388,368,742)**
Accumulated impairment	-	(31,163,645)	(110,971,491)	(530,912,204)	(10,882,583)	(3,616,351)	(5,746,867)	**(693,293,141)**
Net carrying value	**1,942,490,669**	**1,082,568,313**	**14,753,676**	**1,806,122,429**	**32,829,432**	**7,497,680**	**393,953,126**	**5,280,215,325**
Financial period ended 31 March 2018								
Net book value at the beginning of the period	**1,942,490,669**	**1,082,568,313**	**14,753,676**	**1,806,122,429**	**32,829,432**	**7,497,680**	**393,953,126**	**5,280,215,325**
Adjustments	-	(2,869)	371	(18,457,564)	-	-	-	**(18,460,062)**
Additions	1,935,815	4,107,148	306,548	25,758,510	3,362,753	1,033,008	4,113,014	**40,616,796**
The effect of acquisition on subsidiary company – cost	100,513,509	239,607,436	566,517	638,590,901	37,606,327	-	14,285,807	**1,031,530,497**
Transfers from projects under construction	-	2,192,505	-	2,052,393	-	-	-	**4,244,898**
The effect of acquisition on subsidiary company – accumulated depreciation	-	(27,106,356)	(566,517)	(257,591,847)	(26,139,948)	-	(12,912,229)	**(324,316,897)**
Foreign currencies translation differences- cost	(7,567,469)	(10,879,297)	(12,366,761)	(177,493,563)	(4,844,611)	(580,686)	(1,968,802)	**(215,701,279)**
Foreign currencies translation differences- accumulated depreciation	57,213	7,266,462	12,337,570	103,640,828	4,809,101	531,518	1,669,690	**130,312,381**
Disposals	--	-	-	(4,255,335)	(1,244,768)	-	(2,789,690)	**(8,289,793)**
Accumulated depreciation of disposals	--	-	-	3,342,951	1,195,686	-	1,764,778	**6,303,414**
Depreciation expense	(9,900)	(13,866,576)	(577,116)	(70,755,599)	(4,414,588)	(1,473,897)	(9,326,302)	**(100,443,879)**
Net book value at the end of the period	**2,037,419,837**	**1,283,886,766**	**14,454,288**	**2,051,294,014**	**43,159,384**	**7,007,722**	**388,789,392**	**5,826,011,403**
31 March 2018								
Cost	2,037,450,798	1,697,718,676	175,954,090	5,153,079,564	333,512,981	79,581,831	718,520,325	**10,195,818,265**
Accumulated depreciation	(30,961)	(382,668,265)	(50,528,311)	(2,570,873,346)	(279,471,014)	(68,957,758)	(323,984,066)	**(3,676,513,721)**
Accumulated impairment	-	(31,163,645)	(110,971,491)	(530,912,204)	(10,882,583)	(3,607,648)	(5,746,867)	**(693,293,141)**
Net carrying value	**2,037,419,837**	**1,283,886,766**	**14,454,288**	**2,051,294,014**	**43,159,384**	**7,007,722**	**388,789,392**	**5,826,011,403**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Fixed assets (continued)

Depreciation expense is allocated in the consolidated statement of profit or loss, as follows:

	31 March 2018	31 March 2017
Cost of sales	74,577,882	74,904,834
General and administration expenses	25,865,997	27,764,664
	100,443,879	**102,669,498**

Proceeds from sale of fixed assets in consolidated cash flows statement, as follows:

	31 March 2018	31 March 2017
Net book value for disposal assets	1,986,376	9,906,068
Gain/ (loss) on disposal of fixed assets	630,049	9,746,560
Proceeds from sale of fixed assets	**2,616,425**	**19,652,628**

6. Projects under construction

Balance of projects in progress comprises the following:

	31 March 2018	31 December 2017
Balance at the beginning of the year	55,679,720,304	48,628,176,224
Reclassification from assets held for sale	-	68,903,975
Additions	3,374,345,158	7,908,518,239
Disposals	(874,700)	(1,456,839)
Reclassification to assent held for sale	-	-
Transferred to fixed assets	(5,900,601)	(81,834,585)
Foreign currencies translation differences	(500,962,524)	(842,586,710)
acquisition on subsidiary company	61,824,350	-
Balance	**58,608,151,987**	**55,679,720,304**
Accumulated impairment losses	(629,792,608)	(631,715,292)
Net	**57,978,359,379**	**55,048,005,012**

Balance of projects in progress for group, as the following:

	31 March 2018	31 December 2017
Energy Sector	57,728,220,815	54,867,030,137
Agriculture and Food Sector	3,073,072	6,504,798
Transportation and Logistics Sector	93,682,976	92,888,928
Cement Sector	62,851,374	51,160,299
Financial services Sector	83,385,340	22,386,681
Metallurgy Sector	7,145,802	8,034,169
Total	**57,978,359,379**	**55,048,005,012**

Energy sector include an amount of EGP 57,566,275,004 as at 31 March 2018 against EGP 54,745,164,817 as at 31 December 2017 represents the project of Egyptian Refining Company – a subsidiary in the energy sector.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

7. Intangible assets

	Software	Exploration & valuation	Trademark	Customer contracts	Other intangible assets	Concession	Total
<u>1 January 2017</u>							
Cost	58,297,051	615,369,018	484,041,987	461,637,000	4,516,265	-	1,623,861,321
Accumulated amortization	(45,410,121)	(8,246,022)	-	(166,966,644)	-	-	(220,622,787)
Accumulated impairment	-	-	(137,831,468)	-	-	-	(137,831,468)
Net carrying value	**12,886,930**	**607,122,996**	**346,210,519**	**294,670,356**	**4,516,265**	-	**1,265,407,066**
Net book value at the beginning of the year	**12,886,930**	**607,122,996**	**346,210,519**	**294,670,356**	**4,516,265**	-	**1,265,407,066**
Additions	4,448,582	38,894,543	-	-	586,366	-	43,929,491
Disposals	-	(580,368,274)	-	-	-	-	(580,368,274)
Cost translation differences	(10,563,099)	(33,211,142)	-	-	-	146,333,785	102,559,544
Accumulated depreciation translation differences	2,779,026	-	-	-	-	(225,659,838)	(222,880,812)
Amortization	(1,115,951)	(159,662)	-	(55,655,548)	-	(26,599,714)	(83,530,875)
Impairment (adjusted)	(61,380)	(32,278,461)	-	-	(165,579)	(1,471,033,123)	(1,503,538,543)
Cost Transferred to group disposal classified as held for sale	49,266,344	-	-	-	-	2,111,798,656	2,161,065,000
Transferred to group disposal classified as held for sale	(41,485,608)	-	-	-	-	(534,839,766)	(576,325,374)
Net book value at the end of the year	**16,154,844**	-	**346,210,519**	**239,014,808**	**4,937,052**	-	**606,317,223**
<u>31 December 2017:</u>							
Cost	101,448,878	40,684,145	484,041,987	461,637,000	5,102,631	2,258,132,441	3,351,047,082
Accumulated amortization	(85,232,654)	(8,405,684)	-	(222,622,192)	-	(787,099,318)	(1,103,359,848)
Accumulated impairment	(61,380)	(32,278,461)	(137,831,468)	-	(165,579)	(1,471,033,123)	(1,641,370,011)
Net carrying value	**16,154,844**	-	**346,210,519**	**239,014,808**	**4,937,052**	-	**606,317,223**
<u>Financial year ended 31 March 2018</u>							
Net book value at the beginning of the period	**16,154,844**	-	**346,210,519**	**239,014,808**	**4,937,052**	-	**606,317,223**
Additions	291,350	-	-	-	-	-	291,350
Cost translation differences	(627,616)	-	-	-	(49,903)	-	(677,519)
Accumulated depreciation translation differences	598,653	-	-	-	-	-	598,653
Amortization	(636,939)	-	-	(8,941,202)	-	-	(9,578,141)
Net book value at the end of the period	**15,780,292**	-	**346,210,519**	**230,073,606**	**4,887,149**	-	**596,951,566**
<u>31 March 2018</u>							
Cost	101,112,612	40,684,145	484,041,987	461,637,000	5,052,728	-	1,092,528,471
Accumulated amortization	(85,270,940)	(8,405,684)	-	(231,563,394)	-	-	(325,240,018)
Accumulated impairment	(61,380)	(32,278,461)	(137,831,468)	-	(165,579)	-	(170,336,888)
Net carrying value	**15,780,292**	-	**346,210,519**	**230,073,606**	**4,887,149**	-	**596,951,566**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

8. Goodwill

To calculate the goodwill, assume the following companies as a CGU (s). which is the basis for Goodwill resulting from acquisition was allocated.

Grand view Investment Holdings Corporation company was consolidated in the consolidated financial statements as of 1 January 2018, which is the date the Group actually acquired control on the subsidiary and the ability to influence the financial and operation policies was transferred to the Group.

The Group test the Goodwill impairment bases on recoverable amount of cash-generating unit is estimated by calculating the value in use, using pre-tax cash flows based on financial budgets approved by management, which cover a period of five years maximum. The management determines the specific assumptions of cash flow forecasts based on past experience and expectations of the market.

	Sector	Balance at 1 January 2018	Addition	Foreign currencies translation differences	Balance at 31 March 2018
National Development and Trading Company Group	Cement Sector	62,240,706	-	-	**62,240,706**
Falcon for Agricultural Investments Ltd. Group-BVI	Agriculture and Food Sector	281,157,503	-	-	**281,157,503**
Silverstone Capital Investment Ltd. Group	Energy Sector	13,998,593	-	90,644	**14,089,237**
Grandview Investment Holding Group – BVI	Paper manufacturing Sector	-	186,867,106	-	**186,867,106**
Tawazon for Solid Waste Management (Tawazon) Company Group	Energy Sector	32,611,311	-	-	**32,611,311**
Balance		**390,008,113**	**186,867,106**	**90,644**	**576,965,863**

	Sector	Balance at 1 January 2018	Addition	Foreign currencies translation differences	Balance at 31 March 2018
National Development and Trading Company Group	Cement Sector	62,240,706	-	-	**62,240,706**
Falcon for Agricultural Investments Ltd. Group-BVI	Agriculture and Food Sector	281,157,503	-	-	**281,157,503**
Silverstone Capital Investment Ltd. Group	Energy Sector	16,407,581	-	(2,408,988)	**13,998,593**
Grandview Investment Holding Group – BVI	Paper manufacturing Sector	-	-	-	-
Tawazon for Solid Waste Management (Tawazon) Company Group	Energy Sector	**32,611,311**	-	-	**32,611,311**
Balance		**392,417,101**	**-**	**(2,408,988)**	**390,008,113**

Goodwill (continued)

On 1 January 2018, under an agreement between the shareholders of Grandview View Investment Holding (BVI), the Group acquired control over the financial and operating decisions of Grandview View Investment Holding, which were subsequently consolidated in the consolidated financial statements. The Group's management is still in the process of preparing the fair value study of the Company's net assets at the date of transfer of control for the purpose of recognition and measurement in the consolidated financial statements. The goodwill arising from the acquisition is calculated based on the carrying amounts of the net assets.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

9. Biological assets

	Fruitful fruit gardens and orchards	Fruitless fruit gardens and orchards	Pregnant heifer, dry and dairy cows	Heifers	Plants (cotton, corn, sun flowers)	Total
1 January 2017						
Cost	9,868,436	3,224,288	185,540,150	88,642,037	9,774,885	**297,049,796**
Accumulated depreciation	(3,718,229)	-	(75,736,217)	-	-	**(79,454,446)**
Impairment	-	-	-	-	(2,528,400)	(2,528,400)
Net carrying value	**6,150,207**	**3,224,288**	**109,803,933**	**88,642,037**	**7,246,485**	**215,066,950**
Net book value at the beginning of the year	**6,150,207**	**3,224,288**	**109,803,933**	**88,642,037**	**7,246,485**	**215,066,950**
Additions	-	1,744,158	-	95,518,285	186,164	**97,448,607**
Transfers	3,881,151	(3,881,151)	59,323,736	(59,323,736)	-	-
Foreign currencies translation differences	(5,265)	3,218	(37,110)	(87,462)	-	**(126,619)**
Disposals	-	-	(54,541,572)	(4,440,063)	(434,964)	**(59,416,599)**
Depreciation expense	(410,268)	-	(25,438,964)	-	-	**(25,849,232)**
Accumulated depreciation of disposals	-	-	22,709,171	-	-	**22,709,171**
Net book value at the end of the year	**9,615,825**	**1,090,513**	**111,819,194**	**120,309,061**	**6,997,685**	**249,832,278**
31 December 2017:						
Cost	13,744,322	1,090,513	190,285,204	120,309,061	9,526,085	**334,955,185**
Accumulated depreciation	(4,128,497)	-	(78,466,010)	-	-	**(82,594,507)**
Impairment	-	-	-	-	(2,528,400)	**(2,528,400)**
Net carrying value	**9,615,825**	**1,090,513**	**111,819,194**	**120,309,061**	**6,997,685**	**249,832,278**
Financial year ended 31 March 2018						
Net book value at the beginning of the period	**9,615,825**	**1,090,513**	**111,819,194**	**120,309,061**	**6,997,685**	**249,832,278**
Additions	-	221,629	-	31,760,859	-	**31,982,488**
Transfers	-	-	16,362,789	(16,362,789)	-	-
Foreign currencies translation differences	(501)	451	(34,225)	(43,922)	-	**(78,197)**
Disposals	-	-	(15,818,600)	(784,460)	(765,399)	**(17,368,458)**
Accumulated depreciation of disposals	-	-	6,647,006	-	-	**6,647,006**
Depreciation expense	(249,242)	-	(6,544,293)	-	-	**(6,793,535)**
Net book value at the end of the period	**9,366,082**	**1,312,593**	**112,431,871**	**134,878,749**	**6,232,286**	**264,221,581**
31 March 2018:						
Cost	13,743,821	1,312,593	190,795,168	134,878,749	8,760,686	**349,491,017**
Accumulated depreciation	(4,377,739)	-	(78,363,297)	-	-	**(82,741,036)**
Impairment	-	-	-	-	(2,528,400)	**(2,528,400)**
Net carrying value	**9,366,082**	**1,312,593**	**112,431,871**	**134,878,749**	**6,232,286**	**264,221,581**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Biological assets (continued)

	31 March 2018	31 December 2017
Non-current	,	
Fruitful fruit gardens and orchards	9,366,079	9,615,825
Fruitless fruit gardens and orchards	1,312,593	1,090,513
Pregnant heifer, dry and dairy cows	112,431,870	111,819,194
Heifers	134,878,753	120,309,061
	257,989,295	**242,834,593**
Current		
Plants (cotton, corn, sun flowers)	2,528,400	2,714,564
Others	6,232,286	6,811,521
Accumulated impairment	(2,528,400)	(2,528,400)
Net	**6,232,286**	**6,997,685**
Total	**264,221,581**	**249,832,278**

10. Investments in associates

		Shareholding %		Book value	
	Country	**31 March 2018**	**31 December 2017**	**31 March 2018**	**31 December 2017**
Al Kateb Co for Marketing and Distribution	Egypt	48.88	48.88	420,726	530,870
Al Sharq for Book Stores	Egypt	40.00	40.00	12,634,888	12,577,283
Dar AL Sherouk Company	British Virgin Islands	58.51	58.51	157,666,810	124,257,684
Zahana Cement Company	Algeria	35.00	35.00	445,682,595	448,465,115
Grandview Investment Ltd.	British Virgin Islands	-	48.02	-	370,654,388
Ascom Precious Metals (APM)	Ethiopia	35.54	35.54	143,502,532	143,502,532
Allmed Medical Industries "AMI" Germany	Germany	1.80	-	7,246,176	-
Allmed Medical care Holdings	England	30%	-	284,521,770	-
Total				**1,051,675,497**	**1,099,987,872**
Impairment loss					
Dar AL Sherouk Company				(123,266,146)	(100,000,000)
Net				**928,409,352**	**999,987,872**

Summary of financial statements for associate companies as of 31 December 2017:

	Total assets	**Total shareholders'' equity**	**Total revenue**	**Net profit/(loss) for the year**
Al Kateb Co for marketing and distribution	18,795,902	7,358,109	9,739,309	(546,908)
Al Sharq for book stores	12,227,563	5,710,932	24,746,796	(568,037)
Dar AL Sherouk Company	239,747,735	134,754,964	48,330,878	(4,092,487)
Zahana Cement Company	4,316,149,066	1,869,036,807	962,511,583	86,630,111
Grandview Investment Ltd.	2,106,118,558	731,524,440	2,411,199,724	574,894,501
* Ascom Precious Metals (APM)	717,367,791	(30,652,544)	15,487	15,487

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Financial investments in associates (continued)

Summary of financial statements for associate companies as of 31 March 2018:

	Total assets	Total shareholders' equity	Total revenue	Net profit for the year
Al Kateb Co for marketing and distribution	18,795,902	9,939,160	2,434,827	2,581,054
Al Sharq for book stores	12,227,563	11,753,621	6,186,699	6,042,689
Dar AL Sherouk Company	239,747,735	145,239,637	12,082,720	10,484,673
Zahana Cement Company	3,481,399,705	1,393,033,670	162,861,600	(7,970,565)
Allmed Medical Care Holding	1,478,290,00	309,854,300	332,010,000	26,040,000

11. Available-for-sale investments

	31 March 2018	31 December 2017
Logria Holding Ltd.	1,142,700,000	1,153,100,000
Golden Crescent Investment Ltd,	1,114,000,650	1,124,139,450
EFG Capital Partners Fund II&III.	17,007,909	17,430,027
Sphinx Turnaround Land.	54,673,220	63,815,729
Modern Co. for Isolating Materials	43,396	43,396
MEFEK Co.	872,388	872,388
ASEC Automation Co. – Free zone	116,300	116,300
Ecligo Design Ltd.	1,000	1,000
Sharming Sharm	702,004	702,007
Medcom National Company	-	1,000
ASEC Cement Menya	50,000	50,000
Cayman Resources	31,331,774	31,331,774
Arab Swiss Engineering Co. (AESC)	-	17,480
Sphinx International Management Ltd.	1,900,539	1,917,836
Others	19,918	-
Total	**2,363,419,098**	**2,393,538,387**
Accumulated impairment loss	(2,316,915,977)	(2,337,530,201)
Balance	**46,503,121**	**56,008,186**

* Accumulated impairment loss on available-for-sale investments of the company is represented in the following:

	Balance at 1 January 2018	Foreign currency translation differences	Balance at 31 March 2018
Logria Holding Ltd.	1,153,100,000	(10,400,000)	1,142,700,000
Golden Crescent Investment Ltd.	1,124,139,450	(10,138,800)	1,114,000,650
EFG Capital Partners Fund II&III	5,962,037	-	5,962,037
Sphinx Turnaround	22,351,301	(201,591)	22,149,710
Modern Co. for Isolating Materials	43,396	-	43,396
MEFEK Co.	872,388	-	872,388
Cayman Resources	31,061,629	126,167	31,187,796
Total	**2,337,530,201**	**(20,614,224)**	**2,316,915,977**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

12. Payments for investments

	31 March 2018	31 December 2017
Nile Valley Petroleum Ltd.	131,576,209	132,773,717
Citadel Capital Al Qalaa – Saudi Arabia	2,542,103	2,565,239
National Development and Trading Co. (IRAQ) Ltd.	300,512	300,512
ASA Co. – Philippines	1,814,880	-
ASA International Co.	1,432,407	1,432,407
Golden Crescent Investment Ltd.	4,395,000	4,435,000
Others **	148,636,800	150,433,065
Total	**290,697,911**	**291,939,940**
Accumulated impairment loss	(136,271,721)	(137,509,229)
Net	**154,426,190**	**154,430,711**

* Accumulated impairment loss on payments for investments is represented in:

	Balance at 1 January 2018	Foreign currency translation differences	Balance at 31 March 2018
Nile Valley Petroleum Ltd.	132,773,717	(1,197,508)	131,576,209
National Development and Trading Co. (IRAQ) Ltd.	300,512	(40,000)	260,512
Golden Crescent Investment Ltd.	4,435,000	-	4,395,000
Balance	**137,509,229**	**(1,237,508)**	**136,271,721**

** Other payments for investments include payments for investments in strategic and specialized sectors such as Energy, Mining, Cement and Nutrition.

13. Trade and notes receivable

	31 March 2018	31 December 2017
Non-current		
Trade receivables	2,098,929	5,157,816
Gas consumption deposits	235,697,064	237,752,420
Egyptian General Petroleum Corp.*	1,495,179,000	1,508,787,000
Others	176,267,839	174,352,659
Total	**1,909,242,832**	**1,926,049,895**
Current		
Trade receivables	2,935,509,748	2,550,504,386
Notes receivable	92,827,417	11,228,129
Receivables from sale of investment **	359,509,460	359,509,460
Total	**3,387,846,625**	**2,912,241,975**
Accumulated impairment loss	(1,175,444,983)	(1,112,928,805)
Net	**2,212,401,642**	**1,798,313,170**
Balance	**4,121,644,474**	**3,724,363,065**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Trade and notes receivable (continued)

* The balance represents the amount paid on behalf of Egyptian General Petroleum Corp. in the share capital of the Egyptian Refining Company – free zone – a subsidiary.

** The amount represents the accrued consideration from sale of investments in accordance with the United Foundries Company's extra-ordinary general assembly meeting held on November 23, 2014 decree which decided to sell its entire share interest in Alexandria for Car Foundries and Amerya. Metal Company On December 11, 2014 the company sold its entire share interest according to the signed sale agreement.

14. Other assets

	31 March 2018	31 December 2017
Restricted cash	-	117,357,397
Others*	21,638,997	17,545,013
Balance	**21,638,997**	**134,902,410**

* Others item amounted EGP 21,638,997 as at 31 March 2018 (against EGP 17,545,013 as at December 31, 2017) represents deposits at Syria Central Bank as a guarantee for the seriousness of constructing ASEC Syria Cement Capital Factory and will be refunded at the beginning of production process.

15. Non-current assets held for sale

* **National Development and Trading company's subsidiaries**

National Development and Trading Company's management decided in its meeting held on December 24, 2012 to sell its entire share in ESACO for Manufacturing Engineering and Construction (subsidiary, 70%). Then the National Development and Trading Company's management decided to keep its investment in ESACO for Manufacturing Engineering and construction (subsidiary, 70%) and accordingly re-classified as continued operation.

ASEC Cement Company's board of directors decided on May 4, 2014 the commitment to the selling plan of ASEC Algeria Cement Company (ASEC CIMENT) and the Company has received an offer from one of the investors to acquire the Company (ASEC CIMENT).

ASEC Cement Company's Extra-ordinary General Assembly meeting approved on May 16, 2016 the debt transfer agreement to be concluded between ASEC Cement Company and ASEC Cement Gulf Offshore Limited, in addition to the debt transfer and settlement agreement to be concluded with the creditors of ASEC Cement Algeria Company and both of the ASEC Cement and ASEC Cement Gulf Offshore Limited, as a part of the entire debts cancelation of ASEC Cement Algeria as a pre-condition to sell the entire shares of ASEC Cement Algeria.

On 15 May 2017, the Citadel Capital Company announced that it has signed an agreement to sell its investment in ASEC Algeria Cement Company — indirect subsidiaries with 37 % ownership percentage, within a deal amounted to approximately USD 60 million for selling the whole company.

Non-current assets held for sale (continued)

* **Falcon for Agricultural Investments Ltd BVI subsidiary**
  Falcon for Agriculture Investments Ltd. BVI Company's management decided to sell its shares in the following companies:
  1. El-Eguizy International for Economic Development
  2. Misr October Company for Food Industries "Elmisrieen"
  3. Up-date Company for Food Products
  4. Nile for Food Products "Enjoy"

* **KU Railways Holding Limited Company**
  The Company's management expressed its intention to sell its subsidiary "KU Railways Holdings", a number of investors have expressed their interest in purchasing the company.

  On July 31, 2017, the Court of Kenya issued an order to terminate the Concession Agreement granted to Rift Valley Railways (Kenya) Limited "RVRK" — Railway operator in Kenya , which is indirectly owned by the Citadel Capital Company through its subsidiary KU Railways Holding Limited "KURH". Accordingly, it was decided to form a takeover committee by all parties in the Concession Agreement to supervise the termination process of the Concession and to transfer all the assets and the employees of Rift Valley Railways (Kenya) Limited "RVRK" to "Kenya Railways Corporation" within 30 days. The same events have been evolved to the company's other subsidiary, Rift Valley Railways (Uganda) Limited "RVRU".

* **ASEC Mining (Ascom)**
  ASEC Company for Mining - ASCOM (a subsidiary) has signed a shareholders' agreement with Allied Gold Corp (Allied), where Allied Gold Corp (Allied) acquires 64.46% of its subsidiary's share APM Ethiopia – An owned Ethiopian Company specialized in extracting, mining materials and precious metals owned by ASEC Company for Mining (ASCOM)— through APM Ethiopia capital increase.

  The transaction will be executed through a capital increase in APM Ethiopia. The amount of the capital increase shall be paid in tranches over the period from 18-24 months. Allied will be granted full management control rights after completion of the transaction. Meanwhile, APM Ethiopia will allocate the full amount of the proceeds of the transaction to accelerate the pace of development at its concession Dish Mountain, in Western Ethiopia, after the fulfilment of the remaining requirements of the Ethiopians Ministry of Mines, Petroleum and natural Gas in order to obtain a license to operate in exploring activities for precious metals mining, which the Company has completed all initial approvals of such license.

  As per the agreement (referred to above) AME Ethiopia became owned by 35.54% (Investment in associates) as a result of losing control and becoming with significant influence.

* **Silverstone Capital Investment Ltd.**
  TAQA Arabia Company has sold to sell its shares in TAQA Solar Reserve (a subsidiary) accordingly all assets of this subsidiary has classified as held for sale in the consolidated financial statement.

* **Every Holding Limited Company**
  On December 10, 2017 the Company sold all its shares in Arab Company forTrade and Service a subsidiary of **Everys Holding limited** to Arabian Holding Company against the settlement of some liabilities of the sold Company.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Non-current assets held for sale (continued)

* **MENA Home Furnishings Malls Ltd**
The Company concluded an agreement to the effect of selling its entire share in Bonyan for Development and Trade SAE (Bonyan) (a subsidiary of MENA Home Furnishings Malls Ltd), the owner of Designopolis Mall, to Sky Realty, a subsidiary of Compass Investment Holding (DIFC). The selling transaction is expected to be executed after fulfilling certain regulatory terms and conditions. Qalaa Holdings shall receive EGP 162 million in return for its net owners' equity after deducting the liabilities upon completion of the selling transaction.

15.1 Assets held-for-sale as at 31 March 2018 are represented in the following:

	Subsidiary of Company				
	NDT Subsidiaries Arab Swiss Engineering Co. (ASEC)	Mena Home Furnishing Malls Ltd.	Falcon for Agriculture Investments Ltd. BVI	Ledmore Holding Limited.	Total
Fixed assets	-	259,815	79,914,707	363,625	**80,538,146**
Intangible assets	-	-	1,033,809	-	**1,033,809**
Projects under construction	-	188,039,723	-	-	**188,039,723**
Inventories	-	-	16,103	-	**16,103**
Debtors and other debit balance	-	3,068,062	913,474	167,608	**4,149,144**
Due from related parties	-	-	45,321	-	**45,321**
Investment property	-	318,889,825	-	-	**318,889,826**
Cash and cash equivalents	-	527,207	4,688,551	11,425,805	**16,641,563**
Goodwill	-	76,929,159	-	-	**76,929,159**
Balance	-	**587,713,792**	**86,611,964**	**11,957,038**	**686,282,794**
Less: Impairment loss	-	-	-	-	-
Goodwill	-	(76,929,159)	-	-	(76,929,159)
	-	**510,784,633**	**86,611,964**	**11,957,038**	**609,353,635**

Assets held-for-sale at 31 December 2017 are represented in the following:

	Subsidiary of Company				
	NDT Subsidiaries Arab Swiss Engineering Co. (ASEC)	Mena Home Furnishing Malls Ltd.	Falcon for Agriculture Investments Ltd. BVI	Ledmore Holding Limited.	Total
Fixed assets	5,750,000	265,355	79,914,709	366,934	86,296,998
Intangible assets	-	-	1,033,816	-	1,033,816
Projects under construction	-	188,039,725	-	-	188,039,725
Inventories	-	-	16,090	-	16,090
Debtors and other debit balance	-	3,350,465	913,486	169,133	4,433,084
Due from related parties	-	-	45,326	-	45,326
Investment property	-	320,480,852	-	-	320,480,852
Cash and cash equivalents	-	632,839	4,688,540	11,529,794	16,851,173
Goodwill	-	76,929,159	-	-	76,929,159
Balance	**5,750,000**	**589,698,395**	**86,611,967**	**12,065,861**	**694,126,223**
Less: Impairment loss					
Goodwill	-	(76,929,159)	-	-	(76,929,159)
	5,750,000	**512,769,236**	**86,611,967**	**12,065,861**	**617,197,064**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Non-current assets held for sale (continued)

15.2 Labilities held-for-sale as at 31 March 2018 are represented in the following:

	Subsidiary of Company			
	Mena Home Furnishing Malls Ltd.	**Falcon for Agriculture Investments Ltd. BVI**	**Ledmore Holding Limited.**	**Total**
Provisions	431,804,161	16,451,629	-	**448,255,790**
Loans	209,785,217	-	-	**209,785,217**
Trade and notes payable	-	116,790,656	-	**116,790,656**
Due to related parties	-	1,035,040	-	**1,035,045**
Creditors and other credit balances	181,289,493	-	478,264	**181,767,757**
Balance	**822,878,871**	**134,277,325**	**478,264**	**957,634,460**

Labilities held-for-sale as at December 31, 2017 are represented in the following:

	Subsidiary of Company			
	Mena Home Furnishing Malls Ltd.	**Falcon for Agriculture Investments Ltd. BVI**	**Ledmore Holding Limited.**	**Total**
Provisions	431,609,347	16,451,633	-	**448,060,980**
Loans	209,785,204	-	-	**209,785,204**
Trade and notes payable	-	115,681,866	-	**115,681,866**
Due to related parties	-	1,035,040	-	**1,035,040**
Creditors and other credit balances	167,767,410	-	482,617	**168,250,027**
Balance	**809,161,961**	**133,168,539**	**482,617**	**942,813,117**

15.3 Discontinued Operations after tax

	Mena Home Furnishing Malls Ltd.	**KU Raliways Hoding Limited ***	**Total**
Discontinued operations		-	
Operating Revenue	4,707,270	-	4,707,270
Operating Costs	(11,557,215)	-	(11,557,215)
Administrative costs	(1,976,712)	(3,930,201)	(5,906,913)
Other (Expenses)/Revenue*	(192,711)	-	(192,711)
Finance Costs Net	(12,648,262)	-	(12,648,262)
Results from operating activities	**(21,667,630)**	**(3,930,201)**	**(25,597,831)**
(Loss) profit from discontinued operations, net of tax	**(21,667,630)**	**(3,930,201)**	**(25,597,831)**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

16 Inventories

	31 March 2018	31 December 2017
Spare parts	728,921,999	705,723,379
Raw materials	611,694,956	419,911,675
Work in process	231,360,200	179,747,300
Finished goods	121,253,245	136,087,646
Goods in transit	5,658,260	19,344,466
Packing materials	13,694,988	10,894,202
Oil and lubricants	23,474,703	49,666,205
Letters of credit	7,332,946	7,869,175
Others	97,499,443	29,994,600
Total	**1,840,890,740**	**1,559,238,648**
Less: Inventories write-down	(338,686,501)	(341,042,139)
Net	**1,502,204,239**	**1,218,196,509**

17 Debtors and other debit balances

	31 March 2018	31 December 2017
Prepaid expenses	59,426,295	48,641,295
Deposit with others	68,576,661	65,766,545
Advances to suppliers	421,195,837	335,542,899
Letters of guarantees	42,851,241	53,197,227
Employees' imprest	75,883,006	37,695,453
Accrued revenues	206,856,126	167,249,655
Refundable deposits	3,742,044	3,742,058
Operation retention	159,684,741	159,614,300
Payments for purchase of fixed assets	11,052,986	11,052,960
Tax Authority	229,798,559	272,655,775
Custom Authority	7,797,835	725,413
Letters of credit	32,129,894	75,306
Due from the contractor FlSmidth	454,784,044	450,288,360
Due from sale of investment	256,294,555	257,099,869
Other debit balances	188,068,582	135,669,387
Projects under construction	65,172,260	81,163,430
Total	**2,283,314,666**	**2,080,179,932**
Accumulated impairment losses	(217,765,952)	(232,896,347)
Balance	**2,065,548,714**	**1,847,283,585**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

18 Related party transactions

(a) Due from related parties

	31 March 2018	31 December 2017
Logria Holding Ltd,	110,131,704	111,134,040
Golden Crescent Investment Ltd.	67,072,095	67,682,535
Golden Crescent Finco Ltd.	515,608,022	520,300,700
Emerald Financial Services Ltd.	477,144,951	577,877,715
Nile Valley Petroleum Ltd.	379,063,423	382,406,527
Citadel Capital East Africa	66,452	67,057
Citadel Capital AlQalaa- Saudi Arabia	1,297,509	1,306,675
El Kateb for Marketing & Distribution	1,003,038	1,010,538
Nahda	11,336,481	11,439,657
Egyptian Company for International Publication	23,967,830	23,760,330
Citadel Capital Partners	192,371,769	158,207,538
Ecligo	2,000,000	2,000,000
Mena Glass Ltd	60,404,880	60,954,460
Soite Des Ciments De Zahana	133,976	134,214
ASEC Electric Rewinding and Repair Co	526,236	526,236
Egyptian Polypropylene Bags Co.	20,000	20,000
ASAI International	-	1,274,888
Visionaire	23,962,278	24,180,365
Haider	108,823	653,689
Rotation Ventures	97,638,757	96,560,381
Benu one Ltd.	184,292,335	185,969,626
Financial Holding Internattional	-	-
Grandview	-	1,702,082
Ascom Precious Metals (APM)	204,609	204,609
Scimitar Production Egypt Ltd	16,475,818	16,320,037
Golden Res	70,779	71,681
Trianon	6,832,431	6,832,756
Entag UAE	3,136,640	886,176
Adena	13,185,000	13,305,000
Others**	93,961,565	130,517,216
EIIC	86,407,054	-
Allmed Medical Industries "AMI"	24,414,436	-
Total	**2,392,838,891**	**2,397,306,728**
Accumulated Impairment losses***	(1,939,839,926)	(2,051,811,006)
Balance	**452,998,965**	**345,495,722**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Related party transactions (continued)

*** The accumulated Impairment loss of due from related parties is as follows:-**

	Balance as of 1 January 2018	Formed during the period**	Reversal of Impairment ***	Foreign Currency Translation Differences	Balance 31 March 2018
Logria Holding Ltd.	(111,134,040)	-	-	1,002,336	(110,131,704)
Nahda Imp	(11,439,657)	-	-	103,176	(11,336,481)
Rotation Imp	(96,560,381)	(1,955,147)	-	876,771	(97,638,757)
Visionaire Imp	(24,180,365)	-	-	218,087	(23,962,278)
Mena Glass Imp	(60,954,460)	-	-	549,580	(60,404,880)
Golden Crescent Finco Ltd.	(520,300,700)	-	-	4,692,678	(515,608,522)
Emerald Financial Services Ltd.	(577,877,715)	-	95,808,764	4,924,000	(477,144,951)
Golden Crescent Investment Ltd.	(67,682,535)	-	-	610,440	(67,072,095)
Nile Valley Petroleum Ltd.	(382,406,527)	-	-	3,343,104	(379,063,423)
Benu II Ltd	(185,969,626)	-	-	1,677,291	(184,292,335)
Others	(13,305,000)	-	-	120,000	(13,185,000)
Balance	**(2,051,811,006)**	**(1,955,147)**	**95,808,764**	**18,117,463**	**(1,939,839,926)**

Related party transactions

Advisory fees
Advisory fees item in the consolidated statement of profit or loss is represented in the advisory services provided to related parties according to signed contracts as follows:

	31 March 2018	31 December 2017
Scimitar Production Egypt Ltd.	-	45,212,230
Total	**-**	**45,212,230**

The company did not recognize advisory fees for subsidiaries companies, according to the signed contracts due to non-fulfilling the conditions of recognition and collection. The unrecognized advisory fees at 31 March 2018 as follows:

	31 March 2018	31 December 2017
Golden Crescent	27,552,484	27,679,431
Logria Holding Ltd.	5,101,751	5,125,258
Africa railways limited	5,289,611	4,738,986
Citadel Capital transportation opportunities Ltd.	4,879,979	953,568
Total	**42,823,825**	**38,497,243**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Related party transactions (continued)

(b) Due to related parties

	31 March 2018	31 December 2017
Mena Glass Ltd	574,209,106	577,665,527
Pharos Holding Company	488,460	488,453
Asec Automation- Europe Co.	161,007	161,007
Asec Automation Co.- Free zone	4,422,416	4,186,976
Kimonix Egypt for Consulting	2,106,716	2,303,052
Sphinx Capital	32,569,675	-
Others	5,224,951	4,397,842
Total	**619,182,331**	**589,202,857**
Amounts due to Shareholders:		
Sadek Ahmed Swedy	123,060,000	124,180,000
Femix one Ltd.	68,571,106	69,195,189
Aly Hassan el Deyekh	159,367,025	191,287,511
Olayan	415,417,650	114,374,517
Joussour	427,443,021	427,185,835
IFC	233,634,913	231,971,007
Omran	12,400,721	12,513,583
EIIC	-	1,477,050
El-Rashed	24,493,704	24,716,610
FHI	29,619,540	2,862,154
Others	6,334,678	5,584,593
Total	**1,500,342,358**	**1,205,534,849**
Balance	**2,119,524,689**	**1,794,550,906**

19 Financial assets at fair value through profit or loss

	31 March 2018	31 December 2017
Shorouk For Modern Printing & Packaging	4,459,555	4,405,479
	4,459,555	**4,405,479**

- Financial assets at fair value through profit or loss are included within the operating activities under changes in working capital in the statement of cash flows.
- The changes in the fair value of the financial assets at fair value through profit or loss are recognised within "Other income (loss)- net" in the statement of profit or loss.

The fair value of the equity instruments is determined on the basis of the quoted prices in active markets.

20 Cash and cash equivalents

	31 March 2018	31 December 2017
Cash on hand	10,822,703	5,647,762
Current accounts	4,173,976,477	1,922,314,347
Bank- Time deposits	32,525,052	29,009,835
Cheques under collection	26,956,448	29,062,431
Treasury bills (less than 3 months)	545,809,952	367,436,025
	4,790,090,632	**2,353,470,400**

The average interest rate on deposits in Egyptian pound on 31 March 2018 was 13%. The average US dollar deposit rate on March 31, 2018 was 5.25%.

21 Share capital

The Company's authorized capital is EGP 6 Billion and the issued and paid-in capital is EGP 4,358,125,000 represents 871,625,000 shares distributed over 653,718,750 ordinary shares and 217,906,250 preferred shares with par value EGP 5 per share.

The Company's extra-ordinary general assembly meeting held on October 20, 2013 approved the increase of the authorized capital from EGP 6 billion to EGP 9 billion and the increase of the issued capital from EGP 4 ,358,1245 000 to EGP 8 billion, with an amount of EGP 3,641,875,000 by issuing 728,375,000 new shares at par value of EGP 5 per share, distributed over 182,093,750 preferred shares and 546,281,250 ordinary shares, without issuance costs. The purpose of this capital increase is to finance the acquisition of additional shares in its subsidiary companies, financing the Company's contribution in the capital increases of certain of its subsidiary companies and entering into new investments and settlement of certain liabilities of the Company. The Board of Directors approved in its meeting held on February 13, 2014 to cover the subscription of the unsubscribed Company's shares in the capital increase through offsetting the shareholders' credit balances that are payable by the Company against the subscription price of the shares. The commercial register has been updated to reflect such increase on April 16, 2014.

The Company's extra-ordinary general assembly meeting held on March 25, 2015 approved the increase of the authorized capital from EGP 9 billion to EGP 10 billion and the increase of the issued capital from EGP 8 billion to EGP 9.7 billion, with an amount of EGP 1.7 billion in cash allowing the use of credit balances payable to existing shareholders through issuance of 340 million new shares at par value of EGP 5 per share, consisting of (85 million preferred shares and 255 million ordinary shares), without issuance costs. The capital increase subscription has been completed on two stages on June 2, 2015 and closed on the end of the working day September 9, 2015. The subscription had been covered by 64.71% represented in 220 million share of which 1 738 649 preferred share with an amount of EGP 8 693 245 and 218 261 351 ordinary share with an amount of EGP 1 091 306 755, with a total amount of EGP 1.1 billion accordingly the company's issued share capital after increase became EGP 9.1 billion, represents 1,820 billion shares comprising of 1 418 261 351 ordinary share and 401 738 649 preferred share at par value of EGP 5 per share. The commercial register has been updated with the increase on September 29, 2015.

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Share capital (continued)

Preferred shares have the advantage of triple voting right comparing with ordinary share on the decisions of the Company's extraordinary and ordinary general assembly meetings according to the decision of the Company's extra-ordinary general assembly meeting held on May 12, 2008 and also paragraph No. (3) of article No.(18) of the Company's article of associations. Those preferred shares are owned by Citadel Capital Partners Ltd. the principle shareholder of the Company. The shareholders' structure - is represented in the following:

Shareholder's name	Percentage	No. of Shares	Amount
Citadel Capital Partners Ltd.	24.36	443 295 671	2 216 478 355
Emirates International Investments Company	7.62	138 767 960	693 839 800
Other shareholders	68.02	1 237 936 369	6 189 681 845
	100	1 820 000 000	9 100 000 000

22 Other reserves

	Legal reserve	Fair Value-Available-for-sale financial assets	Foreign currency translation differences	The company's share in the change of equity of associates companies	Hedge Risk in Interest Rates of Swap Contracts	Total
Balance at 1 January 2017	89,578,478	(1,068,496)	2,986,304,630	(77,428,646)	(32,271,493)	**2,965,114,473**
Revaluation fair value for Available-for-sale financial assets	-	2,738,314	-	-	-	**2,738,314**
Foreign currency translation differences	-	-	(1,399,575,794)	-	-	**(1,399,575,794)**
The company's share in the change of equity of associates companies	-	-	-	9,859,927	-	**9,859,927**
Hedge Risk in Interest Rates of Swap Contracts	-	-	-	-	22,727,499	**22,727,499**
Balance at 31 December 2017	**89,578,478**	**1,669,818**	**1,586,728,836**	**(67,568,719)**	**(9,543,993)**	**1,600,864,420**
Balance at 1 January 2018	89,578,478	1,669,818	1,586,728,836	(67,568,719)	(9,543,993)	**1,600,864,420**
Revaluation fair value for Available-for-sale financial assets	-	-	-	-	-	**-**
Foreign currency translation differences	-	-	(36,911,097)	-	-	**(36,911,097)**
The company's share in the change of equity of associates companies	-	-	-	(16,343)	-	**(16,343)**
Hedge Risk in Interest Rates of Swap Contracts	-	-	-	-	48,655,092	**48,655,092**
Balance at 31 March 2018	**89,578,478**	**1,669,818**	**1,549,817,739**	**(67,585,062)**	**39,111,099**	**1,612,592,072**

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23 Borrowings

23/1 Borrowings from financial institutions:

Borrower	Bank / Company	Interest rate	Maturity date	Outstanding balances	current	Non-current	Guarantees
Arab Financial Investments Company	Commercial International Bank	-	-	203,767,473	-	203,767,473	-
Dina for Agriculture Investments	-Ahli United Bank -United Bank -Arab Egyptian real estate	EGP: Average 3.625 % plus corridor	2014 -2020	96,525,012	32,175,004	64,350,008	Pledge over all the company's assets and real estate first rank Pledge on 7172 feddan of company's land
National Development and Trading company	Ahli Bank Qatar	12.5%	Dec 2018	226,979,509	226,979,509	-	Partial pledging shares of ASEC Cement company
	Arab Investment Bank	12 %	Dec 2018	120,037,142	120,037,142	-	Partially pledge of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares and ESACO shares to the bank
	Indusrtial Development and workers bank of Egypt	11.5%	Dec 2018	231,820,789	231,820,789		pledging of ASEC Cement Co. shares, ASEC Engineering shares, ASENPRO shares ASEC automation shares and ESACO shares to the bank
	Misr Iran Development Bank	2.5% plus corridor	Dec 2018	157,675,072	157,675,072		Pledging 33.3 million shares of subsidiaries with a value not less than 333% from the ttotal amount of credit facility which is accepted by the bank to cover the minimum market value within the last three months, also shares custody should be by the bank and dividends to be collected under the cognition of the bank
Arab swiss Engineering Co. (ASEC)	Ahli Unite Bank	2.25% plus corridor for current portion – 3.25 % plus corridor for non-current portion	November 2018	64,620,363	64,620,363		Assignment of South Valley Co. management Contract
ASEC Cement Company	Al Baraka Bank	11.5%	March 2019	14,575,814	6,000,000	8,575,814	Assignment of White Sinai Co. management contract
	Sudanese Egyptian Bank	11%	2017-2020	61,680,619	58,439,028	3,241,591	Murabha contracts
Taqa Arabia	Commercial International Bank	3.25% plus corridor	2016-2020	305,761,855	11,229,999	294,531,857	
Global Energy Company	HSBC Arab Bank	EGP: 2.25% plus Corridor	2014 -2018	2,188,007	2,188,007	-	*The amount of capital to be injected parallel to the premiums payable in the event that the net profit +depreciation + cash inadequate to pay the premiums due. *No change in the company shall take place without written consent from the bank.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

							*The company undertake not to pledge, mortgage, or impose any liens over any assets in Sharm El Sheikh project. *The company to execute a commercial pledge contact with Arab bank. The pledge includes all the Company's tangible and intangible assets in addition to the power generation station in Scimitar project in Red Sea Governorate.
Taqa Marketing	HSBC Cairo Bank	EGP: 3% plus Corridor	**2018 -2021** **2018 -2021**	40,554,845	10,708,277	29,846,568	* The company made a proxy to the bank that is empowering to impose a commercial pledge on existing tangible and intangible assets which was financed by the loan. Taqa Arabia undertakes the following: *Maintaining direct or indirect controlling interest during the contract period and till the actual repayment. *Cover any deficiency in the debt service ratio or operating expenses by injecting cash in the form of capital increase or subordinated loans with priority to the bank.
Egyptian Refining Company	Japan bang for International Cooperation	USD: 4.1% plus Libor	**2017 - 2029**	8,084,271,450	-	8,084,271,450	*Company shall deliver to each lender original signed and blank promissory notes
	Group of commercial banks)NEXI Covered Lenders)	USD: 1.75% plus Libor	**2017 - 2029**	5,497,532,847	-	5,497,532,847	*Company has signed a general irrevocable power of attorney dated August 10,2010 to the benefits of CIB at his capacity as the Egyptian Security Agent of the term loan facility.
	Export – Import Bank of Korea (KEXIM)	USD: 3.6% plus Libor per annum up to the project completion date.4 % per annum from the project completion to the end of 5^{th} year. 4.6% per annum for any time thereafter	**2017 - 2029**	9,772,761,133	-	9,772,761,133	-
	Financial institution (KEXIM Initial Guaranteed facility lenders)	USD: 1.95% plus Libor plus mandatory costs	**2017 - 2029**	2,853,713,793	-	2,853,713,793	-
	European Investment Bank	Libor for such interest period plus or minus the spread of the related year as determined by the bank (1.5% for the current	**2017 - 2029**	5,335,496,598	-	5,335,496,598	-

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

		period) plus mandatory costs					
	African Development Bank	Fixed interest rate: 3.5 % per annum plus Base rate calculated by the bank as set in the agreement. Or Variable rate: Libor plus 3.5 % per annum	**2017 -2029**	3,516,000,000	-	3,516,000,000	-
	African Development Bank	Fixed interest rate: 5 % per annum plus Base rate. Or Variable rate: Libor plus 5 % per annum	**2017-2025**	558,658,804	-	558,658,804	*Company shall deliver to AFDB an original, signed undated and blank promissory notes. *Company shall not make any distribution or other payments to the shareholders in respect of equity financing or shareholders loans until all amounts due and payable under the loan have been paid in full.
Egyptian Refining Company	MITSUE & CO. Ltd	USD: 6 month Libor plus 3% per annum	**2020**	3,698,592,292	-	3,698,592,297	-
	GS constructor Loan	USD: 6 months Libor plus 2.5% per annum	**2018 – 2020**	1,507,703,607	-	1,507,703,607	The company can not pay and dividends or any other payments to shareholders as financing owners' equity or shareholders loan unless paying the whole accrued amount of the loan.
Less : Deferred borrowing cost *(Egyptian Refining Company)			**2012 -2022**	(1,886,771,443)	-	(1,886,771,443)	-
Citadel Capital	Citi Bank (syndication loan manger) and other banks (Arab African International Bank, Arab International bank, Cairo bank, Misr Bank, and piraeus bank)	USD: First tranche : 4.25 % plus Libor Second tranche : 3.9% plus Libor Third tranche 3.9% plus Libor	**2012 - 2022**	4,240,451,021	4,240,451,021	-	*First degree lien contract of shares owned by the Company in National Development and Trading Company. *First degree lien contract of shares owned by the Company in International Company for Mining Consulting. *First degree lien contract of shares owned by the Company in United Foundries Company. *First degree lien contract of shares of Citadel Capital Ltd(one of the subsidiaries). *First degree lien contract on shares owned by the Company in ASEC Cement Company. *First degree lien contract on shares owned by the company in ASEC Company for Mining (ASCOM) *First degree lien contract of Citadel Capital Ltd(one of the subsidiaries of Citadel Capital Holding for financial investments) investments on the following companies:

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International for Refining Consultation	Arab International Bank	USD 5.2% per annum	**2016**	544,028,307	544,028,307	-	*Letter of guarantee from Standard Chartered Bank of Korea Limited with the amount due to Arab International Bank.
		USD: 15, 608,926 to be paid upon maturity	**Under renewal**	1,303,516,636	1,303,516,636	-	*the loan is guaranteed by pledging the Company's (50 million) share in Orient Investments Properties Ltd. In favour of the bank and the bank has the authority to switch the ownership of these shares anytime against granted loan.
National Company for multimodal Transport	Arab African International Bank, Bank of Alexandria and Misr Bank (syndicated loan)	EGP: Average corridor and due each 6 months	**2017 -2025**	623,513,183	257,142,889	366,370,294	*Open the revenue account with the Loan Agent (Misr Bank). *Conclude a first degree pledge over the revenue account. *Conclude first degree mortgage on the barges *Conclude first degree mortgage over tangible and intangible assets *An undertaking with insurance policies over the new barges within 15 days from the expiry date of the insurance policy. *Assign the borrower's rights under the insurance policies covering the operating barges for the full replacement value against all insurable risks to be endorsed in favour of the Security Agent (Arab African International Bank) for itself and on behalf of the banks. *Assign all borrower's compensation rights under the insurance policies covering the borrower new barges during construction in favour of the Security Agent (Arab African International Bank) for itself & on behalf of the banks. *Assign proceeds from long term transportation service contracts signed with the borrower's customers in favour of the Security Agent (Arab African International bank). *Assign the borrower's rights of any damages arising under the Material project contracts and related banks' guarantees under such contracts in favour of Security Agent (Arab African International Bank)
ASCOM company for chemicals and carbonates manufacturing	Ahli United Bank	2% plus Libor for each 3 months . penalty rate 1 % per annum	**April 2019**	77,922,000	56,160,000	21,762,000	*First rank mortgage for all property and real estate on the project. *First rank commercial mortgage on calcium carbonate production line. *Deposit all earnings resulting from future sale contracts related to calcium carbonate production in operating account. *The company undertakes not to change, pledge, mortgage, sell or lease (or change any of the main or

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							consequential moral rights) over any mortgaged assets as per this contract, and not to provide any proxy to make any mortgage on these assets during the finance period without obtaining a prior written consent of the bank.
Glass Rock company for isolation	Misr Bank	4.5% plus Libor for each 3 months . penalty rate 1 % per annum	**August 2018**	699,434,957	699,434,957	-	*First rank mortgage for all property and real estate on the project. *First rank commercial mortgage on all physical and moral assets. *Deposit all earnings resulting from future sale contracts in favour of the bank. *The company undertakes not to change, pledge, mortgage, sell or lease (or change any of the main or consequential moral rights) over any mortgaged assets as per this contract, and not to provide any proxy to make any mortgage on these assets during the finance period without obtaining a prior written consent of the bank. *ASEC company for mining –the holding company-undertake the obligation to pay the company debt in case of default.
Trimstone Assets Holdings Ltd.	Arab International Bank	USD: 5% plus 6 month Libor	**2020**	367,011,788	-	367,011,788	*Includes a first degree pledge over all shares owned by the borrower of TAQA Arabia covering 115% of the value of the existing liability in favour of Arab international Bank * Includes a first degree pledge over shares of Citadel Capital for financial consultancy covering 35% of the value of the existing liability in favour of Arab international Bank
United foundaries Company	Piraeus	Debit interest rate 1.55 annually over loan rate and apply debit interest rate 1.5% plus 3 month Libor rate for liability in USD	**2018**	2,066,376	2,066,376	-	
KU Railways Holding Limited	International Finance Corporation	USD :14% effective interest rate for year 2013	**2017-2021**	655,824,133	655,824,133	-	
	International Finance Corporation	USD: fixed rate : basic lending rate plus 6.25 % or variable rate Libor for 6 month plus 6.25%	**2017 - 2027**	421,145,091	421,145,091	-	
	Africa Development Bank	USD: Libor plus 6.25%	**2017 -2027**	764,867,405	764,867,405	-	
	FMO	USD: Libor plus 6.25%	**2017 -2027**	574,131,947	574,131,947	-	

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

	International Finance Corporation	USD: Libor plus 6.25% or 5.5%	**2017 - 2027**	389,211,830	389,211,830	-	
	Equity Bank	USD interest rate for treasury bills of Kenya 91 day plus 4% or 14 % which is bigger	**2017 -2027**	347,297,225	347,297,225	-	
	KFW	USD Libor rate plus(5.5 % or 6.5%)	**2017 - 2027**	603,660,071	603,660,071	-	
KU Railways Holding Limited	Barclays	USD :Libor rate plus(5.5 % or 6.25%)	**2017 -2027**	62,183,062	62,183,062	-	
	Equity bank EARH Loan	USD :Libor rate plus(5.5 % or 6.25%)	**2017 -2027**	34,878,140	34,878,140	-	*the loan from Equity bank EARH is repayable on semi-annual instalments over 10 years starting from June 2017
	Standard Bank	USD :Libor rate plus(5.5 % or 6.25%)	**2017 -2019**	272,085,976	272,085,976	-	
ESACO for Manufacturing and Engineering	HSBC		**2020**	36,034,570	4,062,500	31,972,070	-
Grandview Al Shorook	Egyptian bank for Export Development	EGP: 1.75% plus corridor each 3 months	**2013 - 2018**	4,416,448	4,416,448	-	*First degree commercial mortgage on materials, tools and equipment. The company is not allowed for dividends distribution or making new investments without prior written consent from the bank.
	Egyptian bank for Export Development	EURO: 5.25% plus corridor each 3 months	**2013 - 2018**	3,311,754	3,311,754	-	*First degree commercial mortgage on materials, and related tools and equipment. In addition to the undertaking by the company that the subsidiary is not allowed for dividends distribution or making new investments without prior written consent from the bank.
Grandview Windsor	Qatar National Bank	EGP: 5% decreasing interest rate. Delay interest 1%	**2018 -2023**	16,837,175	2,182,592	14,654,583	*Commercial mortgage for materials and Doto equipment parts in addition to other procedures including not to distribute dividends before instalment payment during the year and maintaining some financial ratios.
Grandview Unibor	Arab African Bank	EGP: 2.25% plus corridor each 6 months	**2016-2020**	326,685,677	34,855,620	291,830,057	*First degree commercial mortgage on materials, and related tools and equipments.
Balance as of 31 March 2018				**52,834,660,360**	**12,198,787,170**	**40,635,873,190**	
Balance as of 31 December 2017				**47,745,450,541**	**12,141,937,164**	**35,603,513,377**	

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

23/2 Borrowings from related parties:

Borrower	Bank / Company	Interest rate	Maturity date	Outstanding balances	current	Non-current	Guarantees
National Development and Trading Company	Financial Holding International	11.5% per annum compound interest	Under renewal	1,856,059,765	1,856,059,765	-	The guarantees are represented in lien on part of National Development and Trading Company shares in the following subsidiaries companies: ASEC Cement Company 41,050,000 shares. Arab Swiss Engineering Company (ASEC) 899,900 share
	Vigenar Company	11.5% per annum compound interest	Under renewal	38.580,463	38,580,463	-	
United Foundries	Financial Holding International	11.5% per annum compound interest	Under renewal	131,032,381	103,613,047	27,419,334	The guarantees are represented in a first degree lien of United Foundries Company shares in Ameryah Metal Company one of its subsidiaries with a percentage of 99.72%
Grand View	Yousef Allam & CO	11.5% per annum compound interest	Under renewal	104,284,789	-	104,284,789	
Balance as of 31 March 2018				**2,129,957,398**	**1,998,253,275**	**131,704,123**	
Balance as of 31 December 2017				**1,982,67,298**	**1,954,747,334**	**36,939,964**	

* This balance represents the financing cost incurred by Egyptian Refining Company to obtain the necessary credit facilities and loans required to finance its projects. The amount will be amortized over the loan term using the effective interest rate.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

24 Deferred tax assets / liabilities

	31 March 2018		31 December 2017	
	Asset	**Liability**	**Asset**	**Liability**
Fixed assets	-	205,323,636	-	164,338,308
Intangible assets	-	133,207,078	-	135,218,849
Fair value of interest rate hedge	-	70,880,134	7,242,213	-
Provisions	5,635,748	-	5,198,033	-
Deferred tax liabilities related to Berber for electricity Ltd. Co.	-	8,141,899	-	9,737,046
Tax losses	143,839	-	143,839	-
Others	-	62,211,391	-	113,691,338
Total deferred tax assets / liabilities	**5,779,587**	**479,764,138**	**12,584,085**	**422,985,541**

The Group has carried forward tax losses as of 31 March 2018 amounted to 522,788,512and the related deferred tax assets amounted to 117,627,415 which have not been recognized as it is not probable that future taxable profit will be available against the Group can utilize the benefits relating to these assets.

25 Long-term liabilities and financial derivatives

Derivatives financial asset:

	31 March 2018	31 December 2017
Derivative financial asset of interest rate swap	313,073,553	-
Balance	**313,073,553**	-

Derivatives financial liability and long-term liabilities :

	31 March 2018	31 December 2017
Derivatives swap contracts	-	32,187,545
Creditors-purchase of investments (25.1)	10,787,486	10,787,486
End of service provision	2,589,710	2,648,769
Deposits from others (25.2)	192,352,115	146,444,641
Social Insurance authority	20,982,327	61,872,557
Other liabilities	2,143,788	6,695,357
Balance	**228,855,426**	**260,636,355**

25.1 This balance represents the amount due from Tanweer for Marketing and Distribution Company "Tanweer" (a subsidiary - 99.88%) for purchasing investment in Dar El-Sherouk Ltd.-BVI- in the favour of the shareholders of the mentioned company.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

25.2 Deposits from others

	31 March 2018	31 December 2017
Gas consumption deposits	40,613,334	44,385,888
Power consumption deposits	90,129,390	77,596,286
Others	61,609,391	24,462,467
Balance	**192,352,115**	**146,444,641**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Long-term liabilities and financial derivatives (continued)

25.3 Egyptian Refining Company (a subsidiary) has entered into five Interest Rate Swap transactions with the following parties;

- Standard Chartered Bank.
- Societe General Corporate & Investment Banking.
- HSBC Bank Middle East Limited.
- KFW IPEX-Bank GMBH.
- Mitsubishi UFJ Securities International PLC.
- Credit Agrigole Bank

The main terms of the transactions are as follows:
Trade date: June 25, 2012.
Effective date: July 3, 2012.
Termination date: December 20, 2024.
Fixed portion rate paid by the company is 2.3475%.
Floating rate paid by bank is USD — LIBOR — BBA semi-annual.
Payment date: December 20, 2012.

Maximum estimated amount under these transactions are:

- US$ 789 445 078 by Standard Chartered Bank.
- US$ 450 970 501 by Societe General Corporate & Investment Banking.
- US$ 435 971 044 by HSBC Bank Middle East Limited.
- US$ 107 759 253 by KFW IPEX — Bank GMBH.
- US$ 189 466 819 by Mitsubishi UFJ Securities International PLC.
- US $985,000,000 by Credit Agrigole Bank

Maximum notional amount covered under Credit Agricole are

US$ 243 000 000 from the effective date till 19-June-2018
US$ 798 000 000 from 19-June-2018 till 19-December-2018
US$ 985 000 000 from 19-December-2018 till termination date

As at 31 March 2018, the balance of the change in the fair value of cash flow hedges is amounting to EGP 313,073,553 (equivalent to US.$ 17,808,507) versus EGP 32,187,545 (equivalent to US.$ 1,814,405) as at December 31, 2017.

26 Provisions

	Provision for claims*	Legal provisions	Other provisions**	Total

Balance at 1 January 2017	670,359,184	1,264,609	9,913,501	**681,537,294**
Provisions formed	284,472,825	915,544	16,939,078	**302,327,447**
Provisions used	(81,692,372)	-	(2,160,722)	**(83,853,094)**
Disposal	(3,786,193)	-	-	**(3,786,193)**
Provisions no longer required	(417,817)	(67,450)	(3,662,234)	**(4,147,501)**
Foreign currency translation differences	(4,013,058)	(12,470)	(5,020,242)	**(9,045,770)**
Balance at 31 December 2017	**864,922,569**	**2,100,233**	**16,009,381**	**883,032,183**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Provisions (continued)

	Provision for claims*	Legal provisions	Other provisions**	Total
Balance at 1 January 2018	864,922,569	2,100,233	16,009,381	**883,032,183**
Effect of acquisition of subsidiaries	107,521,238	-	-	**107,521,238**
Provisions formed	33,013,754	201,446	1,000,512	**34,215,712**
Provisions used	(17,639,490)	(15,013)	(585,878)	**(18,240,381)**
Provisions no longer required	(352,679)	-	(1,234,383)	**(1,587,062)**
Foreign currency translation	(737,179)	(4,761)	(1,316,602)	**(2,058,542)**
Balance at 31 March 2018	**986,728,213**	**2,281,905**	**13,873,030**	**1,002,883,148**

* The provisions for claims has been formed against the expected claims from certain external parties in relation to the Company's activities. Information usually published on the provisions made according to accounting standards was not disclosed, as the management believes that doing so may seriously affect the outcome of negotiations with that party. The management reviews these provisions on a yearly basis, and the allocated amount is adjusted according to the latest developments, discussions and agreements with such parties.

27 Bank overdrafts

	31 March 2018	31 December 2017
Silverstone Capital Investments Ltd.	75,302,119	105,900,846
United Foundries Company	56,561,147	54,095,560
National Development and Trading Company	32,125,734	26,146,495
Tawazon for Solid Waste Management (Tawazon)	78,475,527	43,226,859
ASEC for Mining (ASCOM)	157,361,982	159,212,370
Falcon Agriculture Investment	22,976,656	37,043,604
Grandview Investments Holdings	429,385,171	-
Total	**852,188,336**	**425,625,734**

28 Trade and notes payable

	31 March 2018	31 December 2017
Trade payables	3,449,826,548	3,723,288,715
Notes payable	808,864,181	752,081,163
	4,258,690,729	**4,475,369,878**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

29 Creditors and other credit balances

	31 March 2018	31 December 2017
Accrued expenses	1,443,033,433	1,397,366,907
Accrued interest	1,262,424,502	715,469,620
Social Security Authority	29,663,965	32,184,405
Advances from customers	138,136,701	106,855,085
Refundable deposits	1,295,294	2,991,798
Deferred revenue	69,526,876	11,319,131
Subcontractors	10,764,231	11,333,502
Creditors- purchase of fixed assets	5,963,892	5,963,904
Deposits from others	60,855,129	55,200,849
Dividends payable- prior years	27,285,058	23,051,086
Shareholders' credit balances	1,464,311	1,441,919
Other credit balances	482,450,838	505,861,693
	3,532,864,230	**2,869,039,899**

30 Current income tax liabilities

	31 March 2018	31 December 2017
Balance at 1 January	1,032,267,036	718,110,741
Income tax paid during the period / year	(103,962,110)	-
Income tax for the period / year (Note 37)	44,219,201	314,156,295
Prior year adjustments (Note 37)	18,953,428	-
	991,477,555	**1,032,267,036**

31 Operating revenue

	31 March 2018	31 March 2017
Energy sector	1,288,771,200	935,331,191
Cement Sector	726,533,094	677,278,346
Financial services sector	523,017,061	3,550,000
Mining sector	230,440,859	268,710,430
Agriculture and Food sector	199,544,385	153,869,654
Metallurgy sector	89,453,547	52,336,940
Transportation and Logistics sector	25,719,212	23,560,198
	3,083,479,358	**2,114,636,759**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

32 Operating cost

	31 March 2018	31 March 2017
Energy sector	1,148,093,428	823,300,704
Cement Sector	545,340,569	578,904,303
Financial services sector	423,120,375	2,485,545
Mining sector	182,133,638	232,230,156
Agriculture and Food sector	150,509,566	103,449,175
Metallurgy sector	68,215,052	32,674,549
Transportation and Logistics sector	36,244,632	29,788,773
	2,553,657,260	**1,802,833,205**

33 Administrative and general expenses

	31 March 2018	31 March 2017
Wages, salaries and similar items	147,033,449	104,922,376
Consultancy	57,219,538	31,001,255
Advertising and public relations	1,477,793	2,721,083
Selling and marketing	82,349,010	31,905,496
Travel and accommodation	4,395,100	4,478,350
Rent	2,607,522	2,952,680
Depreciation and amortization	34,807,198	27,764,664
Donations	460,000	1,375,000
Other	62,362,943	90,920,796
	392,712,553	**298,041,700**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

34 Other (income) expenses

	31 March 2018	31 March 2017
Impairment loss:		
Due from related parties (Note 17)	93,413,958	(6,862,923)
Debtors and other debit balances	(299,761)	(6,865,373)
Available for sale investments (Note 11)	-	44,419
	93,114,197	**(13,683,877)**
Others:		
Gain on sale of fixed assets	(630,049)	9,746,560
Gain (Loss) on sale of biological assets	2,235,794	-
Provisions (Note 26)	(34,215,712)	(46,379,244)
Net change in the fair value of investments at fair value through profit and loss	54,076	79,737
Impairment of fixed assets	-	(49,469,778)
Provisions no longer required (Note 26)	1,587,062	67,450
Consultancy fees	-	4,670,310
Other income	9,938,488	20,169,869
Total	**(21,030,341)**	**(11,645,318)**
Net	**72,083,856**	**(74,798,973)**

35 Finance costs - (net)

	31 March 2018	31 March 2017
Credit interest	45,901,973	28,811,316
Interest expenses	(386,902,749)	(331,290,002)
Foreign currency translation differences	43,322,858	54,799,061
Net	**(297,677,918)**	**(247,679,625)**

36 Profit/ (loss) on investments in associates - net

	31 March 2018	31 March 2017
Al Kateb Co for marketing and distribution	(71,476)	147,143
Al Sharq for book stores	57,604	48,033
Dar AL Shrook Company	(598,629)	317,799
Zahana Cement Company	(2,865,598)	(13,603,516)
Grandview Investment Ltd,	-	(46,132)
	(3,478,099)	**(13,136,673)**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

37 Income taxes

	31 March 2018	31 March 2017
Current income tax	(44,219,201)	(46,741,306)
Prior period adjustments	(18,953,428)	-
Deferred income tax	(3,223,263)	(1,860,811)
Net	**(66,395,892)**	**(48,602,117)**

38 Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit/loss attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the period after excluding ordinary shares held in treasury.

	31 March 2018	31 March 2017
Net loss for the period	(186,681,539)	(402,396,907)
Weighted average number of shares including preferred shares with the same distribution rights as ordinary shares	1,820,000,000	1,820,000,000
Loss per share	**(0.103)**	**(0.221)**

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The group does not have any categories of dilutive potential ordinary shares on 31 March 2018 and 31 December 2017, hence the diluted earnings (loss) per share is the same as the basic earnings(loss) per share.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

39 Operating segments

Segment information is presented in respect of Group's business segments. The primary format, business segment, is based on the Group's management and internal reporting structure is inter-segment prices is determined on as arm's length basis. Assets and liabilities include items directly attributable to a segment. The table below reflects operating income analysis, operating cost, assets and liabilities based on the type of business activities and services that are distinguishable component.

The chairman of the board of the holding company review the operating results of the operating segments as regards the nature of products produced by the segment, and the geographical region for marketing the different products. On the other side, the Group's management reviews the performance of the operating segments as regards the sales of the Group's products and services in various sectors.

	Agriculture food Industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial services	Mining	Elimination (NCI)	Total
Operating results For the period ended 31 March 2018										
Operating revenue	199,544,385	1,288,771,200	25,719,212	726,533,094	89,453,547	-	523,017,061	230,440,859	-	3,083,479,358
Operating cost	(150,509,566)	(1,148,093,428)	(36,244,632)	(545,340,569)	(68,215,052)	-	(423,120,375)	(182,133,638)	-	(2,553,657,260)
Gross profit(loss)	**49,034.819**	**140,677,772**	**(10,525,420)**	**181,192,525**	**21,238,495**	-	**99,896,686**	**48,307,221**	-	**529,822,099**
Net loss for the period	39,259,847	1,215,050	(57,645,504)	(167,848,946)	743,510	(33,075,805)	122,610,737	(11,483,500)	(80,456,928)	(186,681,539)
Financial position Balance as of 31 March 2018										
Current assets	394,286,406	6,731,466,553	95,297,119	3,141,718,996	136,520,924	510,784,632	7,756,659,337	530,681,038	(7,654,125,337)	11,643,289,668
Non-current assets	960,249,845	62,301,005,349	688,859,941	1,165,621,312	33,171,737	-	23,556,759,793	1,188,281,052	(21,278,597,891)	68,615,351,138
Total assets	**1,354,536,251**	**69,032,471,902**	**784,157,060**	**4,307,340,308**	**169,692,661**	**510,784,632**	**31,313,419,120**	**1,718,962,090**	**(28,932,723,228)**	**80,258,640,806**
Current Liabilities	2,329,568,341	4,051,322,515	7,521,566,645	4,858,187,817	354,227,533	958,647,825	18,770,304,004	1,441,130,904	(12,372,651,992)	27,912,303,592
Non-current liabilities	100,144,191	39,585,882,802	471,609,887	2,264,276,608	542,675,359	-	1,456,411,438	179,902,827	(3,124,706,235)	41,476,196,877
Shareholders' equity	(1,075,176,281)	25,395,266,585	(7,209,019,472)	(2,815,124,117)	(727,210,231)	(447,863,193)	11,086,703,688	97,928,359	(13,435,365,001)	10,870,140,337
Total liabilities and shareholders' equity	**1,354,536,251**	**69,032,471,902**	**784,157,060**	**4,307,340,308**	**169,692,661**	**510,784,632**	**31,313,419,130**	**1,718,962,090**	**(28,932,723,228)**	**80,258,640,806**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Operating segments (continued)

	Agriculture food Industries	Energy	Transportation and logistics	Cement	Metallurgy	Speciality real estate	Financial services	Mining	Elimination (NCI)	Total
Operating results For the year ended 31 December 2017										
Operating revenue	717,275,819	4,587,902,971	117,833,925	2,692,878,662	201,078,789	-	11,120,000	954,230,277	-	**9,282,320,443**
Operating cost	(554,028,205)	(4,155,013,797)	(145,589,537)	(2,252,763,548)	(148,544,685)	-	(7,482,052)	(834,793,363)	-	**(8,098,215,187)**
Gross profit(loss)	**163,247,614**	**432,889,174**	**(27,755,612)**	**440,115,114**	**52,534,104**	**-**	**3,637,948**	**119,436,914**	**-**	**1,184,105,256**
Net loss for the period	**(13,606,704)**	**(650,779)**	**(11,657,748,567)**	**(676,063,314)**	**(298,319,032)**	**(111,822,465)**	**(7,032,333,318)**	**(253,558,285)**	**15,330,087,305**	**(4,714,015,159)**
Financial position Balance as of 31 December 2017										
Current assets	420,832,648	4,335,279,599	91,104,497	3,485,062,946	152,764,933	513,090,971	7,233,563,113	522,128,847	(8,562,467,940)	**8,191,359,614**
Non-current assets	1,589,496,449	59,171,977,189	697,665,237	1,255,765,573	34,886,483	1,442,232	22,277,007,706	1,171,468,264	(21,348,365,708)	**64,851,343,425**
Total assets	**2,010,329,097**	**63,507,256,788**	**788,769,734**	**4,740,828,519**	**187,651,416**	**514,533,203**	**29,510,570,819**	**1,693,597,111**	**(29,910,833,648)**	**73,042,703,039**
Current Liabilities	2,416,448,505	4,343,206,507	7,621,742,338	3,005,437,250	273,241,227	952,233,567	16,054,698,243	1,395,151,064	(9,551,775,450)	**26,510,383,251**
Non-current liabilities	108,240,823	34,752,134,530	366,270,134	4,121,970,819	642,363,930	-	3,098,728,713	203,142,333	(6,968,776,045)	**36,324,075,237**
Shareholders' equity	(514,360,231)	24,411,915,751	(7,199,242,738)	(2,386,579,550)	(727,953,741)	(437,700,364)	10,357,143,863	95,303,714	(13,390,282,153)	**10,208,244,551**
Total liabilities and shareholders' equity	**2,010,329,097**	**63,507,256,788**	**788,769,734**	**4,740,828,519**	**187,651,416**	**514,533,203**	**29,510,570,819**	**1,693,597,111**	**(29,910,833,648)**	**73,042,703,039**

Operating segments (continued)

The Group has the following eight strategic segments, which are its reportable segments. These segments are managed separately because they require different technology and marketing strategies.

The following summary describes the entities of each reportable segment:

Agriculture and food sector
- Wafra Agriculture S.A.E Group.
- Falcon for Agriculture Investments Group
- Everys Holdings Limited

Energy Sector
- Silverstone Capital Investments Ltd. Group
- Orient Investment Properties Ltd. Group
- Ledmore Holdings Ltd. Group — (Note 20)
- Tawazon for Solid Waste Management (Tawazon)
- Qalaa Energy Ltd.

Transportation and logistics Sector
- Africa Railways Holding
- Africa Railways Limited
- Citadel Capital Transportation Opportunities Ltd. Group
- KU Railways Holding Limited
- Ambience Venture Ltd

Cement Sector:
- National Company for Development and Trading Group

Metallurgy Sector:
- United Foundries Company

Speciality real estate:
- Mena Home Furnishing Malls Lt. Groups

Financial services Sector:
- Citadel Capital Holding for Financial Investments
- Citadel Capital Ltd
- Sequoia Williow Investments Ltd
- Arab Company for Financial Investments
- Lotus Alliance Limited
- Citadel Capital for international Investment Ltd
- International for Mining Consultation
- International for Refinery Consultation
- Tanweer for Marketing and Distribution Company (Tanweer)
- Financial Unlimited for Financial Consulting
- Citadel Company for Investment Promotion
- National Company for Touristic and Property Investment

Operating segments (continued)

- United for Petroleum Refining Consultation
- Specialized for Refining Consulting
- Specialized for Real Estate Company
- National Company for Refining Consultation
- Citadel Capital Algeria
- Valencia Trading Holding Ltd.
- Andalusia Trading Investments
- Citadel Capital Financing Corp.
- Brennan Solutions Ltd.
- Mena Enterprises Ltd.
- Alcott Bedford Investments Ltd.
- Eco-Logic Ltd.
- Alder Burke Investments Ltd.
- Black Anchor Holdings Ltd.
- Cobalt Mendoza
- Africa Railways Investments Ltd.
- Darley Dale Investments Ltd.
- Africa Railways Holding
- Citadel Capital Joint Investment Fund Management Limited
- Mena Joint Investment Fund
- Trimestone Assets Holding Limited – BVI
- Cardinal Vine Investments Ltd
- Global Service Realty Ltd
- Crondall Holdings Ltd
- Africa Joint Investments Fund
- Underscore International Holdings Ltd
- Valencia Regional Investments Ltd
- Sphinx Egypt for Financial Consulting Company
- Investment Company for Modern Furniture

Mining Sector:
- ASEC company for mining (ASCOM)

40 Tax position

40.1 Tax on the profits of legal entities

The Company submitted its tax returns on regular basis for the years from 2005 to 2017 according to tax law No. 91/2005. The Company's books have not been inspected yet.

40.2 Payroll tax

The Company deducts the salaries tax according to tax law no. 91/2005 and the Company's books inspected for the period since inception till the date of 31/12/2009 but the authority did not inform the Company with results yet. And the years from 2010 to 2017 have not been inspected yet.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Tax position (continued)

40.3 Stamp tax

The Company was inspected since inception till July 31, 2006 and paid all the accrued amounts according to the Internal Committee decision and for the period from August 1, 2006 to December 31, 2013 has been inspected and the dispute has transferred to Internal Committee in the Authority.

40.4 Withholding tax

The Company applies the withholding tax provision on its transactions with private sector according to tax law No. 91/2005 and no tax inspection for withholding tax has been taken place yet.

41 Ownership interests in subsidiaries

At 31 March 2018, the Group is composed of the following companies, unless otherwise stated. The percentage of the Group's shareholding in subsidiaries is represented in the Group's direct ownership interests in the ordinary shares of the capital only.

Company's name	Country of Incorporation	Group share percentage 2018	Group share percentage 2017	Non-controlling interest % 2018	Non-controlling interest % 2017
Citadel Capital Holding for Financial Investments	Arab Republic of Egypt – Free Zone	99.99	99.99	0.01	0.01
Citadel Capital for International Investments Ltd.	British Virgin Island	100.00	100.00	-	-
Bright Living	Arab Republic of Egypt	56.17	56.17	43.83	43.83
International for Mining Consultation	Arab Republic of Egypt	99.99	99.99	0.01	0.01
International for Refinery Consultation	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Arab Company for Financial Investments	Arab Republic of Egypt	94.00	94.00	6.00	6.00
Tanweer for Marketing and Distribution Comapany (Tanweer)	Arab Republic of Egypt	99.88	99.88	0.12	0.12
Financial Unlimited for Financial Consulting	Arab Republic of Egypt	99.88	99.88	0.12	0.12
Citadel Company for Investment Promotion	Arab Republic of Egypt	99.90	99.90	0.1	0.1
National Company for Touristic and Property Investment	Arab Republic of Egypt	99.88	99.88	0.12	0.12
United for Petroleum Refining Consultation	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Specialized for Refining Consulting	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Specialized for Real Estate Company	Arab Republic of Egypt	99.99	99.99	0.01	0.01
National Company for Refining Consultation	Arab Republic of Egypt	100.00	100.00	-	-
Citadel Capital Algeria	Republic of Algeria	99.99	99.99	-	-
Citadel Capital Ltd.	British Virgin Island	100.00	100.00	-	-
Valencia Trading Holding Ltd.	British Virgin Island	100.00	100.00	-	-
Andalusia Trading Investments	British Virgin Island	100.00	100.00	-	-
Lotus Alliance Limited	British Virgin Island	85.70	85.70	-	-
Citadel Capital Financing Corp.	British Virgin Island	100.00	100.00	-	-
Ambience Ventures Ltd.	British Virgin Island	100.00	100.00	-	-
Africa Railways Limited*	British Virgin Island	86.81	86.81	-	-
Sequoia Williow Investments Ltd.	British Virgin Island	100.00	100.00	-	-
Brennan Solutions Ltd.	British Virgin Island	100.00	100.00	-	-

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Company's name	Country of Incorporation	Group share percentage 2018	Group share percentage 2017	Non-controlling interest % 2018	Non-controlling interest % 2017
Mena Enterprises Ltd.	British Virgin Island	100.00	100.00	-	-
Alcott Bedford Investments Ltd.	British Virgin Island	100.00	100.00	-	-
Eco-Logic Ltd.	British Virgin Island	100.00	100.00	-	-
Alder Burke Investments Ltd.	British Virgin Island	100.00	100.00	-	-
Black Anchor Holdings Ltd.	British Virgin Island	100.00	100.00	-	-
Cobalt Mendoza	British Virgin Island	100.00	100.00	-	-
Africa Railways Investments Ltd.	British Virgin Island	100.00	100.00	-	-
Darley Dale Investments Ltd.	British Virgin Island	100.00	100.00	-	-
Africa Railways Holding	Republic of Mauritius	66.24	66.24	33.76	33.76
Citadel Capital Joint Investment Fund Management Limited	Republic of Mauritius	100	100.00	-	-
Mena Joint Investment Fund	Luxembourg	100.00	100.00	-	-
Wafra Agriculture S.A.E	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Vaencia Assets Holding Ltd.	British Virgin Island	100.00	100.00		
Sabina for Integrated Solutions Ltd.	Sudan	96.00	96.00	4.00	4.00
Concord Agriculture	South Sudan	96.00	96.00	4.00	4.00
Trimestone Assets Holding Limited – BVI	British Virgin Island	100.00	100.00	-	-
Cardinal Vine Investments Ltd.	British Virgin Island	100.00	100.00	-	-
Global Services Realty	British Virgin Island	100.00	100.00	-	-
Silverstone Capital Investments Ltd.	British Virgin Island	61.56	61.56	38.44	38.44
Taqa Arabia Company	Arab Republic of Egypt	93.49	93.49	6.51	6.51
Gas and Energy Company (GENCO Group) SAE	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Taqa for Electricity, Water and Cooling – SAE	Arab Republic of Egypt	98.74	98.74	1.26	1.26
Taqa for Marketing Petroleum Products – SAE	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Gas and Energy Group Limited	British Virgin Island	99.99	99.99	0.01	0.01
Genco for Mechanical and Electricity Work	Qatar	99.99	99.99	0.01	0.01
Qatar Gas Group Limited*	Qatar	45.00	45.00	55.00	55.00
Arab Company for Gsa Services*	Libya	49.00	49.00	51.00	51.00
Arabian Libyan Company for Energy	Libya	65.00	65.00	35.00	35.00
Taqa Arabia Solar Co.	Arab Republic of Egypt	60.0	60.00	40.00	40.00
National Development and Trading Company	Arab Republic of Egypt	60.00	21.63	30.72	30.72
Arab Swiss Engineering Co. (ASEC)	Arab Republic of Egypt	69.28	99.97	0.03	0.03
ASEC for Manufacturing and Industries Project Co.	Arab Republic of Egypt	99.97	99.80	0.2	0.2
ASEC Cement Co.	Arab Republic of Egypt	99.80	68.36	29.78	29.78
ASEC Environmental Protection Co. (ASENPRO)	Arab Republic of Egypt	70.22	63.01	36.99	36.99
ASEC Automation Co.	Arab Republic of Egypt	63.01	53.64	46.36	46.36
ESACO for Manufacturing Engineering and Construction	Arab Republic of Egypt	53.64	70.00	30.00	30.00
Grandiose Services Ltd.	British Virgin Island	100.00	100.00	-	-
ASEC Integrated	Sudan	99.90	99.90	0.1	0.1
Al Takamoul for Cement Ltd. Co.	Sudan	51.00	51.00	49.00	49.00
ASEC Syria Cement Co.	Syria	99.99	99.99	0.01	0.01
Dejalfa Offshore	British Virgin Island	67.13	67.13	32.87	32.87
ASEC Trading Company	Arab Republic of Egypt	99.88	99.88	0.12	0.12

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Company's name	Country of Incorporation	Group share percentage 2018	Group share percentage 2017	Non-controlling interest % 2018	Non-controlling interest % 2017
Berber for Electricity – Limited	Sudan	51.00	51.00	49.00	49.00
United Foundries Company	Arab Republic of Egypt	67.46	67.46	32.54	32.54
Ledmore Holdings Ltd.	British Virgin Island	85.12	85.12	14.88	14.88
National Company for Marine Petroleum Services "PETROMA"	Arab Republic of Egypt – FZ	93.54	93.54	6.46	6.46
Mashreq Petroleum Company	Arab Republic of Egypt	94.99	94.99	5.01	5.01
El Dawlia for Banking Services	Arab Republic of Egypt	70.00	70.00	30.00	30.00
Mena Home Furnishings Malls Ltd.	British Virgin Island	60.18	60.18	39.82	39.82
Bonian for Trade and Development	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Investment Company for Modern Furniture	Arab Republic of Egypt	99.88	99.88	0.12	0.12
Citadel Capital Transportation Opportunities Ltd.	British Virgin Island	55.00	55.00	45.00	45.00
Nile Logistics S.A.E.	Arab Republic of Egypt	99.88	99.88	0.01	0.01
Citadel Capital Transportation Opportunities II Ltd – Malta	Republic of Mauritius	81.62	81.62	18.38	18.38
National Company for Multimodal Transport S.A.E.	Arab Republic of Egypt	99.88	99.88	0.12	0.12
National Company for River Transportation – Nile Cargo S.A.E.	Arab Republic of Egypt	99.99	99.99	0.01	0.01
National Company for River Ports Management S.A.E.	Arab Republic of Egypt	99.88	99.88	0.12	0.12
National Company for Maritime Clearance S.A.E	Arab Republic of Egypt	99.98	99.98	0.02	0.02
El-Orouba Company for Land Transportation S.A.E.	Arab Republic of Egypt	99.98	99.98	0.02	0.02
NMT for Trading S.A.E.	Arab Republic of Egypt	99.99	99.99	0.01	0.01
National Company for Marina Ports Management	Arab Republic of Egypt	99.90	99.90	0.01	0.01
NRTC Integrated Solutions Co. Ltd	Sudan	99.00	99.00	1.00	1.00
Nile Barges for River transport Co Ltd	Sudan	99.00	99.00	1.00	1.00
Regional River Investment Ltd	British Virgin Island	100.00	100.00	-	-
Falcon for Agriculture Investments	British Virgin Island	54.90	54.90	45.1	45.1
National Company for Investments and Agriculture	Arab Republic of Egypt	99.99	99.99	0.01	0.01
National Company for Food products	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Dina Company for Agriculture and Investments	Arab Republic of Egypt – Limited Partnership Company	99.99	99.99	0.01	0.01
Dina for Auto Services	Arab Republic of Egypt	99.00	99.00	1.00	1.00
Arab Company for Services and Trade	Arab Republic of Egypt	99.67	99.67	0.33	0.33
National Company for Agriculture Products	Arab Republic of Egypt	99.88	99.88	0.12	0.12
National Company for Integrated Food	Arab Republic of Egypt	99..99	99..99	0.01	0.01
Royal Food Company	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Up-date Company for Food Products	Arab Republic of Egypt – Limited partnership Company	85.00	85.00	15.00	15.00
Nile for Food Products "Enjoy"	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Investments Company for Dairy Products	Arab Republic of Egypt	99.99	99.99	0.01	0.01
Tiba Farms for Agriculture Developments	Arab Republic of Egypt	95.88	95.88	4.12	4.12
Dina for Agriculture Development	Arab Republic of Egypt	100.00	100.00	-	-

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Company's name	Country of Incorporation	Group share percentage 2018	2017	Non-controlling interest % 2018	2017
National Company for Dairy Exchange	Arab Republic of Egypt	100.00	100.00	-	-
Mena Development Limited	British Virgin Island	100.00	100.00	-	-
Anchor Real Estate Investments	British Virgin Island	100.00	100.00	-	-
Everys Holding Limited	British Virgin Island	100.00	100.00	-	-
Orient Investments Properties Ltd. *	British Virgin Island	37.79	37.79	62.21	62.21
Arab Refining Company – S.A.E.	Arab Republic of Egypt	63.7	63.7	38.3	38.3
Egyptian Refining Company – S.A.E.*	Arab Republic of Egypt	44.8	44.8	55.2	55.2
National Refining Company – S.A.E.	Arab Republic of Egypt	63.32	63.32	36.68	36.68
Africa Railways logistics limited	Republic of Mauritius	100.00	100.00		
KU Railways Holding Limited –KURH	Republic of Mauritius	85.00	85.00	15.00	15.00
E A Rail & Handling Logistics Co. Limited	Republic of Mauritius	100.00	100.00	-	-
East African Rail and Handling Logistics Limited	Kenya	100.00	100.00	-	-
RVR Investments (Pty) Ltd.	Republic of Mauritius	100.00	100.00	-	-
Rift Valley Railways Kenya Co. (RVRK)	Kenya	100.00	100.00	-	-
Rift Valley Railways Uganda Co. (RVRU)	Uganda	100.00	100.00	-	-
Crondall Holdings Ltd.	British Virgin Island	94.53	94.53	-	-
Capella Management Investments Inc. Company	British Virgin Island	100.00	100.00	-	-
Lotus Management Investment Ltd. Company	British Virgin Island	100.00	100.00	-	-
Cordoba Investment Services Inc. Company	British Virgin Island	100.00	100.00	-	-
Tawazon for Solid Waste Management (Tawazon)	Arab Republic of Egypt	66.67	66.67	33.33	33.33
Egyptian Company for Solid Waste Recycling (ECARU)	Arab Republic of Egypt	75.63	75.63	24.37	24.37
Engineering Tasks Group (ENTAG)	Arab Republic of Egypt	75.73	75.73	24.27	24.27
Entag Oman	Limited Partnership Company Oman	70.00	70.00	26.75	26.75
Qalaa Energy Ltd.	British Virgin Island	100.00	100.00	-	-
Mena Joint Investment Fund*	Luxembourg	73.25	73.25	26.75	26.75
Africa Joint Investment Fund*	Republic of Mauritius	31.00	31.00	69.00	69.00
Underscore International Holdings Ltd.*	British Virgin Island	100.00	100.00	-	-
Valencia International Holdings Ltd.*	British Virgin Island	100.00	100.00	-	-
Sphinx Egypt for Financial Consulting Company*	Arab Republic of Egypt	69.88	69.88	30.12	30.12
Sphinx capital Corp	British Virgin Island	100.00	100.00	-	-
Melbourn Investments Ltd	British Virgin Island	100.00	100.00	-	-
Borton Hill Investments Ltd.	British Virgin Island	100.00	100.00	-	-
Metal Anchor Holdings Ltd.*	British Virgin Island	15.00	15.00	85.000	85.000
Tempsford Investments Ltd	British Virgin Island	100.00	100.00	-	-
ASEC company for mining (ASCOM)	Arab Republic of Egypt	54.74	54.74	45.26	45.26
ASCOM Carbonate & Chemical Manufacture Company	Arab Republic of Egypt – Free Zone	99.99	99.99	0.01	0.01
ASCOM for Geology & mining – Syria	Limited Partnership Company	95.00	95.00	5.00	5.00
Nebta for Geology & Mining – Sudan	Limited Partnership Company	99.00	99.00	1.00	1.00
Glass Rock Insulation Company	Arab Republic of Egypt – Free Zone	92.50	92.50	7.50	7.50

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Company's name	Country of Incorporation	Group share percentage 2018	Group share percentage 2017	Non-controlling interest % 2018	Non-controlling interest % 2017
ASCOMA Algeria	Republic of Algeria	99.40	99.40	0.60	0.60
Lazerg Travaux Public	Republic of Algeria	70.00	70.00	30.00	30.00
ASCOM Precious Metals Mining S.A.E	Arab Republic of Egypt	99.99	99.99	0.01	0.01
ASCOM Emirates for Mining UAE	Limited Partnership Company Emirates	69.40	69.40	30.60	30.60
ASCOM Middle East	Joint Stock Company	100.00	100.00	-	-
Nubia Mining Development PLC	Limited partnership Company	52.80	52.80	47.20	47.20
Sahari Gold Company	Limited partnership Company	99.99	99.99	0.01	0.01
ASCOM for Geology & Mining – Ethiopia	Limited Partnership Company Ethiopia	99.99	99.99	0.01	0.01
ASCOM Precious Metals – Sudan	Limited Partnership Company Sudan	99.99	99.99	0.01	0.01
Golden Resources Company	Limited Partnership Company	99.99	99.99	0.01	0.01
ASCOM Cyprus Ltd	Limited Partnership Compan Cuprus	99.99	99.99	0.01	0.01
International Company for Mineral Exploration – Cyprus	Limited Partnership Company Cyprus	99.99	99.99	0.01	0.01
Golden International Ltd	Limited Partnership Company	99.99	99.99	0.01	0.01

31 March 2018	Total Assets	Total Equity	Total Revenue	Net Profit
Citadel Capital	12,087,583,966	5,826,043,382	26,898,864	(63,375,552)
Citadel Capital Ltd,	2,611,100,061	(376,389,902)	26,896,197	59,661,291
Citadel Capital Free Zoon	5,645,907,000	4,203,723,878	-	49,916,413
Sequoia Willow Investments Ltd.	106,617,920	103,077,537	-	(47,785)
Arab Company for Financial Investments	219,214,290	14,308,482	35,597	(10,401)
Lotus Alliance	65,963,800	(193,941,258)	-	196,061
Africa Railways Investments	8,544	(132,096)	-	-
Trim Stone	382,766,219	15,703,642	7,547,876	704591,007
Eco-logic Ltd.	43,177,090	37,887,866	-	(7,088)
Alder Burke Investments Ltd.	203,143,914	(460,789)	-	(13,242)
Arab Company for Financial Investments	1,620,094	1,475,294	-	-
Citadel Capital for Intenationa Investments Ltd.	4,024,422,434	1,918,630,016	16,878,643	(8,691,059)
Qalaa Energy	482,798,116	410,251,345	-	(18,215)
United for Petroleum Refining Consultation	3,569	(6,909,151)	-	(14,794)
Specialized for Refining Consulting	5,620	(234,571)	-	(16,004)
National Company for Refining Consultation	347,800,294	(955,904,343)	-	(15,394)
National Company for Touristic and Property Investment	1,717	(78,042,770)	-	597,736
Citadel Capital Financing Corp	-	(513,268,897)	-	95,797,444

CITADEL CAPITAL COMPANY (S.A.E) AND ITS SUBSIDIARIES

Notes to the consolidated financial statements
For the three months period ended 31 March 2018

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

31 March 2018	Total Assets	Total Equity	Total Revenue	Net Profit
Africa Railways Hoding	4,588	(753,588,517)	-	(952,094)
Africa Railways Limited	41,577	(153,538,569)	-	(2,834,117)
Ambience Ventures Ltd.	1,846	(151,118)	-	(3,941,328)
Andalusia Trading Investments	384,511,702	156,172,818	-	(9,135,798)
Tanweer for Marketing and Distribution Company (Tanweer)	134,137,107	(96,944,609)	-	-
Valencia Trading Holding Ltd.	318,953,079	52,320,049	-	865,816
Financial Unlimited for Financial Consulting	266,386,268	205,202,621	-	(2,305,755)
Citadel Capital Algeria	486,312	(2,201,511)	-	-
Black Anchore	-	(155,020)	-	(4,144)
Cobalt Mendoza	13,005,315	12,906,216	-	(6,242)
Mena Enterprises	67,276,343	2,095,047	-	(27,737)
Brennan	32,523,510	26,084,009	-	(13,242)
CC Jif Fund	5,320,703	265,753	-	-
Mena Fand	6,469,932	(28,278,080)	-	-
Darley Dale Investments Ltd.	219,535,584	(89,203,849)	-	(12,925)
International for refining	193,091,496	(543,155,317)	-	(14,048,317)
International for Refinery Consultation	155	(240,845)	-	(30)
Goobal Service Realty Ltd.	14,608,576	14,457,687	-	-
Cardinal	20,839,508	6,097,148	-	-
Startford Investments Ltd.	415,417,650	(9,687)	-	(27,349)
Wafra Agricalture SAE	533,114	(1,243,154,986)	450,223	(2,834,575)
Falcon and Agriculture Investment	1,350,225,413	229,948,808	48,606,158	43,545,734
KURH	-	(5,572,901,717)	-	(3,930,202)
Ledmore Hodings Ltd.	126,502,428	126,024,164	-	-
Silverstone Capital Investments Ltd.	4,175,425,062	1,456,523,164	171,233,446	34,531,691
Citadel Capital Transportation Opprationaes LTD-BVI	784,109,049	(728,839,551)	(10,089,303)	(45,987,763)
Home Furnishings Malls	510,784,632	(447,863,193)	-	(33,075,805)
National Development and Trading Company	4,307,340,308	(2,815,124,117)	182,218,425	(167,848,946)
Orient	63,839,513,027	23,238,019,876	-	(36,961,854)
Tanmeyah	187,357,975	61,277,806	-	-
Crondall Holdings Ltd.	328,935,741	297,424,066	-	-
Tawaron for Solid Waste Management Company	408,233,270	164,448,036	18,778,951	3,663,427
United Foundries Company	169,692,661	727,210,231	20,643,836	743,510
Valencia Reginal Investments Ltd.	66,700,000	(136,660,412)	-	(3,068)
Vnderscor International Holdings Ltd.	87,003,850	(177,236,910)	-	(13,348)
Sphinx Egypt	21,449,067	15,695,077	192,422	(1,783,878)
Mena Joint Investment fund	290,437,553	277,400,078	-	-
Africa Joint Investment fund	526,745,236	521,007,933	-	-
Ascom	1,718,962,090	97,928,359	54,125,483	(11,483,500)
Every's	3,777,724	(61,970,104)	176,584	(1,451,312)
Modern	2,001,000	(11,248,204)	-	6,632
Bright Living	1,763,968	(12,049,640)	-	-
Grandview Investment Holdings-BVI	2,022,390,683	589,609,924	99,704,264	7,551,491

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

42 Capital Commitments

The capital commitments as at March 31, 2018 represented in the following:

42/1 Egyptian refining company
Represented in non-exercised contracts amounted to 788,025,810 USD equivalent to 13,853,493,740 EGP (2017:98,496,727 USD equivalent to 1,779,835,857 EGP)

42/2 ASEC for Manufacturing and Industries project Co. (ARESCO)

	Contract amount 31 March 2018	Contract amount 31 December 2017
Work shop (1)	-	675,000
Work shop (7)	-	3,285,000
Work shop (9)	-	370,000
Self-extinguishing system in the factory	100,350	100,350
Legal Consultancy fees	1,500,000	1,500,000
Total	**1,600,350**	**5,930,350**

43 Contingent liabilities

The contingent liabilities as at December 31, 201 are represented in the following:

43.1 ASEC Automation Co. (ASA)

	31 March 2018	31 December 2017
Letter of guarantee	821,202	1,822,607
Total	**821,202**	**1,822,607**

43.2 ASEC Environmental Protection Co. (ASENPRO)

	31 March 2018	31 December 2017
Letter of guarantee	740,000	1,487,475
Total	**740,000**	**1,487,475**

43.3 Arab Swiss Engineering Co. (ASEC)

	31 March 2018			31 December 2017		
	Euro	Dirham	EGP	Euro	Dirham	EGP
Letter of guarantee	782,237	240,675	**30,940,000**	765,195	241,220	34,315,000
Total	**782,737**	**240,675**	**30,940,000**	**765,195**	**241,220**	**34,315,000**

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Contingent liabilities (continued)

43.4 ASEC for Manufacturing and Industries Project Co. (ARESCO)

	31 March 2018			31 December 2017		
	Euro	USD	EGP	Euro	USD	EGP
Letter of guarantee	56,945,124	77,261,573	44,299,384	2,668,844	4,282,392	53,266,514
Total	**56,945,124**	**77,261,573**	**44,299,384**	**2,668,844**	**4,282,392**	**53,266,514**

43.5 United Foundries Company

	31 March 2018	31 December 2017
Letters of guarantee (outstanding)	-	-
Letters of guarantee (cover)	-	-
Letters of credit (cover)	3,783	-
Total	**3,783**	**-**

43.6 ASEC Company for Mining (ASCOM)

	31 March 2018	31 December 2017
Letters of guarantee — Uncovered portion (A)	22,559,519	24,977,261
Bank commitments for loans to subsidiaries (B)	653,625,372	563,521,518
Total	**676,184,891**	**588,498,779**

(A) The uncovered portion of letters of guarantee includes a letter of guarantee an amount of to EGP 1 760 100 (equivalent to US.$ 100 000) issued from one of the banks the company deals with on behalf of ASCOM Carbonate & Chemical Manufacture Company (subsidiary) at October 3, 2007 and available for use until January 1, 2018.

(B) ASEC Company for Mining (ASCOM) guarantees Glass Rock Insulation Company (subsidiary) against the loan provided to the subsidiary company from one of the banks the company deals with amounted to EUR 27 802 000 due to the subsidiary's inability to settle its obligations resulting from the mentioned loan.

44 Employees Stock Option Plan

The Company's extraordinary general assembly meeting held on February 20, 2008 approved to add a new article to the Company Article of Association to adopt a plan or more to motivate employees, managers and executive board of directors — Employees Stock Option Plan (ESOP) in accordance with decision no. 282 for 2005 which modified executive regulation for the law no. 159 / 1981.

On June 22, 2008 the Financial Regularity Authority (FRA) approved the ESOP plan and the Company has not start to apply it yet.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

45 Significant events

On July 31, 2017, the Court of Kenya issued an order to terminate the Concession Agreement granted to Rift Valley Railways (Kenya) Limited "RVRK" — Railway operator in Kenya , which is indirectly owned by the Citadel Capital Company through its subsidiary Africa Railways Limited and KU Railways Holding Limited "KURH . It has decided to form a takeover committee by all parties in the Concession Agreement to supervise the termination process of the Concession and to transfer all the assets and the employees of Rift Valley Railways (Kenya) Limited "RVRK" to "Kenya Railways Corporation" within 30 days. The Group management was unable to access the financial and accounting information for those companies as at December 31, 2017.

Based on this fact the Group management has made a total impairment provision with the entire carrying value of the assets amounting to EGP 3.52 Billion reflected in the consolidated financial statements for the year ended 31 December 2017.

On 24 January 2018, the court of Uganda issued an order to terminate the concession agreement and decided to take over all the assets effective on 25 January 2018

The consolidated financial information for KURH (KU Railways Holding Limited) for the year ended 31 December 2017 and the period ended 31 March 2018 which include RVRK and RVRU represented in the following:

	31 March 2018	31 December 2017
Total assets	3,245,489,754	3,245,489,754
Impairment of assets	(3,245,489,754)	(3,245,489,754)
Total loans and other liabilities	5,572,901,717	5,619,558,046
Net loss for the period / year	3,930,202	3,469,981,949

46 Control over Arab Refining Company (ARC)

These consolidated interim financial statements for the three-month period ended 31 March 2018 include the consolidated financial statements of the Arab Refining Company group ("ARC") and its subsidiary, the Egyptian Refining Company ("ERC"), (together referred to as the "ARC sub-group") with consolidated assets and liabilities amounting to EGP 63.8 billion and EGP 40 billion respectively at 31 March 2018 and with a consolidated loss for the three-month period then ended of EGP13.6 million. The primary asset and liability making up these totals is an asset under construction and related debt obligations. During 2017, although the share-capital of ARC was increased as per the agreed plan in several stages and the Group did not participate in these increases , the Group management continues to believe that the Group has control over ARC and ERC's operating and financial decisions and has rights to its variable returns and accordingly that it is appropriate to continue to consolidate ARC and ERC in the group's consolidated interim financial statements in accordance with Egyptain Accounting Standards, a study is in progress to confirm this belief. However, due to the limited time available before these consolidated interim financial statements are required to be submitted to the regulator by 30 June 2018, the Group's management has been unable to complete all the necessary aspects of the study into the accounting treatment and compile all the necessary documents to support their conclusions to the satisfaction of the Group's current and previous auditors. As a result, the audit opinion issued by KPMG on the Group's full financial statements for the year ended 31 December 2017, dated 14 May 2018, contained a qualification in respect of this matter. Similarly, the review conclusion relating to these consolidated interim financial statements set out on pages 1, 2 and 3 issued by PwC is also qualified.

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Control over Arab Refining Company (ARC) (continued)

The Group's management intends to complete the study before the issuance of the consolidated interim financial statements for the period ended 30 June 2018. Irrespective of that, it also believes that even if the Group did not consolidate ARC and ERC, the impact on the overall net assets of the Group would not be significant.

47 Going Concern

The Group accumulated losses reached an amount of EGP 17 billion and the Group's current liabilities exceeded its current assets at 31 March 2018 by EGP 16 billion. The Group is also in breach of its existing debt covenants and has defaulted in settling the loan instalments on their due dates. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. The Group's management has prepared the business plan that support the continuity of the Group.

The Group has prepared the business Plans for all sectors and all subsidiaries covered 5-years forecasts including expansion plans, restructure and reorganization plans. Citadel Capital Group management is working on restructuring troubled debt with lenders, which the Group considers a key objective in the coming period. The Group's management believe that the liquidity required for partial repayment of the Group's debt will be through operational cash flow as well as restructuring and disposed of non-core assets.

48 Prior years' adjustments

During the three month period ended 31 March 2018, the Group's management has amended certain comparative figurers which was applied in accordance with Egyptian Accounting Standard No. 5 "Accounting Policies and changes in accounting estimates and errors), which include the value of impairment of fixed assets and intangible assets related to financial year ended 31 December 2017 and the Group had adjusted the comparative figures for the year ended 31 December 2017 as follows:

48.1) Consolidated statement of financial position

	Balance at 31 December 2017 as previously issued	Adjustments	Adjusted balance at 1 January 2018
Fixed assets	5,297,241,063	(17,025,738)	5,280,215,325
Intangible assets	638,761,263	(32,444,040)	606,317,223
Accumulated losses	(17,152,562,091)	(18,955,749)	(17,171,517,840)
Non-controlling interest	16,709,412,000	(30,514,029)	16,678,897,971

(All amounts in the notes are shown in Egyptian Pounds unless otherwise stated)

Prior years' adjustments (continued)

48.2) Consolidated statement of profit or loss

	Balance at 31 December 2017 as previously issued	Adjustments	Adjusted balance at 1 January 2018
Impairment of fixed assets	-	(49,469,778)	(49,469,778)
Net loss for the period	(546,616,400)	(49,469,778)	(596,086,178)

48.3) Consolidated statement of comprehensive income

	Balance at 31 December 2017 as previously issued	Adjustments	Adjusted balance at 1 January 2018
Total comprehensive loss for the period	(863,395,861)	(49,469,778)	(912,865,639)